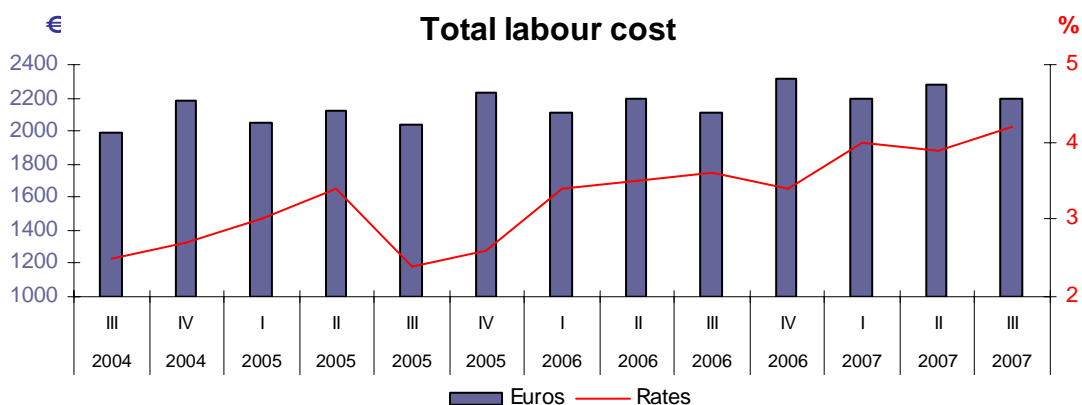


Quarterly Labour Cost Survey
Third quarter 2007

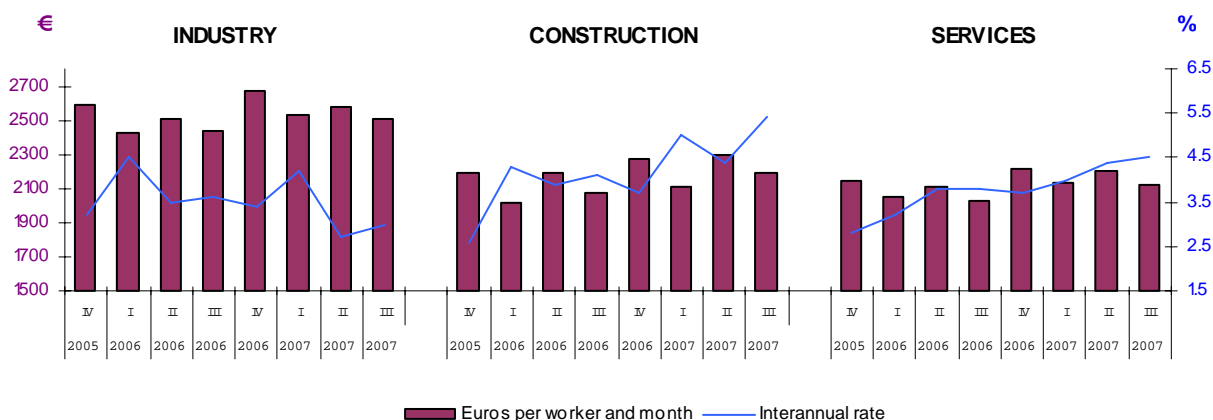
The Labour Cost for companies increases 4.2% during the third quarter with respect to the same period in 2006

The interannual rate of Wages and Salaries increases 3.8%, whereas Other Costs increase 5.2%

The average Labour Cost per employee and month was 2,200.61 euros for the third quarter of 2007, indicating a 4.2% growth as compared with the same period of the previous year.



By activity sector, the highest Labour Cost was registered in Industry, with an average Total Cost of 2,506.53 euros per employee and month (3.0% more than in the third quarter of 2006), followed by Construction, with 2,188.55 euros and an interannual growth of 5.4%, and Services, with 2,122.68 euros (4.5% higher than the same period in 2006).



The Labour Cost per hour actually worked increases 5.1%

Labour Costs per hour actually worked increased 5.1% in the third quarter of 2007. This increase, which exceeded that of Labour Costs per employee, was the result of the 0.8% drop in the number of hours worked during said quarter.

