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Comparative Analysis of the Compensation of Law Firms

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1 Executive Summary OBJECTIVE (I)

The objective of this analysis is to determine the patterns the market follows in regards to Lawyer compensations. This analysis includes categories that range from Entry level to Director Associates.

To fulfill this objective we analyzed Law Firms in Madrid, including both national and international firms with more than 50 practicing professionals. Which therefore means we analyzed the compensation that affects more than 5,700 professionals.

1 Executive Summary OBJECTIVE (II):

We analyzed law firms compensation that include more than 4,047 professionals which constitutes a sample of 71%, taking into account between 10 and 12 variables.

- Analysis sample: More than 4,047 professionals.
- References: 10 to 12 variables.

2 Executive Summary OBJECTIVE (III):

We have grouped the professionals in the following categories:

Categories in the market

Entry level

From the 1st year until
the 3rd

From the 4th year until
the 6th

From the 7th year until
the 9th

Director



Categories in the study

Entry

Junior

Associate

Senior Associate

Director

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2 Conclusions

The average salaries determined by the types of firm:

NATIONAL		Average	Q3
Entry	Fixed	24,205	24,675
	Variable	0	0
	TOTAL	24,205	24,205
Junior	Fixed	30,002	32,978
	Variable	0	0
	TOTAL	30,002	32,978
Associate	Fixed	46,961	49,233
	Variable	2,675	5,025
	TOTAL	49,636	54,258
Senior Associate	Fixed	76,136	83,636
	Variable	8,950	9,150
	TOTAL	85,086	92,786
Director	Fixed	105,333	108,000
	Variable	13,535	13,964
	TOTAL	118,868	121,964

INTERNATIONAL		Average	Q3
Entry	Fixed	25,561	26,250
	Variable	0	0
	TOTAL	25,561	26,250
Junior	Fixed	30,798	31,340
	Variable	367	2,000
	TOTAL	31,165	33,340
Associate	Fixed	48,663	47,667
	Variable	3,239	5,619
	TOTAL	51,902	53,286
Senior Associate	Fixed	81,685	90,000
	Variable	13,235	16,311
	TOTAL	94,920	106,311
Director	Fixed	110,866	123,616
	Variable	20,011	28,555
	TOTAL	130,877	152,171

BIG 4		Average	Q3
Entry	Fixed	22,000	22,250
	Variable	0	0
	TOTAL	22,000	22,250
Junior	Fixed	27,000	29,125
	Variable	1,563	2,344
	TOTAL	28,563	31,469
Associate	Fixed	43,167	48,083
	Variable	6,625	9,938
	TOTAL	49,792	58,021
Senior Associate	Fixed	63,500	72,250
	Variable	15,217	19,758
	TOTAL	78,717	92,008
Director	Fixed	103,750	105,625
	Variable	32,375	32,438
	TOTAL	136,125	138,063

*Q3: Paid higher than 75% of the averages analyzed

2 Conclusions

Overall average salaries (Fixed / Variable)

TOTAL		Average	Q3
Entry	Fixed	24,426	25,294
	Variable	0	0
	TOTAL	24,426	25,264
Junior	Fixed	29,876	32,543
	Variable	751	2,120
	TOTAL	30,627	34,663
Associate	Fixed	47,003	49,583
	Variable	3,691	5,690
	TOTAL	50,693	55,273
Senior Associate	Fixed	77,633	89,272
	Variable	11,917	12,299
	TOTAL	89,551	101,571
Director	Fixed	107,440	116,000
	Variable	23,483	28,555
	TOTAL	130,923	144,555

2 Conclusions

Salary increases determined by the type of Firm

In comparison with the study carried out last year, an increase is clearly reflected in all of the categories:

<u>National</u>	% Increase
Entry	7.80 %
Junior	7.88 %
Associate	4.28 %
Senior Associate	4.65 %
Director	3.95 %

<u>International</u>	% Increase
Entry	12.80 %
Junior	6.81 %
Associate	5.63 %
Senior Associate	7.37 %
Director	6.68 %

<u>Big 4</u>	Increase
Entry	15.79 %
Junior	10.92 %
Associate	8.83 %
Senior Associate	16.83 %
Director	11.74 %

