

Dillard's salary for CEO \$770,000 His total pay tops \$4 million in filing

BY TOBY MANTHEY ARKANSAS DEMOCRAT-GAZETTE

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Little Rock-based Dillard's Inc. paid its chief executive officer about \$4.3 million last year, according to a filing with the U.S. Securities and Exchange Commission on Monday.

William Dillard II's pay of \$4,300,949 included \$770,000 in salary for the year and \$2.48 million in bonuses, among other compensation, according to the SEC. Dillard also exercised options valued at \$705,750.

In 2005, Dillard was paid \$1.61 million. However, salaries for Dillard and other executives are not comparable for the years.

Federal requirements for the disclosure of executive pay have changed.

Dillard's annual shareholder meeting is scheduled for May 19 at 9:30 a.m. at the company's corporate office at 1600 Cantrell Road in Little Rock.

The proxy that the department store chain released Monday in the filing with the SEC also disclosed the pay of other executives.

Alex Dillard, the company's president, received total compensation of \$4,053,782. That included \$680,000 in salary and \$2,482,055 in bonuses, among other compensation. Mike Dillard, executive vice president, was paid \$2,265,632. Drue Corbusier, executive vice president, received \$2,316,281.

James I. Freeman, senior vice president and chief financial officer, was paid \$2,130,075.

Corbusier and the Dillards are siblings.

In its filing, Dillard's said it develops its compensation by comparing it with other retailers, as well as public companies, which Dillard's is, that were created by families and remain managed by them. Besides Federated Department Stores Inc., those companies include Saks Inc., Nordstrom Inc., J.C. Penney Co. Inc. and Abercrombie & Fitch Co.

Dillard's also considers as a factor that "the number of senior executives retained by the company is generally lower than the number of senior executives" of similarly sized firms.

Many retailers such as Saks, which have comparable market capitalization, haven't yet issued proxy statements this year.

Also, competitors are of varying sizes. Federated's chief executive, Terry Lundgren, received \$16.3 million in 2006, The Associated Press reported this month. But Federated is about seven times the size of Dillard's in terms of market cap.

Scott Simmons, a vice president at **Crist Associates**, a Hinsdale, Ill.-based company that conducts executive searches, said his experience has been that retailers pay executives less than most industries.

"That is just the nature of what we've [seen] as we've run a few searches," he said, adding he couldn't point to a reason for the difference.

Dillard's stock closed at \$35.31 per share on Monday on the New York Stock Exchange, down 30 cents.