

## 'Cheap' National Express boss is given a bonus

National Express is boosting the pay of its chief executive Dean Finch, including handing him an extra performance-based share bonus currently worth £550,000, after deciding it hired him "on the cheap".

National Express said the enhanced package reflected Mr Finch's "significant contribution to the group's growth and continued development". Photo: Alamy

By Alistair Osborne

9:20PM BST 03 Aug 2012

Mr Finch, who took over at the bus and rail group in February 2010, is being awarded 261,407 free shares that vest in August 2017, subject to performance and him staying in the job.

His maximum annual bonus is also increasing from 125pc to 150pc of his £550,000 basic salary, while he will receive an improved pension, deliverable after 10 years of service. The shares closed up 1.3 at 211.7p.

National Express said the enhanced package reflected Mr Finch's "significant contribution to the group's growth and continued development", though the timing raised eyebrows after last week's 14pc fall in half-year profits to £82m pre-tax.

John Devaney, National Express chairman, denied the board had acted on fears Mr Finch could quit. "We got him on the cheap," he said. "When we hired him he hadn't been a public company CEO before. We paid the bottom of the range but he's proved he can do the job."

Mr Finch, a former chief operating officer at rival FirstGroup, joined from London Underground maintenance group Tube Lines. After bonuses, he has earned a total £1.45m and £1.36m in the past two years. He has played a key role in improving operations at a company which also needed a refinancing and to rebuild relations with the Government. They were in tatters after its previous management walked out on the East Coast rail contract. The company is now allowed to bid for new franchises.

Mr Devaney said: "I have talked to the major shareholders about this and everyone's happy with his performance." That included the two biggest —activist investor Elliott and Spain's Cosmen family.

Mr Finch said: "I'm very grateful for this, but it is all performance related. On the pension, I'll probably be dead before I see the benefit of that and I could decorate my bathroom with L-Tip certificates that have never come to fruition."

He said he had declined a pay rise this year because "I knew profits were going down and I thought it wasn't appropriate". Profits were hit by the loss of the East

Anglia rail franchise - a consequence of handing back the keys on the East Coast - and the scrapping of subsidies for pensioners' coach travel.

Karl Burns, a Shore Capital analyst, said: "He's done a reasonable job. I don't think there'll be many who begrudge him his increase."

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