



Press release

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GfK achieves another significant increase in sales and income

Nuremberg, November 14, 2011 – The GfK Group has continued its positive business trend. In the first nine months of 2011, GfK increased sales and the margin compared with the same period in the previous year. Adjusted operating income and consolidated total income rose sharply. For the full year, the company expects organic sales growth at the upper end of its previous forecast of between 5% and 6% and a margin at the previous year's level.

In the third quarter of 2011, the GfK Group continued the positive growth trend already established in the first half of the year and increased sales for the first nine months of 2011 by 7.1% to EUR 999 million. The margin was up from 12.9% in the same period of the previous year to 13.1%. This positive development was carried by the Custom Research and Retail and Technology sectors. Income in the Media sector was affected by a one-off write-down and the income in the Other segment by costs relating to the implementation of the "Own the Future" strategy as well as non-recurring expenses for the early termination of the contract of a Management Board member.

As a result of significantly lower figures for the highlighted items, EBIT rose by 23.4% on the previous year to EUR 121.4 million and consolidated total income by 30.9% to EUR 75.4 million. With the exception of North America, all regions recorded strong sales growth. Sales growth was particularly pleasing in Central and Eastern Europe with an increase of 18.2% and Latin America with an increase of 13.0%. The order situation in the GfK Group remains very satisfactory. At the end of October, a total of 96.8% of sales expected for the whole of 2011 had already been posted or were in the order book. This was significantly higher than the previous year's level of 94.4%.

Professor Dr. Klaus L. Wübbenhorst, CEO of GfK SE, explained: "GfK has continued on its growth course. In the first nine months, we achieved another increase in sales and income, and our order books are well-filled. For the full year, we expect sales growth in organic terms at the upper end

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of our previous forecast of between 5% and 6% and a margin at the previous year's level."

Economic and financial development

In the first nine months of 2011, GfK achieved a considerable upturn in sales and income year-on-year.

SALES were up by 7.1% in total to EUR 999 million. Growth of 7.0 percentage points was largely of an organic nature. GfK has therefore outstripped the growth achieved by its major competitors, as was also the case in the first half of the year. Acquisitions pushed up sales by 1.2 percentage points while currency fluctuations reduced growth by 1.0 percentage points. All three sectors contributed to organic sales growth.

Despite the uncertain general economic situation, GfK achieved a pleasing increase in sales of 5.2% in organic terms in the third quarter of 2011.

ADJUSTED OPERATING INCOME rose to EUR 130.9 million in the first nine months of 2011, which represents an increase of 8.7% on the same period in the previous year.

The MARGIN of the Group increased from 12.9% to 13.1%. Income in the third quarter of 2011 was considerably impacted by a write-down in the Media sector of EUR 4.5 million, applied as a result of an impairment test relating to software in use to measure TV ratings, and expenses relating to the implementation of the "Own the Future" strategy and one-off expenses incurred for the early termination of the contract of a Management Board member totaling EUR 2.9 million. Adjusted for these non-recurring factors, the margin for the third quarter amounted to 15.7% compared with 15.0% in the same quarter in the previous year.

EBIT totaled EUR 121.4 million. It rose by a pleasing 23.4% from EUR 98.4 million in the previous year.

NET DEBT totaled EUR 372.5 million. In comparison with the end of the second quarter of 2011, net debt fell by EUR 58.6 million and compared with September 30, 2010 by as much as EUR 74.8 million.

