

Specialists' remuneration analysis

Prepared for
**Polish Information and Foreign
Investment Agency**

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Remuneration by regions

In the upcoming year 2013 the salary raises will be lower than in the current one only in Northern Poland and province of Katowice. Interestingly, despite Silesia being generally considered an attractive investment area, the latest estimates show, that this does not translate into higher specialists' remuneration. Only in province of Wrocław will the salary raises break the threshold of 5%. It seems that the salaries are growing in accordance to a steady economic growth of the area. There is also a rather bright outlook for province of Warszawa (approx. 4,44% salary raise) and Eastern Poland (4%).

In the charts below regions are defined as follows:

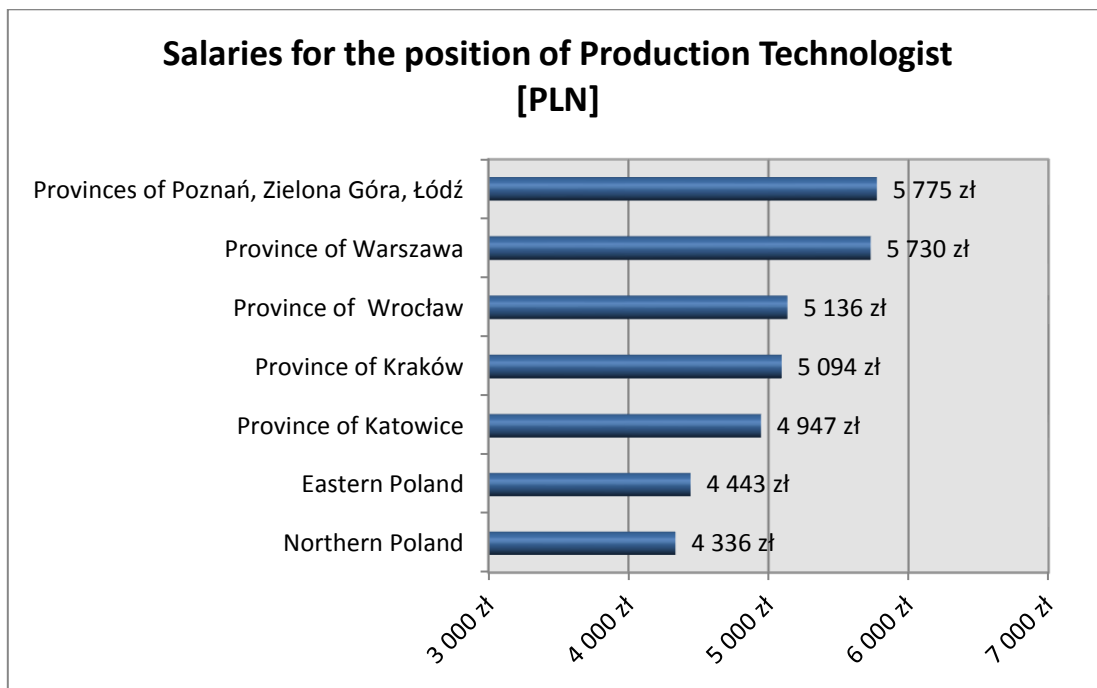
Eastern Poland - provinces of Lublin, Kielce, Rzeszów, Białystok

Northern Poland - provinces of Bydgoszcz, Olsztyn, Szczecin

Region	Average salary raises in 2012	Average salary raises planned for 2013
Province of Warszawa	2,68%	4,44%
Provinces of Wrocław, Opole	5,81%	5,89%
Northern Poland	2,72%	2,00%
Province of Kraków	3,25%	2,56%
Eastern Poland	3,19%	4,00%
Province of Katowice	3,63%	3,57%
Provinces of Poznań, Zielona Góra, Łódź	3,58%	3,75%