2 Conclusions

Salary increases Fixed / Variable

Total	Fixed		Variable		Total	
	Average	Q3	Average	Q3	Average	Q3
Entry	11.18%	4.28%	0.00%	0.00%	11.18%	4.28%
Junior	6.57%	5.65%	86.35%	51.43%	7,70%	7,64%
Associate	4.90%	1.23%	5.70%	2.52%	4.96%	1.88%
Senior Associate	9.36%	9.37%	17.27%	21.52%	10.35%	10.71%
Director	3.76%	2.61%	29.14%	36.96%	8.05%	8.54%

2 Conclusions

Other benefits

90% of the law firms analyzed use honorary variables as a type of compensation, compared with 75% last year.

Social benefits:

- Life insurance and medical insurance are used by more than 60% and 85% respectively in the firms analyzed, compared with 50% and 60% last year.
- Flexible compensation is used by more than 20% of the firms analyzed.
- Pension plans more than 15% the firms analyzed, compared with 10% last year.
- Mobile phones and parking spaces are used by more than 85% of the firms analyzed, compared with 65% last year.
- 65% of the firms pay for the Law Fees.

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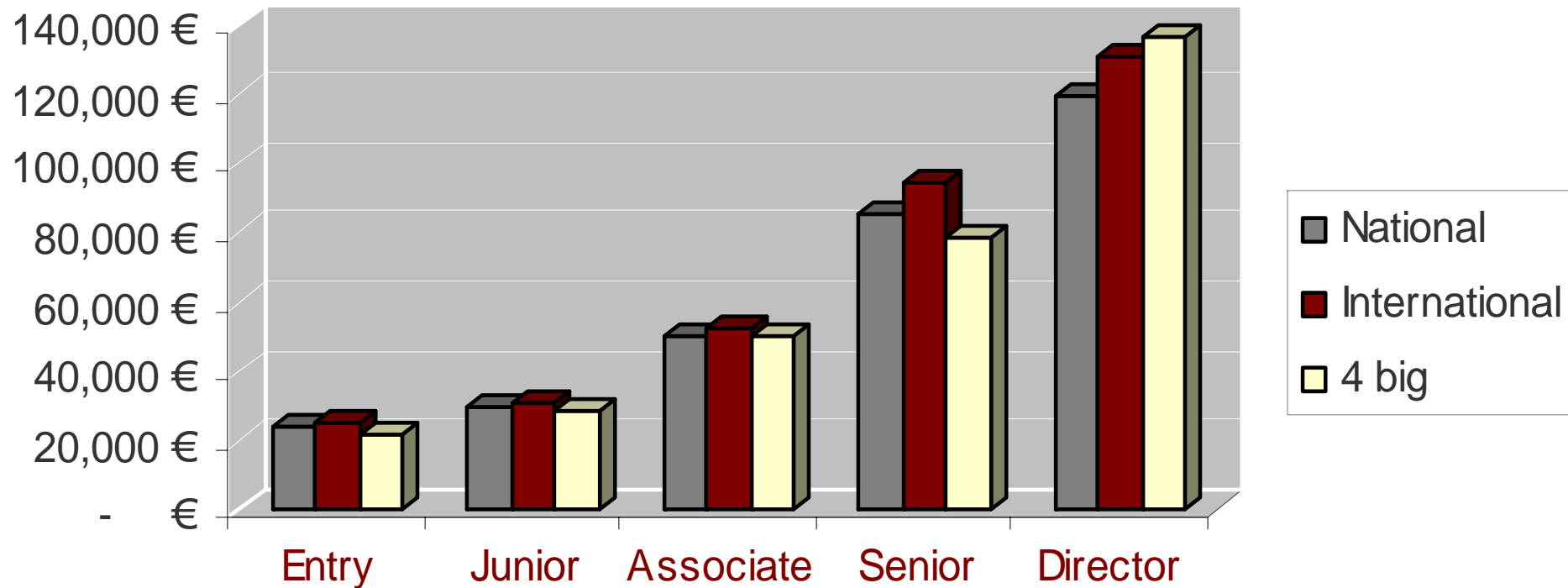
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3 Benchmark of the Compensation Strategy of the firms