The Costs per hour of work increased (3.9%) in Industry, (5.8%) in Construction and (5.4%) in Services, as a result of the decrease in hours worked as compared with the third quarter of 2006, (-0.8%) in Industry, (-0.3%) in Construction and (-0.9%) in Services.

National results

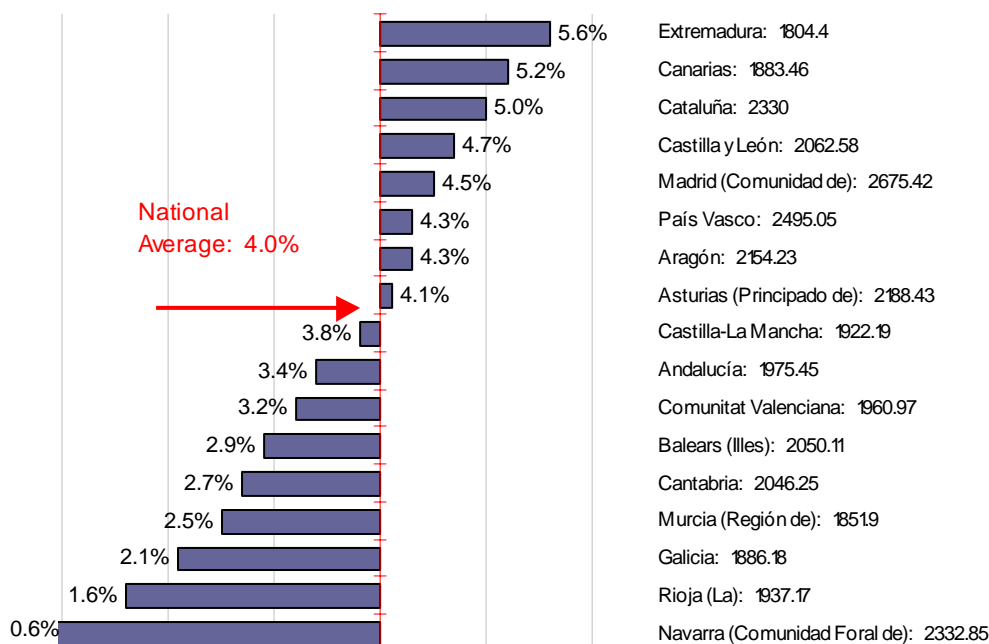
	Labour cost per worker and month			Labour cost per effective hour		
	Euros	Index	Rate ⁽¹⁾	Euros	Index	Rate ⁽¹⁾
TOTAL	2,200.61	125.2	4.2	17.36	138.2	5.1
INDUSTRY	2,506.53	126.7	3.0	19.86	145.6	3.9
CONSTRUCTION	2,188.55	134.0	5.4	15.62	144.1	5.8
SERVICES	2,122.68	124.9	4.5	17.08	136.7	5.4

(1) Same quarter previous year

País Vasco has the highest Labour Cost per employee and month

By Autonomous Community, the highest Labour Costs corresponded to País Vasco (2,662.39 euros per employee and month), Comunidad de Madrid (2,576.78 euros), and Comunidad Foral de Navarra (2,413.45 euros). On the other hand, Extremadura (1,834.32 euros), Región de Murcia (1,863.16 euros) and Canarias (1,883.69 euros) had the lowest costs.