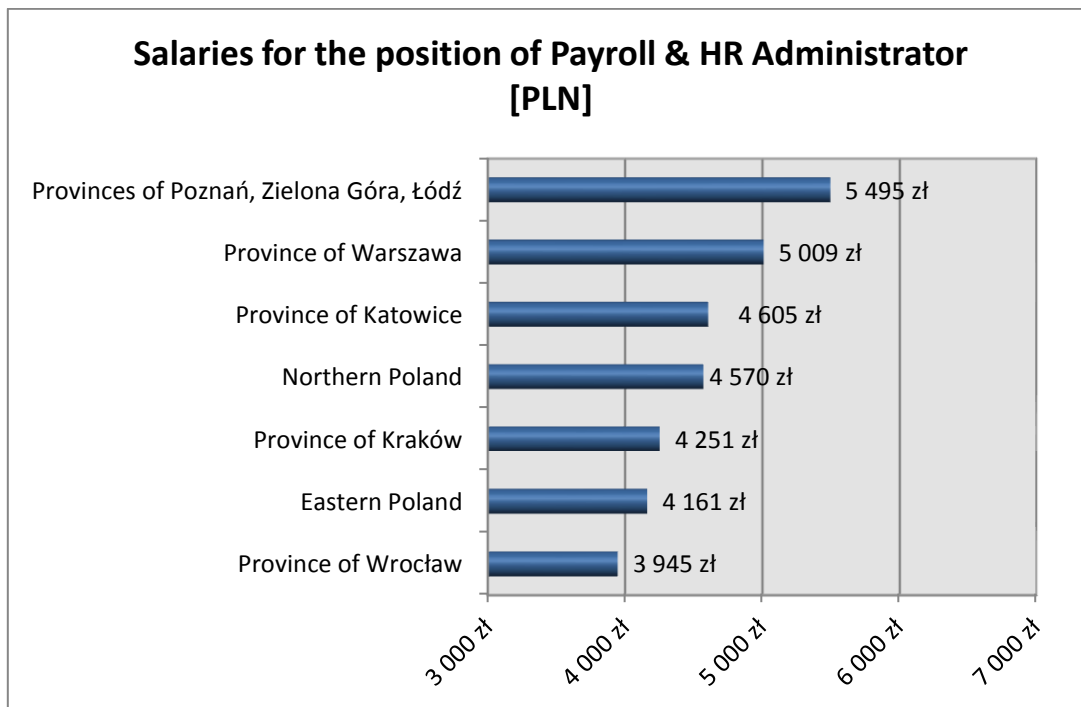
Source: Salary Raises Analysis, Autumn 2012 edition

Average gross pay for Production Technologist varies from 4 336 PLN to over 5 000 PLN. The highest pay for this position was noted in the provinces of Poznań, Zielona Góra & Łódź - an average of 5 775 PLN. Province of Warszawa comes right behind them. Also those working in provinces of Wrocław and Kraków earn over 5 000 PLN a month.



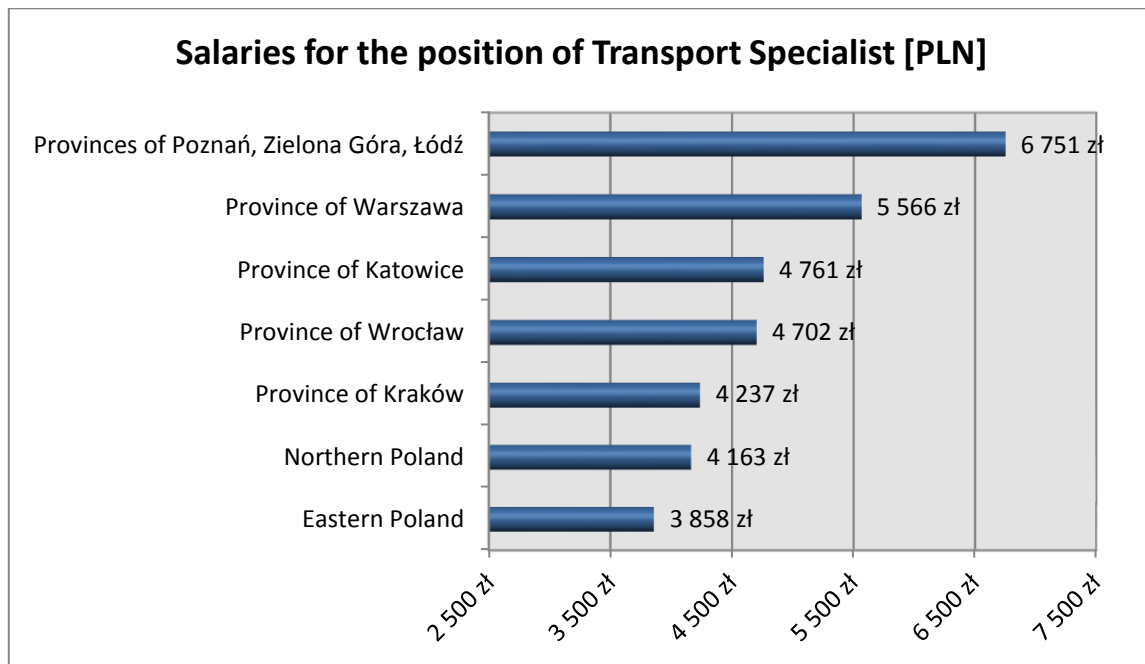
Source: Comprehensive Salary Survey, Autumn 2012 edition

