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Comparative Analysis of Salaries in Law Firms in Spain

November 2009



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- 1 Executive Summary
- 2 Study Results
- 3 Conclusions
- 4 The Firm



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1 Executive Summary

OBJECTIVE:

As in earlier editions, this document attempts to summarize the current market situation of remuneration packages offered by leading law firms, analyzing the salary ranges of the different professional categories and comparing them with the same data collected for previous years.



1 Executive Summary

UNIVERSE

In order to carry out this study both national and international firms, as well as the fiscal and legal divisions of the Big 4 with more than 50 professionals were taken into account. This provides an analytical data set of the remunerations of over 7,800 sector professionals. The included data corresponds to the remuneration for the following categories of Entry-Level, Junior Associate, Associate, Senior Associate and Director in the above mentioned firms. The fixed salary, variable salary and benefit package are analyzed in relation to the corresponding professional category of each individual.



1 Executive Summary - Data sample and variables

Data Sample:

Remuneration packages of firms representing more than 6,500 professionals, amounting to a market sample of 80 %.

Variables:

This study once again collects the comparative results of monetary remuneration but also includes elements of non-monetary benefits such as:

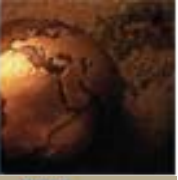
- Meal tickets
- Day Care aid
- Retirement Packages
- Language classes
- Laptop
- Cellular phone and service
- Parking space
- Housing aid
- Others (extra vacation days, internet, 100% sickness pay, etc.)



1 Executive Summary - Professional categories

For the purposes of this study, professional positions have been grouped together based on the following guide:

| Market Category | | Category in the Study |
|-------------------|---|-----------------------|
| Up to 1 year | ➔ | Entry-Level |
| From 1 to 3 years | ➔ | Junior Associate |
| From 4 to 6 years | ➔ | Associate |
| From 7 to 9 years | ➔ | Senior Associate |
| 10 years and up | ➔ | Director |



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2 Study Results

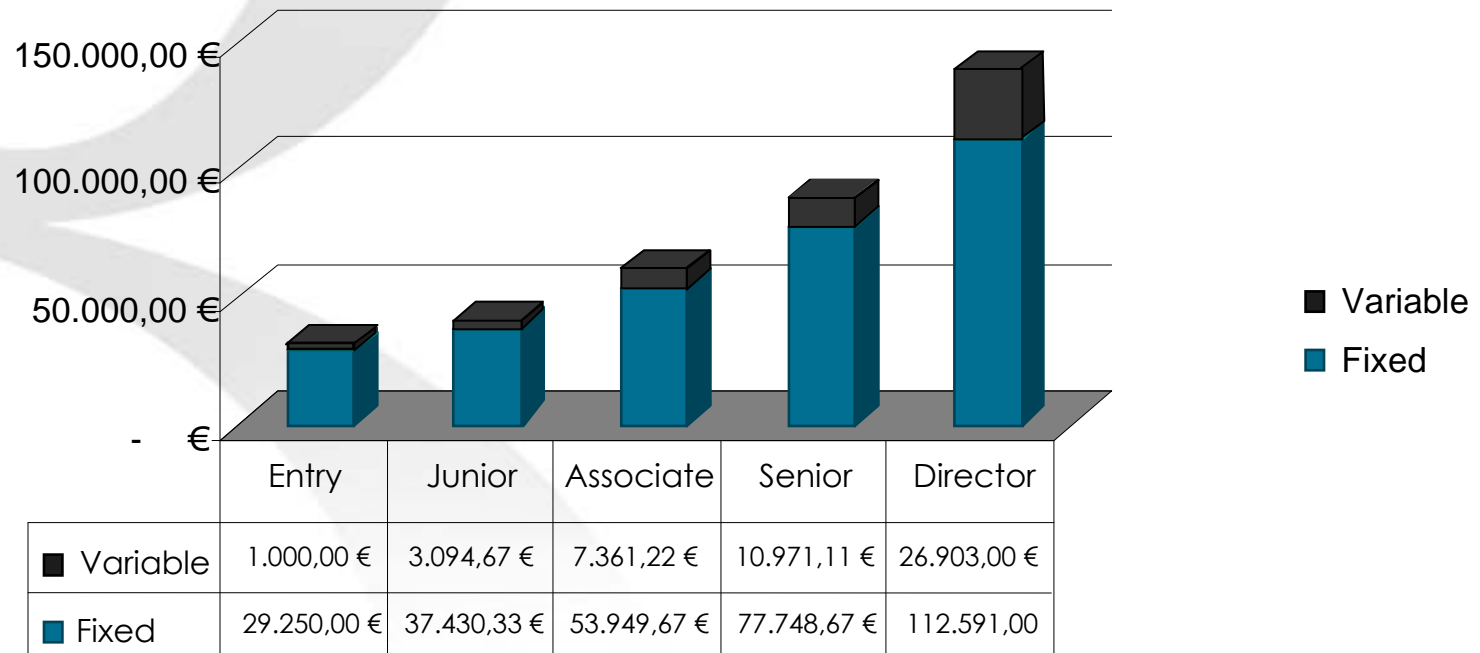
Salary Structure (Fixed + Variable)