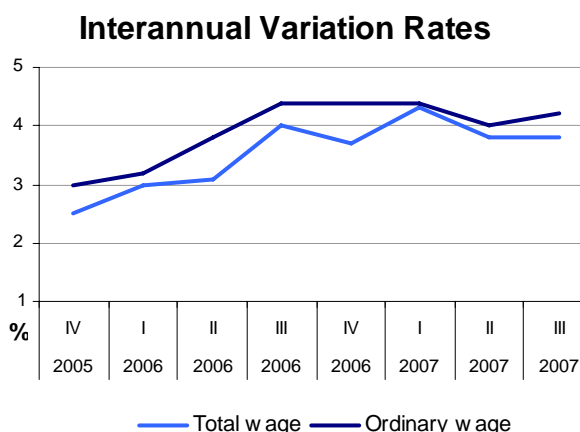
Total labour cost: Interannual variation 4.0%



Growth of labour costs was uneven in the various Communities. Canarias (5.5%), País Vasco (5.1%) and Cataluña (4.9%) registered the largest increases, whereas Región de Murcia (3.1%), Comunidad de Madrid (3.2%) and Castilla y León (3.3%) registered the most moderate increases.

Wages and Salaries increase 3.8%

Average Wages and Salaries per employee and month were 1,608.06 euros for the third quarter of 2007, indicating an increase of 3.8% with respect to the same period of the previous year. The ordinary wage (that is, without extraordinary or arrears) increased 4.2%. The 0.4% difference with respect to the total salary was due to the sum of the arrears and the extra payments and bonuses remaining at practically the same level as the previous year.



By sector, the highest Wages and Salaries were registered in Industry, with an average gross salary of 1,834.47 euros per employee and month (2.3% more than in the third quarter of 2006), followed by Services (with 1,570.80 euros and a 4.2% growth) and Construction (1,497.55 euros and a 4.8% growth).

Wage cost per worker and month

	Total wage cost		Ordinary wage cost	
	Euros	Rate (1)	Euros	Rate (1)
TOTAL	1,608.06	3.8 4	1,468.30	4.2
Industry	1,834.47	2.3 2	1,627.75	3.0
Construction	1,497.55	4.8 5	1,416.79	5.1
Services	1,570.80	4.2 4	1,436.78	4.5