As for the position of Payroll & HR Administrator, the highest salaries are also given in provinces of Poznań, Zielona Góra & Łódź - approx. 5 495 PLN gross. Again, province of Warszawa comes as second. The lowest pay is offered to employees in province of Wrocław (3 945 PLN).



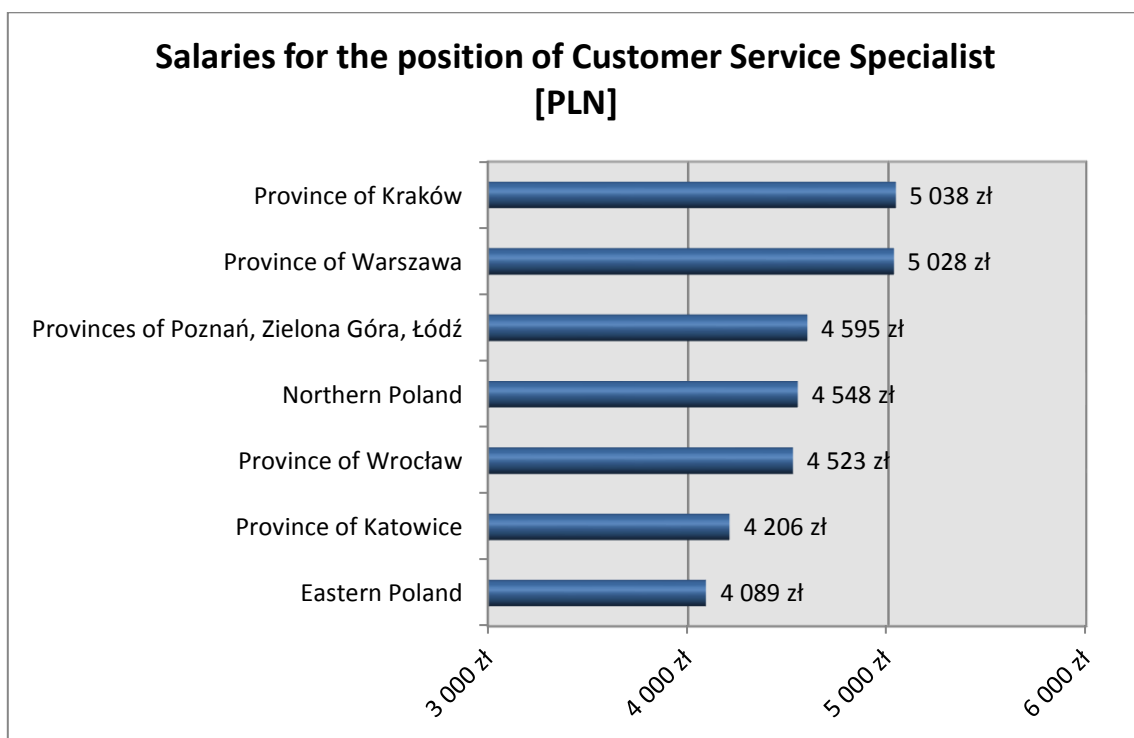
Source: Comprehensive Salary Survey, Autumn 2012 edition

The situation is similar for Transport Specialists. Once again, their salaries are the highest in the provinces of Poznań, Zielona Góra & Łódź - 6 751 PLN. Coming second is province of Warszawa, although in this case the difference in pay is over 1 000 PLN. The lowest remuneration is offered to employees in Eastern Poland. Their pay can be as much as 50% lower in comparison to the best-paying areas.



