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## Diller calls executive pay 'no big deal'

Barry Diller, chief executive of internet group IAC, has lashed out at corporate governance reforms for undermining the competitiveness of US business and dismissed executive compensation as "no big deal" for shareholders.



In an interview with the Financial Times, Mr Diller, one of the best-known and best-paid media executives, said the greater scrutiny of corporate America had made management overly cautious and was pushing many companies, including his own, to consider going private.

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"We [Americans] have found ways to take our competitive edge actually mechanically away from us," Mr Diller said. "You have boards now that are skittish in every area. They've made chief executives very skittish."

The former head of Paramount Pictures and founder of News Corp's Fox television network, Mr Diller has built IAC into a collection of internet businesses, including the Expedia travel service, Ticketmaster and Match.com dating site.

More recently, he has become both a target and vocal critic of the corporate governance movement, which has risen up in the wake of US business scandals, such as Enron.

His comments are a stark departure from the stance on pay and corporate governance taken by many of America's leading chief executives.

Mr Diller said executive compensation was "a very tiny slice" of companies' overall expenses and blamed journalists for inflaming the issue. "I think it's close to criminal," he said of recent press coverage critical of high levels of executive pay.

Mr Diller came to the defence of Robert Nardelli, the former Home Depot chief executive, who was lambasted by shareholders after he left the company and got a \$210m severance package in spite of its poor performance.

"Bob Nardelli is no friend of mine. But Bob Nardelli signed a contract," Mr Diller said. "They stole him away from other companies to come work for Home Depot at the time when he was a superstar."

Turning to the media industry, Mr Diller said that Google would struggle to come to terms with traditional media companies that have so far resisted doing deals to distribute their copyrighted video content on YouTube, the online video site it acquired last year for \$1.65bn. Viacom is suing Google and YouTube for copyright infringement while two other media giants, News Corp and NBC Universal, last week announced plans to start a rival site in a move to control the burgeoning market for online video.

"They're in an impossible situation," Mr Diller said of Google, which is now trying to license content from those companies.

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