Comparison of the compensations of different Law Firms

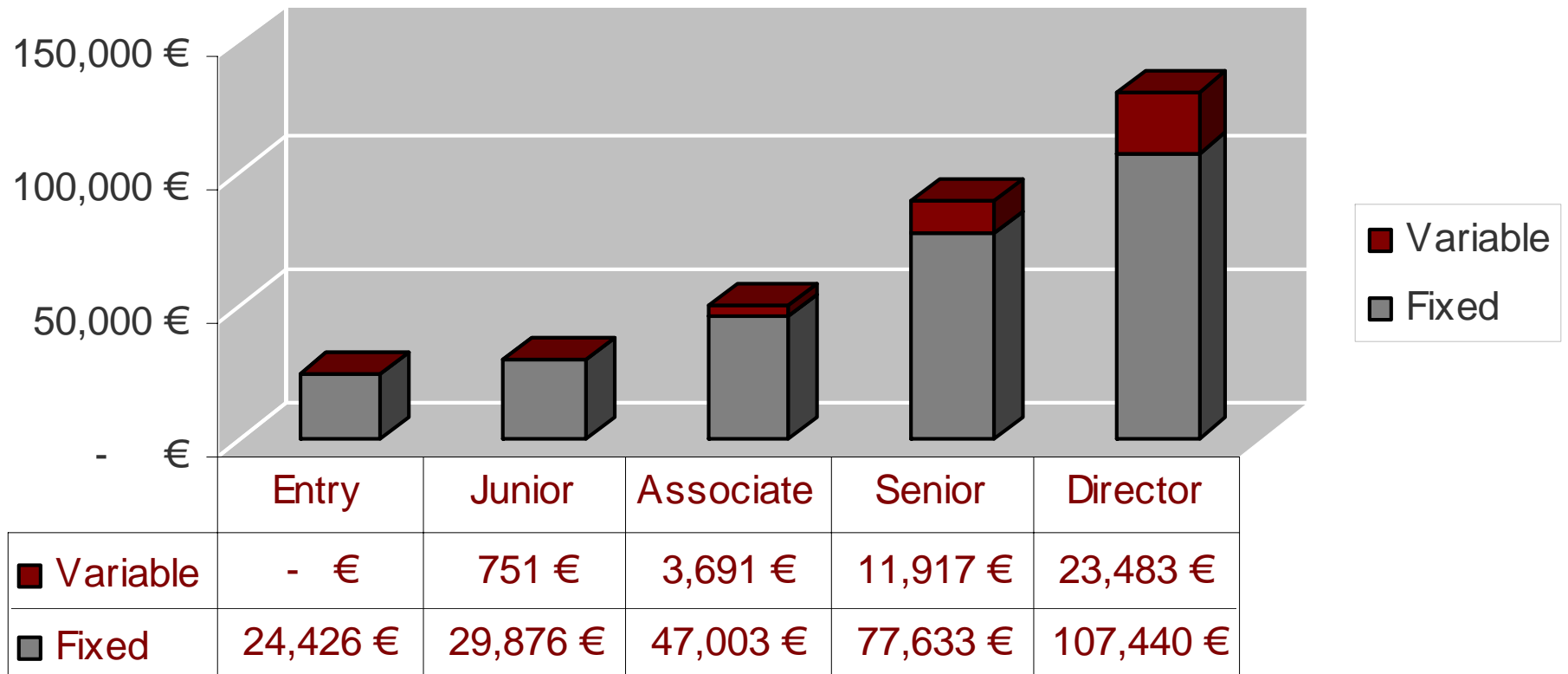
Compensation for different Law Firms



3 Benchmark of the Compensation Strategy of the Firms

Compensation proportion Fixed / Variable

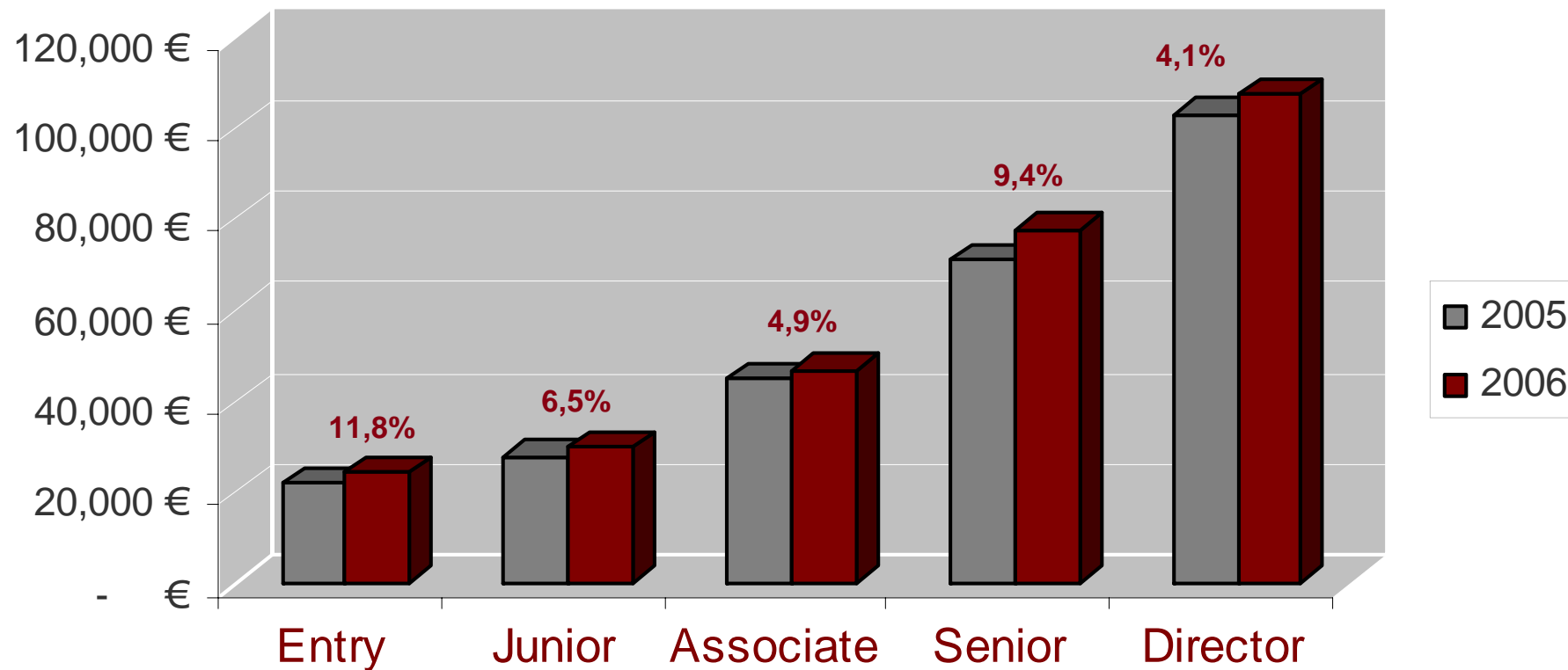