Source: Comprehensive Salary Survey, Autumn 2012 edition

The salaries of Customer Service Specialist are the least diversified. The disproportion between province of Kraków, where it is the highest (5 038 PLN), and Eastern Poland - the most humble one - is only about 1 000 PLN.



Source: Comprehensive Salary Survey, Autumn 2012 edition

Remuneration in economic sectors

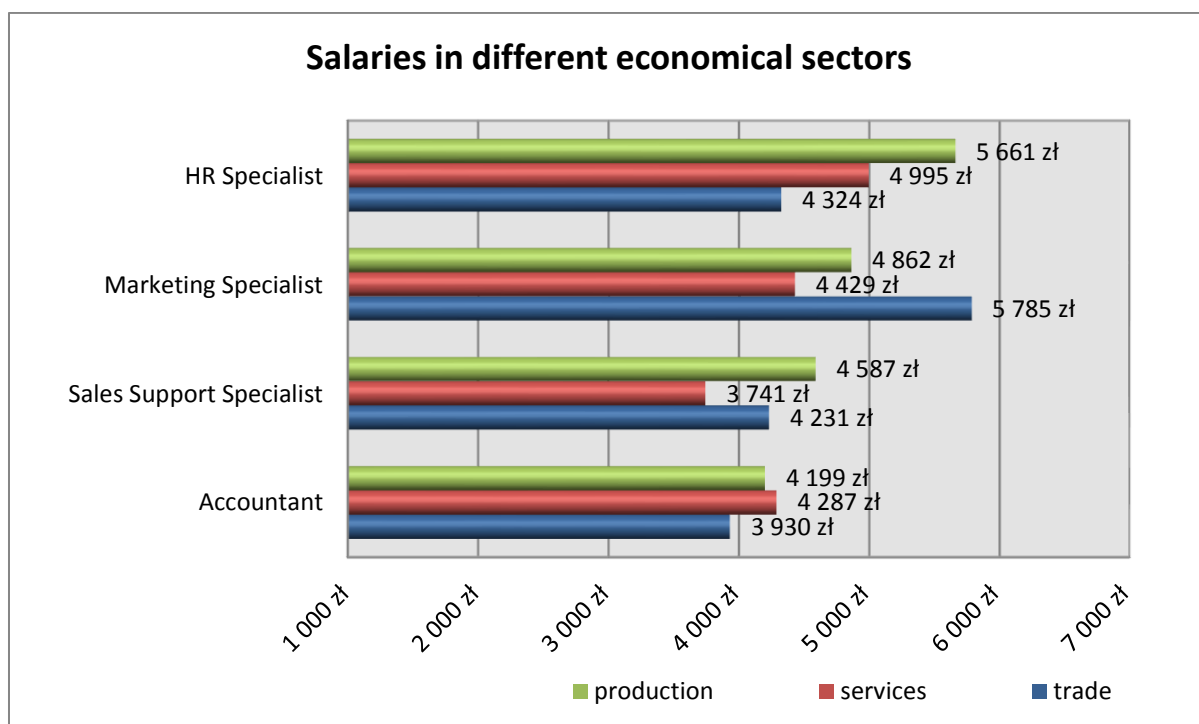
It appears that the salary raises conducted in 2012, as well as those planned for the following year, are barely related to the economy sector. The highest raises are planned for production companies - approx. 4,1%, whereas the lowest (3,45%) are assumed to appear to appear in service-related companies.

Sector	Average salary raises in 2012	Average salary raises planned for 2013
Trade	2,93%	3,66%
Production	3,99%	4,10%
Services	3,03%	3,45%

Source: Salary Raises Analysis, Autumn 2012 edition

The economy sector, within which the company operates, also affects the salaries on a given position. They seem to be the highest in production companies. The biggest discrepancy emerges in case of an HR Specialist - the difference between production and trading companies is over 1 000 PLN. Marketing specialist remains an exception. The highest remuneration is offered in trade, which reflects the crucial role of marketing in that sector.

The discrepancies are small for universal positions, equally valued in all types of companies. For an accountant the pay difference is only approx. 300 PLN.