| | FIXED | | | VARIABLE | | | Total (Fixed + Variable) | |
|------------------|----------|-----------|-----------|----------|----------|----------|--------------------------|-----------|
| | Minimum | Average | Maximum | Minimum | Average | Maximum | Total Average | Q3 |
| Entry | 22.333 € | 29.250 € | 34.000 € | 1.000 € | 1.000 € | 1.000 € | 30.250 € | 34.333 € |
| Junior | 32.778 € | 37.430 € | 42.583 € | 3.303 € | 3.095 € | 4.536 € | 40.525 € | 47.120 € |
| Associate | 44.389 € | 53.950 € | 63.208 € | 4.617 € | 7.361 € | 10.433 € | 61.311 € | 73.642 € |
| Senior | 66.272 € | 77.749 € | 87.444 € | 6.111 € | 10.971 € | 19.772 € | 88.720 € | 107.217 € |
| Director | 96.667 € | 112.591 € | 130.286 € | 12.667 € | 26.903 € | 35.667 € | 139.494 € | 165.952 € |



2 Study Results

Relation of fixed to variable of average salaries

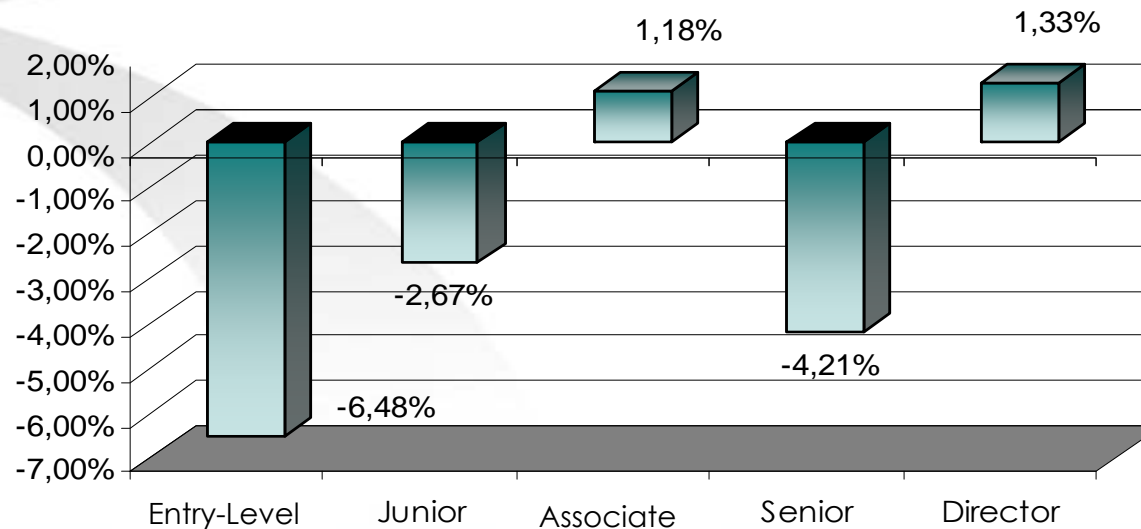




2 Study Results

Salary Variation (Fixed + Variable)

| | Average 2008 | Average 2009 | Variation |
|-------------|--------------|--------------|-----------|
| Entry-Level | 32.211 € | 30.250 € | -6,48% |
| Junior | 41.607 € | 40.525 € | -2,67% |
| Associate | 60.587 € | 61.311 € | 1,18% |
| Senior | 92.456 € | 88.720 € | -4,21% |
| Director | 137.637 € | 139.494 € | 1,33% |

