

8. Labour Costs

BASIC DATA

	Y 2004	17 466
	Y 2005	18 344
	Y 2006	19 546
	Y 2007	20 957
	Y 2008	22 593
	Y 2009	23 488
	Y 2010	23 951
Minimum wage per month in 2011, in CZK		8 000
Employer's social and health insurance contributions		34%

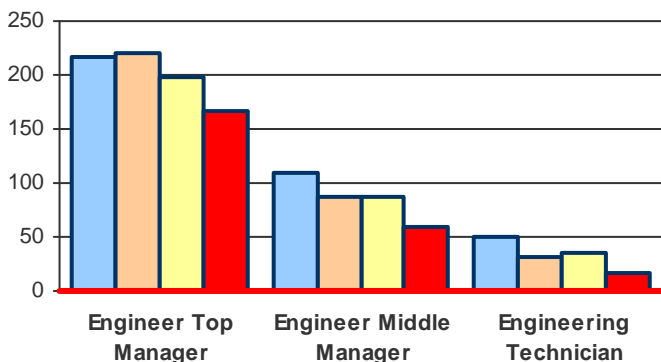
Average exchange rates CZK/EUR: 31.904 (2004), 29.784 (2005), 28.343 (2006), 27.762 (2007), 24.942 (2008), 26.445 (2009), 25.29 (2010)

Source: Czech Statistical Office 2011, Czech National Bank 2011

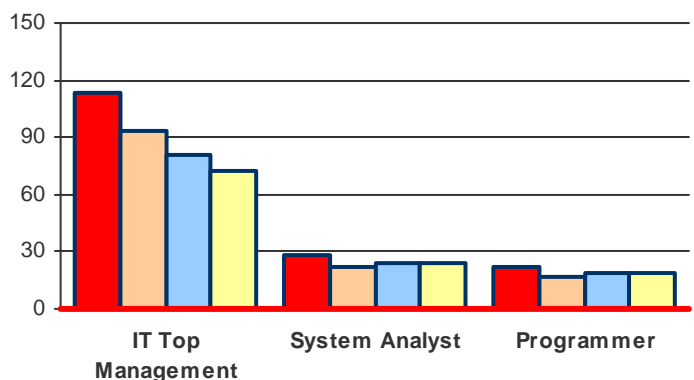
In comparison to other CEE countries, Czech Republic has higher level of labour costs but very well educated, skilled and multi-lingual labour force. Over the past five years average annual wage has grown around 6-7% but it is coming from much lower base compared to Western Europe. Moreover the weaker CZK to EUR/USD exchange rate has recently made salaries more favourable and is expected to remain relatively stable at these levels.

ANNUAL BASIC GUARANTEED SALARY* COMPARISON (median, thousand EUR)

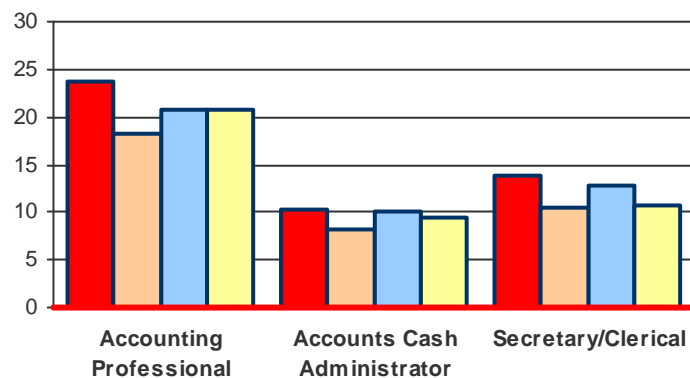
■ Germany ■ United Kingdom ■ France ■ Czech Republic