Source: Comprehensive Salary Survey, Autumn 2012 edition

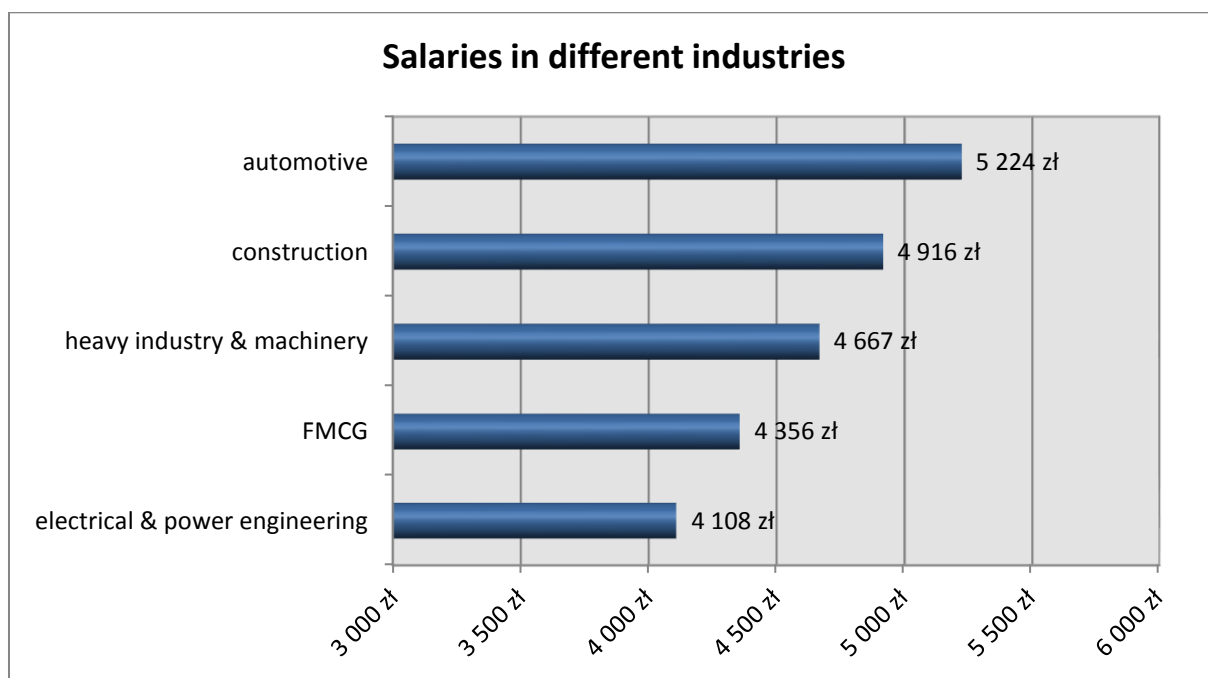
Remuneration in different industries

The salary raises planned for the upcoming year 2013 are, for majority of industries, higher than those conducted in the current year. The exceptions are construction companies and heavy industry & machinery companies. In year 2012 the biggest increase has been noted in automotive industry (on average by 4,71%) and according to our estimations, this tendency will sustain (5,05% in 2013).

Industry	Average salary raises in 2012	Average salary raises planned for 2013
construction	4,70%	4,47%
electrical & power engineering	2,76%	3,15%
FMCG	2,38%	3,50%
IT	3,89%	4,00%
automotive	4,71%	5,05%
heavy industry & machinery	4,58%	4,00%

Source: Salary Raises Analysis, Autumn 2012 edition

The importance of automotive industry for Polish economy in the past few years impacts the pay of its employees. When comparing the salaries in different industries, automotive comes first with an average of 5 224 PLN monthly. Only approx. 300 PLN less is given to specialists in construction companies. Specialists in electrical & power engineering companies remain the lowest-paid group with an average salary of 4 108 PLN.



Source: Comprehensive Salary Survey, Autumn 2012 edition

Remuneration in companies of different sizes

The data indicates that all of the companies, regardless of their employment size, intend to increase the salary raises percentage next year in comparison to the current one. In 2012 the highest salary increase took place in medium-sized companies (100-500 employees), and this tendency seems to continue through next year's plans. This might be one of the ways of preventing personnel fluctuation towards large businesses.