GfK Group: key figures

In EUR million	Q3 2010	Q3 2011	Change in %	Q1-Q3 2010	Q1-Q3 2011	Change in %
Sales	322.5	338.5	5.0	932.1	998.5	7.1
Adjusted operating income	48.5	47.0	-3.2	120.4	130.9	8.7
Margin in percent ²⁾	15.0	13.9		12.9	13.1	
Operating income <i>(published in 2010)</i> ¹	39.7 (41.6)	44.4	11.8	95.8 (93.6)	118.0	23.1
EBITDA <i>(published in 2010)</i> ¹	53.0 (54.9)	62.0	17.1	135.3 (133.1)	163.4	20.8
EBIT <i>(published in 2010)</i> ¹	40.9 (42.8)	45.3	10.7	98.4 (96.2)	121.4	23.4
Other financial income/expenses <i>(published in 2010)</i> ¹	-3.4 (-5.3)	-8.1	135.8	-14.2 (-12.0)	-14.3	1.4
Consolidated total income	25.8	29.7	14.9	57.6	75.5	30.9
Free cash flow after acquisitions, other investments and asset disposals	43.3	59.1	36.6	56.0	82.4	47.2
Earnings per share in EUR	0.61	0.73	19.7	1.36	1.80	32.4
Adjusted earnings per share in EUR ³ <i>(published in 2010)</i> ¹	0.86 (0.80)	0.80	-7.0	2.05 (2.11)	2.16	5.4

1) Starting with the current reporting period, currency exchange gains and losses resulting from financial transactions are reclassified from other operating income/expenses to other financial income/expenses. This results in changes in the figures for the previous year. The figures are reported to facilitate a comparison.

2) Adjusted operating income in relation to sales

3) Consolidated total income attributable to equity holders of the parent company plus highlighted items divided by the average number of shares in the reporting period

Trends in the sectors

CUSTOM RESEARCH: In the first nine months of 2011, the Custom Research sector achieved considerable sales growth. The sector increased sales by 6.9% year-on-year to EUR 598 million. Organic growth amounted to 6.5%. Currency effects had a negative impact with 1.5 percentage points, but were more than compensated by acquisitions, which contributed a further 1.9 percentage points to growth.

The excellent business trend in telecommunications, fast moving consumer goods (FMCG) and the automotive industry impacted positively, in particular. Apart from North America where sales were down on the previous year, all regions contributed to sales growth with significant increases. In North America, negative effects on income were limited by stringent cost management.

Overall, the income trend in the sector was very positive, with income rising by 15.4% to EUR 38.7 million in the first nine months of 2011. Organic growth amounted to 18.0%. Acquisitions and currency effects reduced income by 0.4 and 2.2 percentage points respectively. The margin improved from 6.0% in the previous year to 6.5%.

RETAIL AND TECHNOLOGY: Compared with the same period in the previous year, the Retail and Technology sector again achieved double-digit sales growth of 10.4% to EUR 299 million. At 10.2 percentage points, this growth

was largely organic in nature, with currency effects and acquisitions of 0.1 percentage points each playing only a minor role. The sector thus again achieved the strongest sales performance within the GfK Group.

Sales increases were reported in all regions, with Germany and Asia and the Pacific making the highest contributions. In Germany, the sales increase primarily resulted from international contracts concluded in the country and passed on within the GfK network. With regard to the different business segments, growth in telecoms, small domestic appliances (SDA) and IT was well above average.

The sector also saw a substantial improvement in income. The rise from EUR 79.4 million in the same period of the previous year to EUR 92.1 million represents an increase of 15.9%. As with sales growth, at 15.7 percentage points, the upturn in income was largely organic. The margin in the sector of 30.8% surpassed the high level of 29.4% achieved in the first nine months of 2010.

MEDIA: Sales in the Media sector were up 1.8% in organic terms. However, at -2.2 percentage points, the negative impact of currency effects led overall to a marginal fall in sales of 0.4% to EUR 98 million. On an organic basis, sales growth was particularly high in Germany and North America.

Income for the sector totaled EUR 6.4 million. The figure was adversely affected by a write-down of EUR 4.5 million, which was applied following an impairment test relating to software already partly used to measure TV ratings. The impairment test was triggered by the launch of work on a further upgrade of the Evogenius software. The business plans used as a basis in the impairment test required a partial write-down of the assets capitalized to date. The risk recorded based on the impairment test as at September 30, 2011 will be compared with the latest data as at December 31, 2011.

In addition to the write-down, currency effects of -5.1 percentage points also had a negative impact on income. Adjusted for the non-recurring factor of the write-down, income amounted to EUR 10.9 million. In organic terms, growth in income before the write-down was 2.3%.