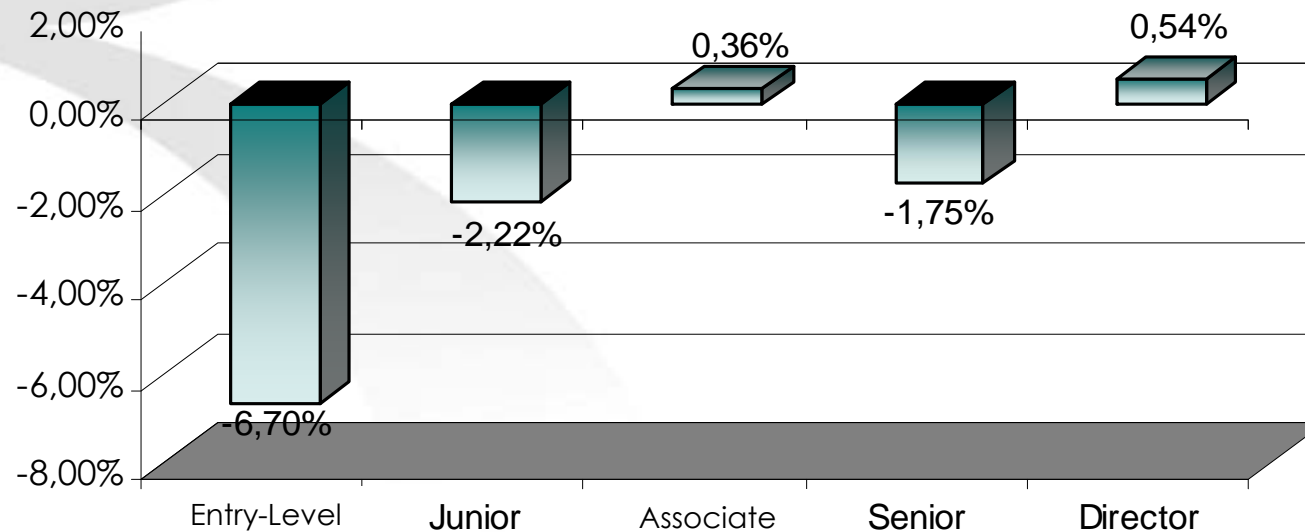




2 Study Results

Salary Variations (Fixed)

| | Fixed 2008 | Fixed 2009 | Variation |
|-------------|------------|------------|-----------|
| Entry-Level | 31.211 € | 29.250 € | -6,70% |
| Junior | 38.260 € | 37.430 € | -2,22% |
| Associate | 53.755 € | 53.950 € | 0,36% |
| Senior | 79.111 € | 77.749 € | -1,75% |
| Director | 111.984 € | 112.591 € | 0,54% |