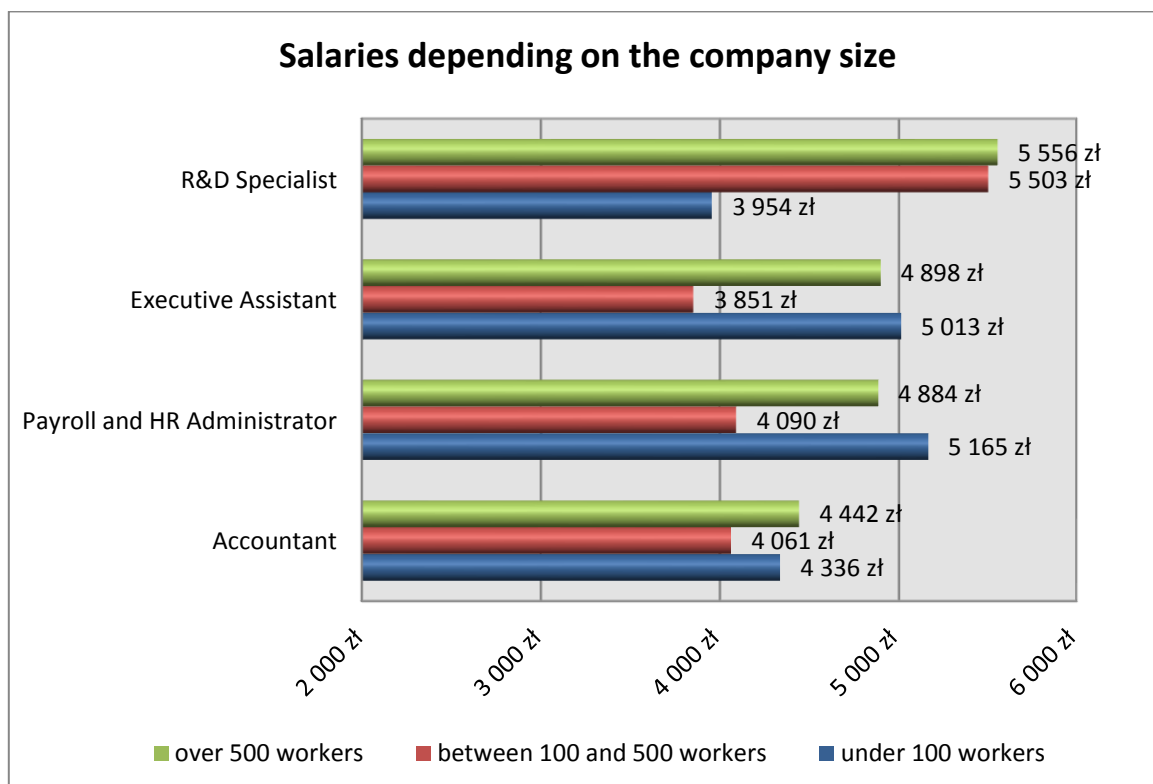
Company size	Average salary raises in 2012	Average salary raises planned for 2013
under 100 employees	2,90%	3,07%
between 100 and 500 employees	3,92%	4,24%
over 500 employees	3,70%	3,84%

Source: Salary Raises Analysis, Autumn 2012 edition

The data gathered by Advisory Group TEST Human Resources shows, that the earnings of specialists employed in small companies are just under the salaries of those from large companies (500+ employees). People hired in small businesses often have a wider range of duties and responsibilities, which is reflected in their salaries.

It becomes particularly visible when discussing administrative positions. An Executive Assistant, Payroll & HR Administrator or an Accountant will earn the least in a medium-sized company. Interestingly, the remuneration of those positions in both small and large companies are similar, with the average difference of 300 - 400 PLN.

An R&D Specialist in a medium or large company earns approx. 5 500 PLN gross. Yet their remuneration in companies of under 100 employees is about 1 500 PLN lower. It could be due to the fact, that small companies rarely run R&D activities.