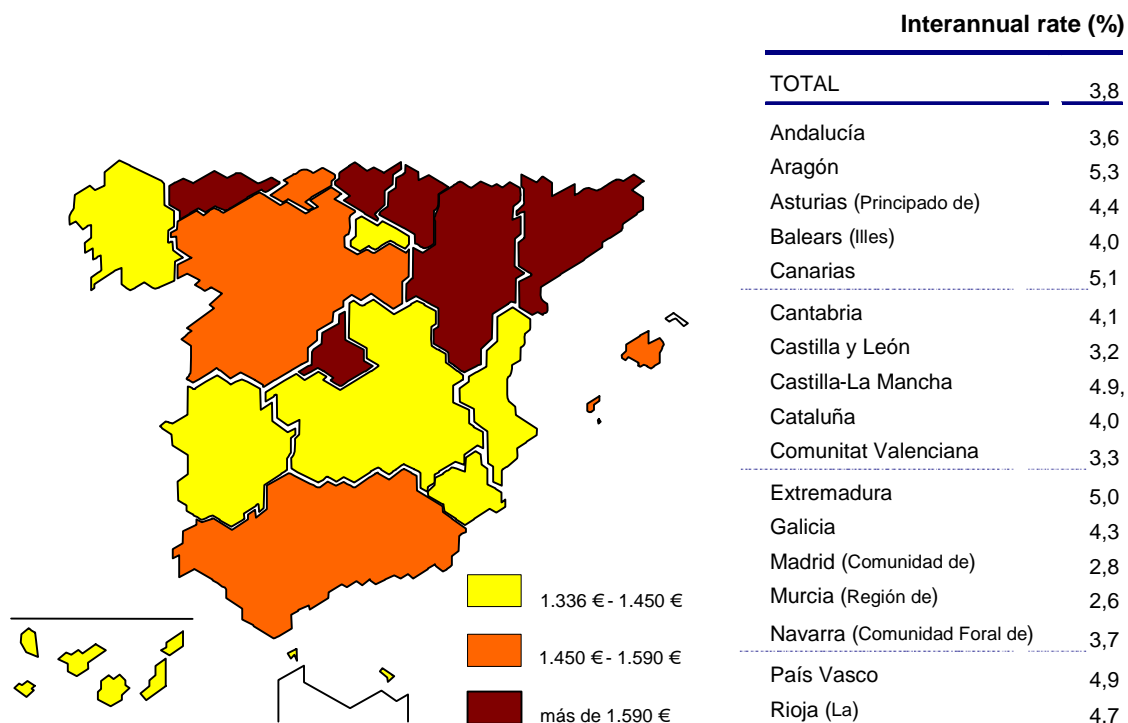
(1) Same quarter previous year

The most substantial influence of extraordinary and arrears was produced in Industry (0.7 points), followed by Construction (0.3 points) and Services (0.3 points). The strongest growth in ordinary wages was registered in Construction (5.1%), followed by Services (4.5%) and Industry (3.0%).

By Community, the highest salaries were registered in País Vasco (1,971.59 euros per employee and month), Comunidad de Madrid (1,909.08 euros) and Comunidad Foral de Navarra (1,784.29 euros). In contrast, Extremadura (1,336.39 euros), Región de Murcia (1,344.19 euros) and Canarias (1,366.01 euros) registered the lowest salaries.

As regards the growth of the total Wages and Salaries, Aragón (5.3%), Canarias (5.1%) and Extremadura (5%) were the Communities that registered the highest increases. Región de Murcia (2.6%), Comunidad de Madrid (2.8%) and Castilla y León (3.2%) had the most moderate increases.

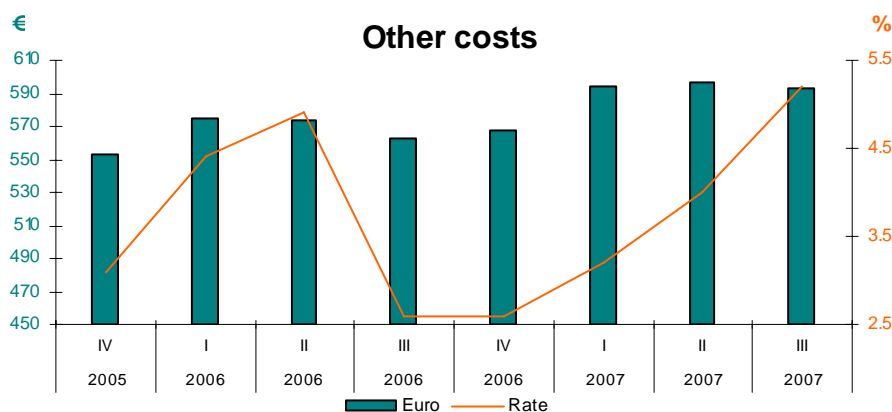
Labour cost by worker and month



Other Labour Costs grow 5.2%

The average value of Other Labour Costs per employee and month was 592.55 euros. The most important component of Other Costs was **Statutory Social Security Contributions, which increased 4.1%**. The rest of the growth of Other Costs was due to the increase in Non-Wage Payments.

Both Direct Corporate Contributions and Other Non-Wage Payments (compensatory payments, wear and tear of tools, compensation for relocations and end of contract, etc.) exhibited growth in all sectors, with compensation for dismissal and end of contract being the most noteworthy, especially in Construction. This behaviour led to growth in Other Costs of 6.8% in Construction, 5.2% in Services and 4.8% in Industry.