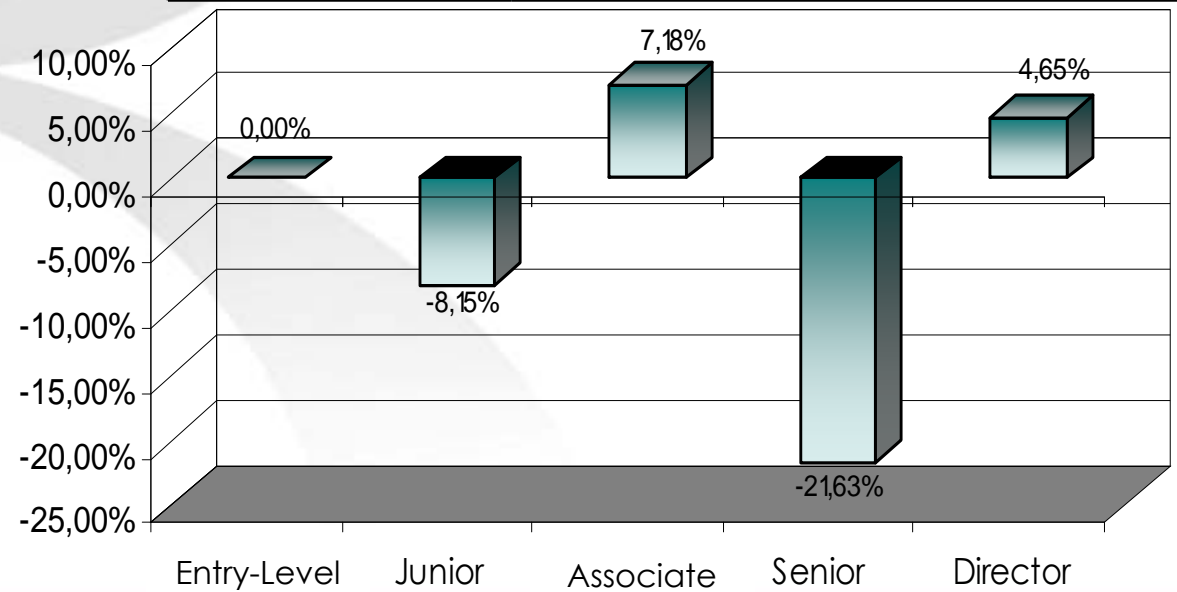


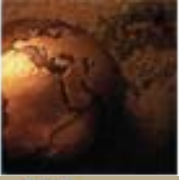


2 Study Results

Salary Variations (Variable)

| | Variable 2008 | Variable 2009 | Variation |
|-------------|---------------|---------------|-----------|
| Entry-Level | 1.000 € | 1.000 € | 0,00% |
| Junior | 3.347 € | 3.095 € | -8,15% |
| Associate | 6.833 € | 7.361 € | 7,18% |
| Senior | 13.344 € | 10.971 € | -21,63% |
| Director | 25.653 € | 26.903 € | 4,65% |





2 Study Results

Other significant characteristics in remuneration policies (Non-Monetary Benefits)

- 95 % of law firms analyzed have implemented a flexible remuneration system within their compensation structure, although the majority offer this option starting at the level of Associate.
- A new offering in flexible remuneration in many law firms is the possibility of including a gym membership and monthly fee.
- More than 60% of the firms now include Daycare vouchers as an option in flexible remuneration, and 90 % include Restaurant Tickets in the same part of the salary package.
- A garage space is more generalized now as an option but usually starting at the Senior Associate level.
- Other new non-monetary benefits include options such as 100% Sick Pay, housing aid, or DSL internet service at home.



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3 Conclusions

Generally speaking a break in the growth trend of the last few years in total remuneration can be observed. The decrease in the hiring of newly graduated lawyers is of particular note.

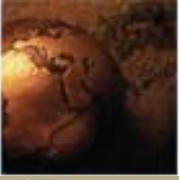
- Fixed remuneration has decreased more so in the salaries offered to recent graduates and Junior Associates, and has practically remained stable in the remaining categories when compared to 2008.
- Variable remuneration has evolved in a disparate manner although one can highlight the decrease of almost 22% suffered by Senior Associates in their variable remuneration when compared to 2008 levels.
- Flexible remuneration has consolidated as a form of remuneration, and a majority of law firms now implement this system.



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1 Company - *Overview*

Signium International is the second oldest firm in the profession and is one of the most prestigious executive search firms in the world.

As one of the founders of AESC (The Association of Executive Search Consultants), it assisted in developing the Ethical and Professional Codes for the sector, still conscientiously maintained in the firm to this day.

Signium has a network of 45 offices, strategically distributed in 29 countries with more than a 150 high-qualified consultants. Although the technical resources and quality standards are the same for each of our offices, the Signium Board constitutes partners from each country, thus representing the diversity and global nature of the firm. It is our partners who are responsible for managing strategy, communications and teams throughout the organization. In this manner, we achieve constant quality standards and methodology.

As Signium has developed, we have concentrated on recruiting candidates for top level positions. Signium defines the search for directors as an extension of management consultancy. We know our clients' business and are aware of movements in the sector as well as projections for the future. We are the eyes and ears of the market, which helps us to prepare companies for the future. We set out to ensure that our clients are able to continue growing in an ever-changing market.

Ignacio Bao (Madrid, Spain) is currently Worldwide Chairman of Signium International, and German Alcayde (Madrid, Spain) is the Group Leader for the Global Legal Practice.



*Projected office 2009

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- ▶ Tampa

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 - ▶ Panama
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 - ▶ Stockholm
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 - ▶ Zurich
- UK
 - ▶ London

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- Singapore
 - ▶ Singapore

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 - ▶ Perth
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