

# The Sydney Morning Herald

SE Business - CBD  
HD No fool's gold for this conquistador  
BY Colin Kruger  
WC 797 words  
PD 15 December 2014  
SN The Sydney Morning Herald  
SC SMHH  
ED First  
PG 20  
LA English  
CY © 2014 Copyright John Fairfax Holdings Limited.  
LP

CBD

It must have been a busy year at Leighton.

TD

Along with the sale of its John Holland business on Friday, the company has only just got around to announcing the remuneration details for its Spanish chief executive, Marcelino Fernandez Verdes, who was appointed in March, and, subsequently, took the chairman's role in June.

Given that he moonlights at Leighton - he also chairs the company's controlling shareholder, Hochtief - Fernandez Verdes will only receive a \$495,000 annual "allowance" relating to his personal expenditure while undertaking his role Down Under.

He will also receive 1.2 million share appreciation rights (SAR), vesting over the two years since he started in March.

The SAR is, effectively, a cash payment reflecting the rise in Leighton's share price.

Luckily for Fernandez Verdes, the share price is up more than 20 per cent from the established price base of \$17.71 in March this year.

Alas, his maximum payout per SAR has been capped at \$32.29, which would contain his windfall at a modest \$38.75 million.

Leighton does have form on the executive pay front. Exit packages worth more than \$24 million for Leighton's former chief executive, Hamish Tyrwhitt, and chief financial officer, Peter Gregg, really impressed the powerless minority investors this year as Hochtief took control.

Intermission

James Packer might be crowning his year with plans for a five star hotel adjacent to his Melbourne casino, but something appears to be missing from the billionaire's list of 2014 achievements - his debut as a Hollywood film producer.

Packer was due to rug up in New York last month as filming began on Edward Norton's adaptation of the 1999 Jonathan Lethem novel Motherless Brooklyn.

Packer's Hollywood venture with director Brett Ratner, RatPac, is financing the film, with Norton acting and directing, but it sounds like things are not going to plan.

The most recent update from Norton was on the publicity trail for his latest flick, Birdman.

"We're working hard to assemble the resources in the window of time that we have," he said when pressed for details.

At least it will give Packer a chance to focus on his day job.

Crown shares have plunged over the past year as the **China** slowdown hits the gambling revenue at his Macau casino **operations**, Melco Crown.

Gaming revenue in October was down 23.2 per cent from a year ago and November fell 19.6 per cent to the lowest level since September 2012.

**Coal** deal digs in

CBD was pleased to see Gina Rinehart's **coal** joint venture with Indian conglomerate GVK rebut recent claims that Societe Generale's withdrawal from financing talks meant that their development dreams were at an end.

A spokesman for the GVK-Hancock Prospecting JV said finalising approvals was the present focus, and financing could wait.

"We acknowledge that legal challenges have created a delay to milestones and the commencement of construction, but they do not alter the strong **commercial** fundamentals of our projects, which remain relatively immune to cyclical **coal** prices even in these challenging times."

But if plans were progressing, CBD wondered what this meant for the little matter of Hancock having to write off \$641 **million** in payments GVK has failed to cough up on the venture.

"The instalment payments from GVK to Hancock Prospecting are a **commercial** matter between the two parties and will be dealt with accordingly," the GVK side told CBD.

The Hancock side did not come back with a comment but GVK must feel pretty comfortable. Mrs Rinehart is not particularly litigious is she?

No free ride

A reader reminded CBD that Computershare founder Chris Morris isn't just splurging on casinos with the money raised from his sell-down.

Morris also happens to be chairman of a Perth-based outfit called Smart Parking, which one day hopes to make money from its sensor-based parking management system. The system has roll-outs from Bondi to London.

Morris owns just under 31 per cent of the **company** after lifting his **stake** last month, but it has also soaked up a lot of his time.

"I have never found a **company** that was so dysfunctional," Morris told Fairfax Media in 2012 on having to roll up his sleeves and take an executive role at the **company**.

Morris said the problems included "people on the payroll who never came to the office, a total lack of accountability in the business, no controls over who spent what", an accounting system that was "not fit for purpose" and "absolutely no visibility of the financial figures".

Sounds like a little bit more due diligence was needed.

Tip? ckruger@fairfaxmedia.com.au

**CO** hocht : Hochtief AG | ocisa : ACS Actividades de Construcciones y Servicios SA

**IN** icre : Real Estate/Construction

**NS** c184 : Joint Ventures | c411 : Management Moves | csImc : Senior Level Management | c18 : Ownership Changes | c41 : Management | cactio : Corporate Actions | ccat : Corporate/Industrial News | ncat : Content Types | nfact : Factiva Filters | nfcpx : C&E Executive News Filter | nfcpin : C&E Industry News Filter

**RE** austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

**PUB** Fairfax Media Management Pty Limited

**AN** Document SMHH000020141214eacf0001e