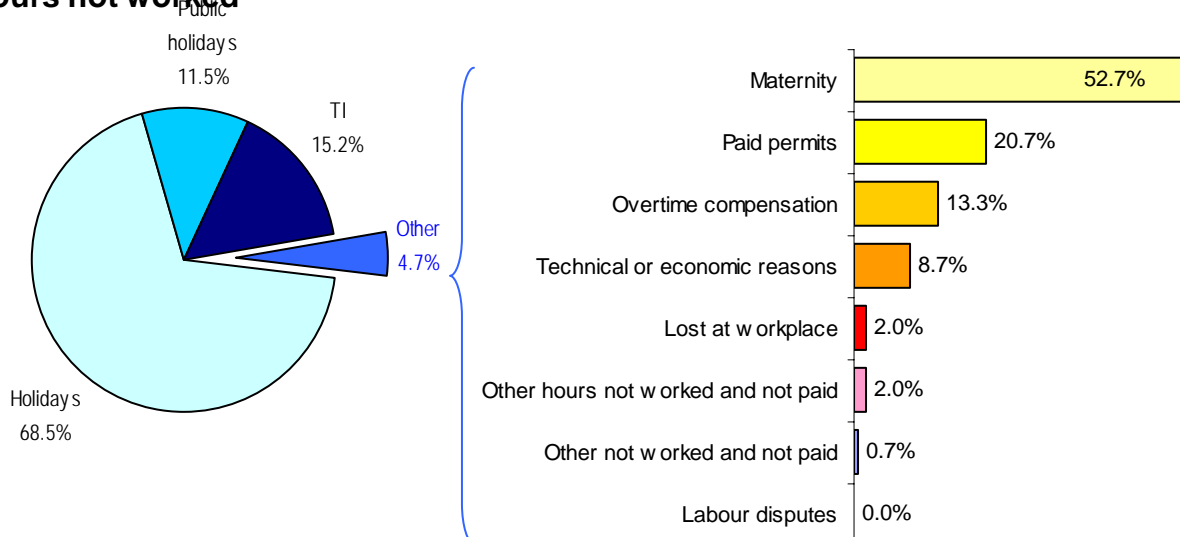
The Autonomous Communities whose Other Costs were the highest were País Vasco (690.8 euros per employee and month), Comunidad de Madrid (667.7 euros) and Comunidad Foral de Navarra (629.16 euros). The lowest values were registered in Extremadura (497.93 euros), Canarias (517.68 euros) and Región de Murcia (518.97 euros).

Regarding the growth of Other Costs, the Communities with the largest increases were Comunidad Valenciana (7.9%), Cataluña (7.3%) and Canarias (6.8%). On the other hand, Extremadura (2.7%), Andalucía (2.8%) and Aragón (3.0%) registered the most moderate increases.

Working Day

The Contractual Hours per employee and month were **157.6** for the **third quarter of 2007**. **The number of Hours actually worked** was **126.8** and **hours not worked** due to different reasons was **31.6**. Holidays and bank holidays represented **80%** of the hours not worked in the **third quarter**.

Hours not worked



Full-time employees had 169.3 contractual hours, 135.9 hours actually worked and 34.4 hours not worked per month. Part-time employees had 90.1 contractual hours, 74.5 hours actually worked and 15.9 hours not worked per month.

By activity sector, **Construction registered the most contractual and hours actually worked for full-time employees**, whereas the **Services sector recorded the most contractual and hours actually worked for part-time employees**.

The Communities with the most hours actually worked were Illes Balears, Canarias and Castilla-La Mancha. In contrast, País Vasco, Región de Murcia and La Rioja registered the least hours actually worked.

For further information see INEbase-www.ine.es/en/welcome_en.htm All press releases at: www.ine.es/en/prensa/prensa_en.htm

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Labour Cost Index - Definitions

Employee

Any person linked to the production unit by means of an employment contract, regardless of the modality of said contract.

The employees considered in the survey are all those employees associated with the contributing account and for whom payment obligations have existed for at least one day in the reference month.

To calculate labour costs per employee, those active in the contributing account for less than one month are accounted for in proportion to the time during which they have been active in said account.

For the results obtained from labour costs and working day, employees are classified as full-time and part-time employees, according to their type of working day. Employees fulfilling the regular working day of the company in the activity in question are considered full-time employees. Employees fulfilling a working day shorter than the regular working day of the company in the activity in question, or in the event that no such "regular" working day exists, shorter than the maximum working day established by law, will be considered part-time employees.

Labour Cost

It is defined as the total cost assumed by the employer for the usage of working factor. This includes Wages and Salaries plus Other Costs.