The sector margin was 6.5%. Adjusted for the non-recurring factor of the write-down, the margin was 11.1%, which is only slightly below the previous year's figure of 11.4%.

OTHER: In the first nine months of 2011, sales generated by the Other segment amounted to EUR 3.6 million compared with EUR 3.8 million in the previous year. Of the costs incurred by the segment, EUR 6.2 million were not covered compared with EUR 3.7 million in the same period of the previous year. This increase resulted from costs totaling EUR 2.9 million relating to the strategic "Own the Future" project as well as one-off



expenses in connection with the early termination of the contract for a Management Board member.

“Own the Future” – implementation of new corporate strategy is progressing

On June 30, 2011, GfK presented its new corporate strategy which will come into effect as of January 1, 2012, as has been reported in H1 report.

Since the strategy has been announced the necessary structures have been drafted, which will allow the successful implementation of the ambitious objectives. GfK has created new global and regional management roles and responsibilities for global products and client groups. The selection of the job holders took place last quarter and the new positions are largely filled already. The processes and cooperation will now be defined in details in global workgroups so that the new organization can start successfully on 1st January 2012.

For clients this means working with a more connected global organization that delivers more powerful insights, and having better access to GfK’s wealth of expertise, global services and knowledge of consumer trends.

As announced in GfK’s last quarterly report, the Management Board has also introduced long-term growth and income targets in the context of the new corporate strategy. By 2015, sales of around EUR 2 billion are to be achieved with 16% margin. The goal is to realize organic growth on a scale that considerably outperforms the sector average.

New CEO will start December 1, 2011

After Professor Dr. Klaus L. Wübbenhorst, the long-standing CEO of GfK SE, advised the Supervisory Board in February 2011 that he would not be extending his contract which runs until the end of July 2012 for personal reasons, on August 1, 2011 Matthias Hartmann was appointed to take over from Professor Wübbenhorst.

Matthias Hartmann will be assuming responsibility for GfK on December 1, 2011 in his capacity as Chief Executive Officer. In his last position as Global Head of Strategy and Industries, the business management graduate was responsible for the global strategy and direction of IBM Global Business Services, the consulting arm of the IBM Group. Hartmann has international experience and worked for IBM in many different countries. As a strategic thinker and consultant with a strong track record in the technology group, he has all the necessary qualities to lead GfK in a digital and increasingly networked world, drive forward innovation and achieve the targets set in GfK’s new business strategy, “Own the Future”.

As planned, Professor Wübbenhorst will be leaving the Management Board when Hartmann joins. In the 20 years Professor Wübbenhorst spent on the Management Board, 13 of which as CEO, GfK has evolved from a company



with a focus on Germany to a leading listed global Group with an international outlook.

Outlook

GfK continues to expect a strong performance for financial year 2011. The well-filled order books are an important indicator in this respect. At the end of October, a total of 96.8% of the orders expected for the year as a whole were already posted. The figure is significantly higher than the previous year's level of 94.4%.

At the same time, there are some factors which are fueling uncertainty. For the USA, a modest level of business is expected, due to the continued consumer restraint. Despite these uncertainties, the company still expects organic sales growth at the upper end of the previous forecast of between 5% and 6% in financial year 2011, based on the companies included in the scope of consolidation at the start of the year. All three sectors will contribute to this with positive organic growth in sales.

Despite the cost burden arising from implementing the "Own the Future" strategy, the unscheduled write-down in the Media sector and expenses relating to the early termination of the contract for a Management Board member, GfK is confident of achieving a margin on adjusted operating income in relation to sales that will match the previous year's level.

About the GfK Group

The GfK Group offers the fundamental knowledge that industry, retailers, services companies and the media need to make market decisions. It delivers a comprehensive range of information and consultancy services in the three business sectors of Custom Research, Retail and Technology and Media. The no. 5 market research organization worldwide operates in more than 100 countries and employs over 11,000 staff. In 2010, the GfK Group's sales amounted to EUR 1.29 billion. For further information, visit our website: www.gfk.com. Follow us on Twitter: www.twitter.com/gfk_gruppe

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