

CAT CEO's Pay Quadruples To \$10.4 Million

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Caterpillar Inc. quadrupled Doug Oberhelman's compensation last year when he was promoted to the top job at the world's largest maker of mining and construction equipment, but his \$10.4 million compensation was less than half what the retiring chief executive received, according to an Associated Press review of a regulatory filing Friday.

Oberhelman became CEO last summer and added the chairman title in the fall after Jim Owens retired. Owens' compensation more than tripled in 2010 to \$22.5 million, mostly because Caterpillar's board gave him a stock grant worth \$16 million to thank him for his leadership.

Caterpillar's board said in documents filed with the Securities and Exchange Commission that the compensation both men received was warranted because of the company's performance and because Oberhelman took on much more responsibility.

In the middle of its leadership transition, Caterpillar delivered strong results in 2010. The economy began to emerge from the depths of recession and strong demand for Caterpillar equipment continued in developing nations.

Caterpillar generated \$2.7 billion in net income, or \$4.15 per share, on revenue of \$42.6 billion last year. That was up from the \$895 million in net income, or \$1.43 per share, Caterpillar reported in 2009 on revenue of \$32.4 billion.

Caterpillar also announced acquisitions last year of mining equipment maker Bucyrus International, locomotive maker Electro-Motive Diesel, Inc. and German engine maker Motoren-Werke Mannheim.

The Peoria, Ill., based company predicts profit will continue to grow in 2011 to nearly \$6 per share on more than \$50 billion in sales.

The AP formula calculates an executive's total compensation during the last fiscal year by adding salary, bonuses, perks, above-market interest the company pays on deferred compensation and the estimated value of stock and stock options awarded during the year. The AP formula does not count changes in the present value of pension benefits. That makes the AP total slightly different in most cases from the total reported by companies to the Securities and Exchange Commission.

Caterpillar said Oberhelman received stock options worth \$6.1 million and stock grants worth \$494,608 last year as part of its long-term incentive plan.

Owens didn't receive any stock options, but he did receive the \$16 million stock grant. He served as the company's top executive from 2004 to 2010, and worked

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

for Caterpillar for more than 38 years.

As part of his retirement Owens receives an administrative assistant and computer tech support for five years. Those perks worth \$317,358 were part of \$548,821 in perks that Owens received last year.

Oberhelman's received \$63,725 in perks. Most of that was from \$45,000 worth of personal use of Caterpillar's corporate jets.

Source URL (retrieved on 01/28/2015 - 7:46pm):

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