Wages and Salaries

Wages and Salaries comprise all remunerations, both in cash and in kind, paid to employees for the performance of their work services for others, whether it rewards effective work, whatever the method of remuneration, or the rest periods accounted for as work

Wages and Salaries therefore include the base salary, salary supplements, overtime payments, extra payments and bonuses and arrears.

All components are considered in gross terms, i.e. before deductions or payments to Social Security on behalf of the employee.

Other Costs

Other Costs include Non-Wage Payments and Statutory Social Security Contributions;

Non-Wage Payments are remunerations received by the employees not for their work activity, but rather as compensation for expenses incurred in the rendering of their work or to cover needs or situations of inactivity not attributable to the employee. They include direct corporate contributions (payments for temporary incapacity, unemployment, compensation for dismissal, etc.), and other non-wage payments (currency devaluation, wear and tear of tools, acquisition of work clothes, distance and urban transport allowance, relocation and contract termination compensations, etc.).

Statutory Social Security Contributions are legally established contributions that employers make to the Social Security System in favour of their employees to cover the benefits set up

by the system and which are those derived from illness, maternity, work accident, disability, retirement, family, survival, unemployment, vocational training, wage guarantee or any other contingency covered by the Social Security System.

Working Day

It is the number of hours that each employee devotes to the undertakings of his/her labour activity. The following concepts are distinguished:

Contractual hours: These are the hours legally established by verbal agreement, individual contract or collective agreement between the employee and the company.

Hours actually worked: These are the hours that were actually worked, during both normal working hours and overtime hours, including the periods of time which have not been completed but are considered effective time in virtue of the valid regulations.

They are calculated as the sum of the contractual hours plus overtime and/or complementary hours minus hours not worked, except hours lost in the workplace.

Hours not worked: Hours that were not worked during the working day for some reason (vacations and public holidays, temporary incapacity, maternity, adoption and personal reasons, rest periods as compensation for overtime, union representation hours, fulfilment of an inescapable duty, sitting for exams and doctors' appointments, days or hours not worked for technical, organizational or productive reasons, hours lost in the workplace, labour conflict, absenteeism, legal guard, lock-out, etc.).

Quarterly Labour Cost Survey (QLCS)

Third Quarter 2007

Base Year 2000

Total Labour Cost

1. National results

	Monthly labour cost per employee			Hourly labour cost		
	Euros	Index	Rate ¹	Euros	Index	Rate ¹
TOTAL	2,200.61	125.2	4.2	17.36	138.2	5.1
INDUSTRY	2,506.53	126.7	3.0	19.86	145.6	3.9
CONSTRUCTION	2,188.55	134.0	5.4	15.62	144.1	5.8
SERVICES	2,122.68	124.9	4.5	17.08	136.7	5.4

¹ Same quarter, previous year

2. Results by autonomous community

	Monthly labour cost per employee			Hourly labour cost		
	Euros	Index	Rate ¹	Euros	Index	Rate ¹
TOTAL	2,200.61	125.2	4.2	17.36	138.2	5.1
Andalucía	2,011.29	125.4	3.4	15.35	135.1	3.7
Aragón	2,197.22	127.0	4.6	17.29	136.9	2.9
Asturias (Principado de)	2,197.51	125.2	4.3	17.50	135.2	5.2
Balears (Illes)	2,056.32	131.3	4.1	14.80	136.8	6.2
Canarias	1,883.69	125.2	5.5	13.88	131.7	7.1
Cantabria	2,121.64	128.1	4.5	16.09	135.9	3.3
Castilla y León	2,051.03	123.2	3.3	16.39	137.0	4.0
Castilla-La Mancha	1,994.18	130.8	4.6	14.91	140.8	5.7
Cataluña	2,300.68	124.9	4.9	18.93	141.5	6.8
Comunitat Valenciana	1,990.98	125.5	4.6	15.80	139.9	6.3
Extremadura	1,834.32	127.0	4.3	13.98	136.0	2.3
Galicia	1,953.51	127.4	4.3	14.81	137.9	2.2
Madrid (Comunidad de)	2,576.78	123.8	3.2	20.23	138.5	4.4
Murcia (Región de)	1,863.16	128.3	3.1	15.54	147.4	5.6
Navarra (Comunidad Foral de)	2,413.45	124.7	4.1	19.80	139.3	3.3
País Vasco	2,662.39	129.5	5.1	23.12	150.3	5.8
Rioja (La)	1,996.52	120.2	4.5	16.48	139.4	6.9