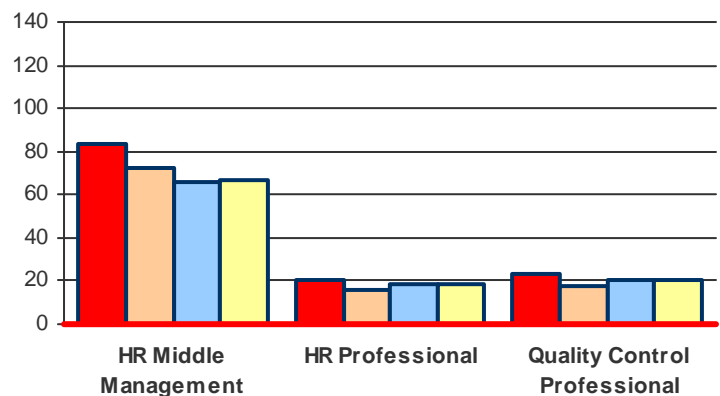
■ Czech Republic ■ Poland ■ Hungary ■ Slovakia



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■ Czech Republic ■ Poland ■ Hungary ■ Slovakia



*Annual Basic Guaranteed Salary represents 12 months salary plus any guaranteed additional months or bonuses such as legal vacation pay, extra contractual months, etc. as well as fixed cash allowances (such as housing, transportation, etc.). Data effective - July 1 2010.

Source: Global 50. Remuneration Planning Report 2010/2011, Watson Wyatt Data Services

Last update: April 2011

Fact Sheet No.8 – Labour Costs

AVERAGE MONTHLY WAGES IN SELECTED SECTORS AND POSITIONS IN THE CZECH REPUBLIC IN 2010 (EUR/MONTH)

CZ-NACE	EUR
Financial and insurance activities	1 848
Information and communication	1 693
Electricity, gas, steam and air conditioning supply	1 514
Professional, scientific and technical activities	1 186
Mining and quarrying	1 093
Human health and social work activities	944
Industry	909
Transportation and storage	898
Manufacturing	887
Real estate activities	874
Water supply, sewerage, waste management and remediation activities	873
Wholesale and retail trade; repair of motor vehicles and motorcycles	847
Construction	843
Agriculture, forestry and fishing	705
Administrative and support service activities	638
Accommodation and food service activities	497

Average exchange rate CZK/EUR: 25.29 (2010)

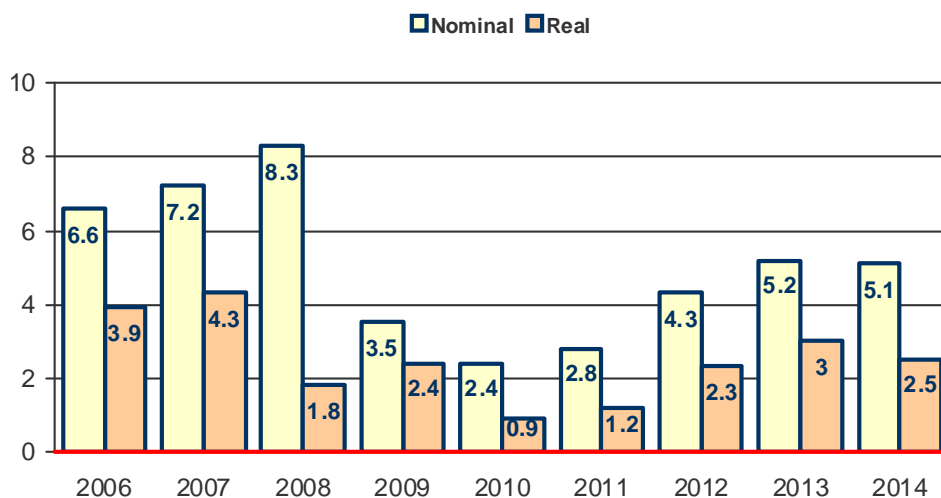
Source: Czech Statistical Office 2011, Czech National Bank 2011

ISCO CODE	EUR
Legislators, senior officials and managers	1 556
Professionals	1 422
Technicians and associate professionals	1 053
Clerks	781
Service workers and shop and market sales workers	552
Skilled agricultural and fishery workers	681
Craft and related trades workers	830
Plant and machine operators and assemblers	816
Elementary occupations	547

Average exchange rate CZK/EUR: 25.29 (2010)