Salary: Fixed / Variable



3 Benchmark of the Compensation Strategy of the Firms

Salary Evolution in the Law Firms in the last year

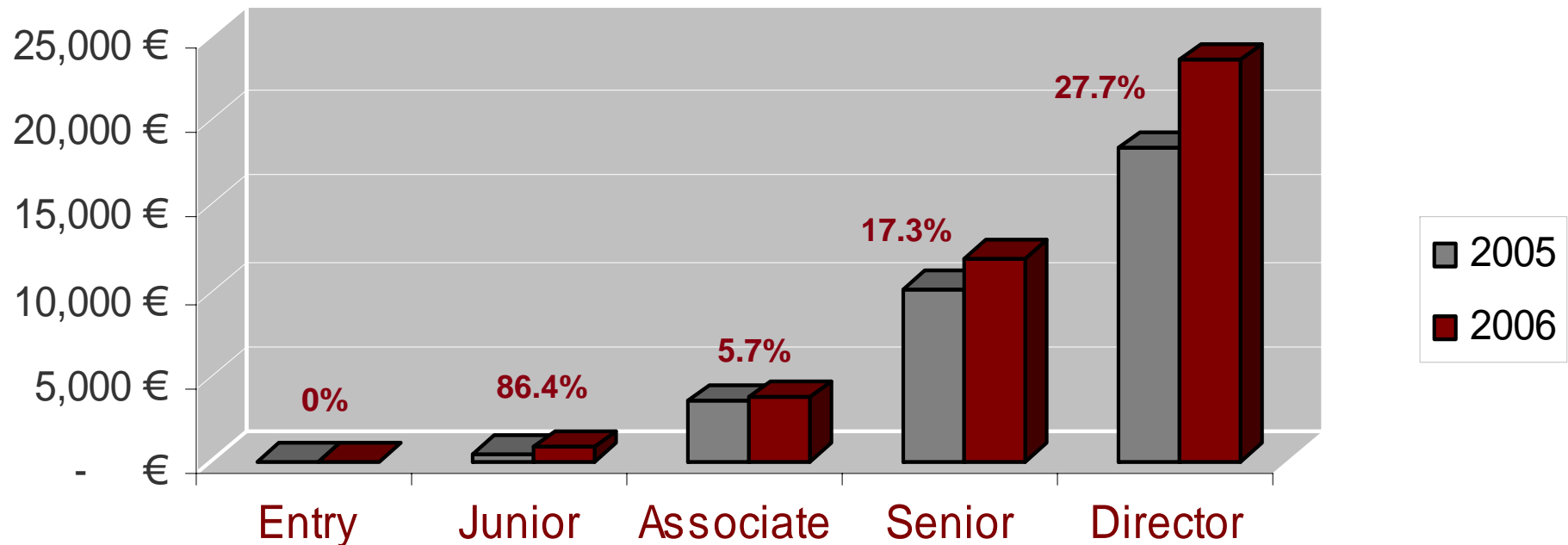
Salary Increases (Fixed)



3 Benchmark of the Compensation Strategy of the firms

Salary Evolution in the Firms in the last year