¹ Same quarter, previous year

Quarterly Labour Cost Survey (QLCS)

Third Quarter 2007

Base Year 2000

Wages and Salaries

1. National results

	Monthly labour cost per employee			Hourly labour cost		
	Euros	Index	Rate ¹	Euros	Index	Rate ¹
TOTAL	1,608.06	121.2	3.8	12.68	133.9	4.6
INDUSTRY	1,834.47	123.3	2.3	14.53	141.6	3.2
CONSTRUCTION	1,497.55	125.9	4.8	10.69	135.5	5.2
SERVICES	1,570.80	121.6	4.2	12.64	133.2	5.1

¹ Same quarter, previous year

2. Results by autonomous community

	Monthly labour cost per employee			Hourly labour cost		
	Euros	Index	Rate ¹	Euros	Index	Rate ¹
TOTAL	1,608.06	121.2	3.8	12.68	133.9	4.6
Andalucía	1,457.00	120.6	3.6	11.12	130.1	3.9
Aragón	1,602.21	123.9	5.3	12.60	133.5	3.4
Asturias (Principado de)	1,599.68	122.7	4.4	12.74	132.7	5.3
Balears (Illes)	1,504.43	127.7	4.0	10.83	133.2	6.2
Canarias	1,366.01	120.6	5.1	10.06	126.7	6.6
Cantabria	1,546.87	125.6	4.1	11.73	133.1	2.9
Castilla y León	1,494.23	120.8	3.2	11.94	134.3	3.9
Castilla-La Mancha	1,440.10	126.4	4.9	10.76	135.9	5.9
Cataluña	1,683.71	120.5	4.0	13.85	136.6	5.9
Comunitat Valenciana	1,429.81	121.2	3.3	11.35	135.1	5.1
Extremadura	1,336.39	123.3	5.0	10.19	132.0	2.9
Galicia	1,424.65	123.8	4.3	10.80	134.0	2.2
Madrid (Comunidad de)	1,909.08	119.7	2.8	14.99	133.8	4.0
Murcia (Región de)	1,344.19	124.8	2.6	11.21	143.5	5.0
Navarra (Comunidad Foral de)	1,784.29	123.0	3.7	14.64	137.5	2.9
País Vasco	1,971.59	127.3	4.9	17.12	147.7	5.5
Rioja (La)	1,446.89	116.7	4.7	11.94	135.2	7.1

¹ Same quarter, previous year

Quarterly Labour Cost Survey (QLCS)

Third Quarter 2007

Base Year 2000

Other Costs

1. National results

	Monthly labour cost per employee			Hourly labour cost		
	Euros	Index	Rate ¹	Euros	Index	Rate ¹
TOTAL	592.55	137.3	5.2	4.68	151.5	6.4
INDUSTRY	672.06	136.7	4.8	5.33	157.7	5.8
CONSTRUCTION	691.00	155.7	6.8	4.93	167.1	7.2
SERVICES	551.88	135.5	5.2	4.44	148.0	6.2