Source: Ministry of Labour and Social Affairs, 2011

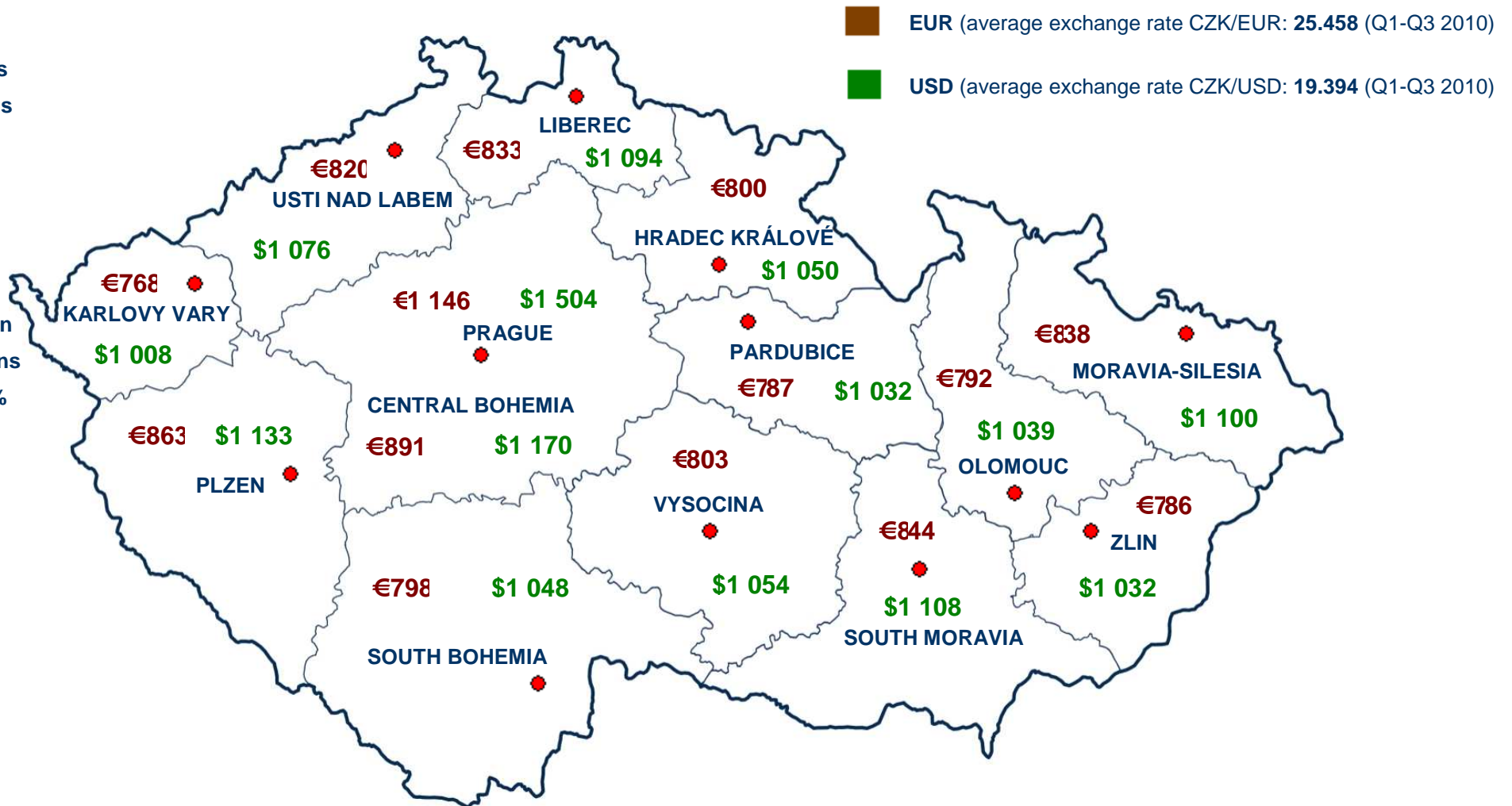
NOMINAL AND REAL WAGE GROWTH - FORECASTS (%)



Source: Patria Online, April 2011

AVERAGE GROSS MONTHLY WAGES IN THE REGIONS OF CZECH REPUBLIC, Q1-Q3 2010

Differences in remunerations among regions reach approx. 20%. Traditionally, employees in Prague are paid more than in other regions (currently 25% above Czech average). The lowest salary level is in the Karlovy Vary Region (16% below the Czech average).



Source: Czech Statistical Office, 2011