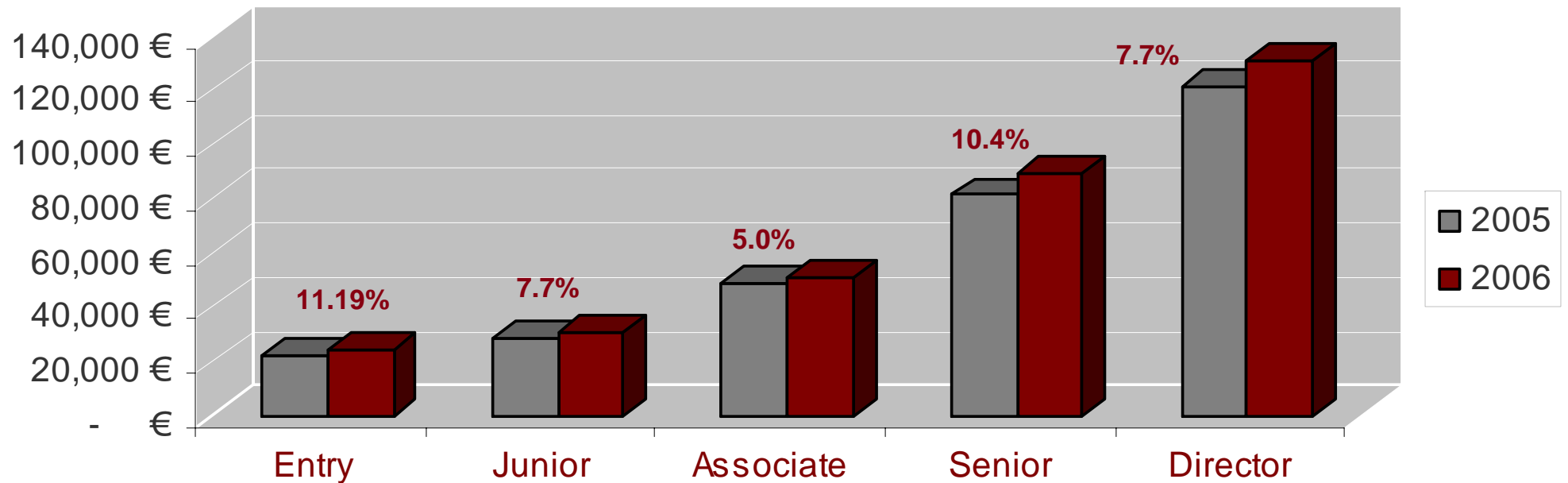
Salary Variation (variable)



3 Benchmark of the Compensation Strategy of the Firms

Salary Evolution in the Law Firms in the last year

Salary Variation (Fixed/Variable)





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