¹ Same quarter, previous year

2. Results by autonomous community

	Monthly labour cost per employee			Hourly labour cost		
	Euros	Index	Rate ¹	Euros	Index	Rate ¹
TOTAL	592.55	137.3	5.2	4.68	151.5	6.4
Andalucía	554.29	140.0	2.8	4.23	150.5	3.2
Aragón	595.01	136.2	3.0	4.69	147.0	1.5
Asturias (Principado de)	597.83	132.2	4.3	4.76	142.5	5.1
Balears (Illes)	551.89	142.0	4.3	3.97	147.6	6.1
Canarias	517.68	139.4	6.8	3.82	146.9	8.5
Cantabria	574.77	135.5	5.6	4.36	143.9	4.6
Castilla y León	556.80	130.2	3.5	4.45	145.0	4.2
Castilla-La Mancha	554.08	143.9	3.9	4.15	155.4	5.3
Cataluña	616.97	138.5	7.3	5.08	156.8	9.5
Comunitat Valenciana	561.17	138.1	7.9	4.45	154.0	9.6
Extremadura	497.93	138.2	2.7	3.79	148.0	0.5
Galicia	528.86	138.1	4.4	4.01	149.6	2.3
Madrid (Comunidad de)	667.70	137.4	4.5	5.24	153.7	5.6
Murcia (Región de)	518.97	138.1	4.7	4.33	158.6	7.2
Navarra (Comunidad Foral de)	629.16	129.9	5.3	5.16	144.9	4.5
País Vasco	690.80	136.3	5.8	6.00	158.3	6.4
Rioja (La)	549.63	130.6	3.8	4.54	151.8	6.3

¹ Same quarter, previous year

Quarterly Labour Cost Survey (QLCS)

Third Quarter 2007

Base Year 2000

Time worked

1. National results

	Monthly hours per employee								
	Total employees			Full time			Part time		
	Hours agreed	Hours actually worked	Hours not worked	Hours agreed	Hours actually worked	Hours not worked	Hours agreed	Hours actually worked	Hours not worked
TOTAL	157.6	126.8	31.6	169.3	135.9	34.4	90.1	74.5	15.9
INDUSTRY	165.2	126.2	40.3	170.6	130	42	84.6	69.8	14.9
CONSTRUCTION	168.1	140.2	28.6	171	142.6	29	86.9	70.6	16.3
SERVICES	153.5	124.3	30	168.5	136.1	33.3	90.7	75	16

2. Results by autonomous community

	Monthly hours per employee								
	Total employees			Full time			Part time		
	Hours agreed	Hours actually worked	Hours not worked	Hours agreed	Hours actually worked	Hours not worked	Hours agreed	Hours actually worked	Hours not worked
TOTAL	157.6	126.8	31.6	169.3	135.9	34.4	90.1	74.5	15.9
Andalucía	155.7	131.1	25.3	168.7	141.5	27.9	90.2	78.4	11.9
Aragón	158.5	127.1	32.6	169.5	135.6	35.3	88.4	73.3	15.4
Asturias (Principado de)	155.1	125.6	30.3	166.8	134.7	33	80.7	67.9	12.9
Balears (Illes)	157.2	138.9	18.9	170.6	149.8	21.5	104.9	96.4	8.7
Canarias	161.3	135.8	26	171.5	144.2	27.8	89.7	76.7	13.5
Cantabria	157.8	131.8	27	169.3	141	29.3	88.7	76.4	12.9
Castilla y León	155.4	125.1	30.8	168.1	135.1	33.7	84.5	69.9	14.7
Castilla-La Mancha	160.1	133.8	27.2	169.6	141.5	29	83.8	71.4	12.4
Cataluña	157.8	121.6	37.3	170.3	131.1	40.5	89.4	69.7	19.9
Comunitat Valenciana	159	126	33.7	170.2	134.4	36.6	93.3	76.7	16.7
Extremadura	158.2	131.2	27.6	168.6	139.9	29.3	82.3	67.3	15.1
Galicia	158	131.9	26.9	170	141.4	29.5	87.7	76.2	12.1
Madrid (Comunidad de)	159.1	127.4	32.7	169.1	135.2	34.9	94.2	75.9	18.6
Murcia (Región de)	154.5	119.9	35.3	170.2	131.3	39.6	87.7	71.2	16.8
Navarra (Comunidad Foral de)	155.5	121.9	34.7	167.6	130.7	38.1	85.7	71.5	14.8
País Vasco	154.1	115.2	39.5	165.6	123.4	42.9	83.8	65	18.9
Rioja (La)	155.6	121.2	35.4	169.6	130.6	40	86.9	74.5	12.8

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