Source: Comprehensive Salary Survey, Autumn 2012 edition

Remuneration in companies with different capital origins

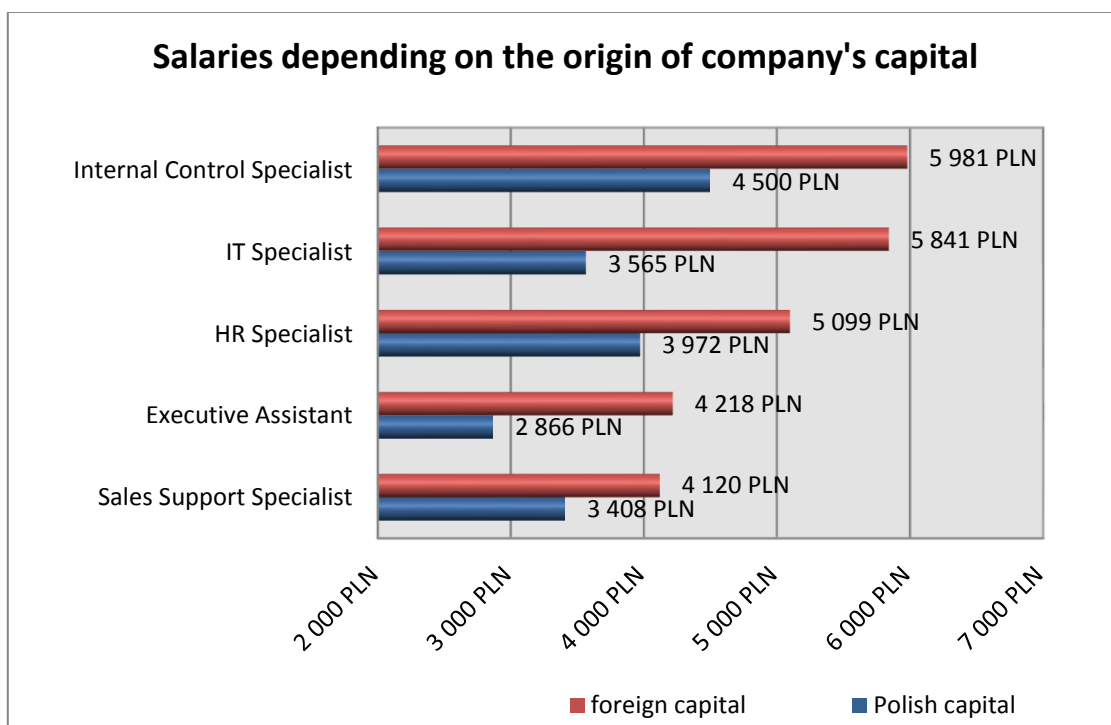
For both current and the following year, the average salary raises rates in companies with foreign capital are nearly twice as high, as those in Polish companies.

Origin of capital	Average salary raises in 2012	Average salary raises planned for 2013
Polish capital	2,29%	2,76%
Foreign capital	3,93%	3,67%

Source: Salary Raises Analysis, Autumn 2012 edition

The capital's origin appears to one of the most important factors influencing remuneration. The specialists employed in companies of foreign origin earn on average 30% more than those working in Polish companies.

This difference is the smallest for accountants - approx. 800 PLN. In positions such as Administration Specialist, Payroll & HR Administrator or IT Specialist the discrepancy circulates around 1 200 - 1 500 PLN. The biggest difference is visible in case of Internal Control Specialist.



Source: Comprehensive Salary Survey, Autumn 2012 edition

Benefits

Year after year benefits grow to be more important of the motivational system. For specialists the most common one, given to 65% of them, are external trainings and courses, aiming to develop the employees' knowledge and skills. The employers value professional, competent team members, therefore it is becoming common practise to invest in their education, also by subsidies towards it. An additional advantage is the employee's loyalty.

Other popular benefits include sports subsidies, insurance, private health care or shopping vouchers. Stock options are still a curiosity.

Type of benefit	Occurence
External trainings and courses	65%
Subsidies: sports	33%
Subsidies: education - third degree education, MBA, language courses etc.	32%
Shopping vouchers	29%
Private health care	27%
Additional insurance	25%
Subsidies: meals	25%
Mobile phone	22%
Subsidies: culture and entertainment	21%
Laptop	11%
Subsidies: commuting cost	8%
Long-term benefits (i.e. stock options)	5%
Company car	3%
Subsidies: accommodation	3%

Source: Comprehensive Salary Survey, Autumn 2012 edition