



Press release

Date

August 15, 2011

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GfK records excellent half-year performance

Nuremberg, August 15, 2011 – The GfK Group continued the pleasing growth trend already established in the first quarter of 2011. In the second quarter of the year, GfK achieved a significant increase in sales and income compared with the first quarter of 2011 and the same period in the previous year. In addition, net debt was considerably reduced. In view of the continuing good order intake and the business trend to date, GfK confirms the guidance it gave at the start of the financial year, despite the current uncertain global economic situation.

In the first six months of 2011, GfK increased sales by 8.3% to EUR 660.1 million. There was a significant increase in adjusted operating income of 16.8% to EUR 83.9 million compared with the first six months of the previous year. The same applied to the margin, which was up from 11.8% to 12.7%. This positive development was carried by the Custom Research and Retail and Technology sectors.

Professor Dr. Klaus L. Wübbenhorst, CEO of GfK SE, explained: "We are growing and have continued the positive trend of the first three months of 2011. This confirms our forecast made at the start of the current financial year of achieving organic sales growth of 5% to 6% and a margin at least at the previous year's level."

Economic and financial development

GfK generated SALES of EUR 660.1 million in the first six months of the current year. This represents total sales growth of 8.3% on the same period in the previous year, with organic growth of 8.0 percentage points accounting for the major share.

ADJUSTED OPERATING INCOME rose even more sharply than sales. In the first half of 2011, adjusted operating income was up to EUR 83.9 million, which represents an increase of 16.8% on the same period of the previous year. In organic terms, growth in income amounted to as much as 18.0%.

The MARGIN of the GfK Group rose to 12.7% compared with 11.8% in the same period of the previous year.

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Commercial register
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OPERATING INCOME was improved by 31.2% from EUR 56.1 million to EUR 73.6 million.

EBIT totaled EUR 76.2 million. It rose by a pleasing 32.4% year-on-year after EUR 57.5 million in 2010.

NET DEBT totaled EUR 431.1 million. Compared with June 30, 2010, this corresponds to a decrease of EUR 63.1 million.

GfK Group: Key figures

In EUR'000	Q2 2010	Q2 2011	Change in %	H1 2010	H1 2011	Change in %
Sales	328.7	349.9	6.4	609.6	660.1	8.3
EBITDA (published in 2010) ¹	51.1 (47.3)	62.6	22.4	82.3 (78.2)	101.4	23.2
Adjusted operating income	46.6	53.5	14.8	71.9	83.9	16.8
Margin in percent ²	14.2	15.3		11.8	12.7	
Operating income (published in 2010) ¹	37.3 (33.6)	48.7	30.4	56.1 (52.0)	73.6	31.2
EBIT (published in 2010) ¹	38.2 (34.4)	49.8	30.3	57.5 (53.5)	76.2	32.4
Other financial income / expenses (published in 2010) ¹	-5.9 (-2.2)	-5.4	8.2	-10.7 (-6.7)	-6.3	41.4
Consolidated total income	22.0	30.7	39.9	31.8	45.7	43.8
Free cash flow after acquisitions, other investments and asset disposals	23.7	24.5	3.1	12.7	23.3	83.4
Earnings per share in EUR	0.52	0.75	44.2	0.75	1.07	42.7
Adjusted earnings per share in EUR ³ (published in 2010) ¹	0.78 (0.89)	0.88	12.8	1.19 (1.31)	1.36	14.3

1) Starting from 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 plus highlighted items divided by the average number of shares in the reporting period

Trends in the sectors

CUSTOM RESEARCH: In the first half of 2011, the Custom Research sector posted a pleasing sales upturn. The sector increased sales by 8.5% year-on-year to EUR 399.4 million. Organic growth amounted to 7.9% with acquisitions contributing a further 1.9 percentage points, while currency effects had a slightly negative impact with -1.2%.

The key growth drivers in particular were the Western Europe/Middle East/Africa and Germany regions, as well as Central and Eastern Europe. Overall, the trend in sales was boosted by good business with clients in the automotive industry, while other sectors such as telecommunications and fast moving consumer goods (FMCG) also contributed to the rise in sales. In the Netherlands, a five-year contract for use of the GfK Media Efficiency

Panel was signed with Google. In contrast, the trend in sales in North America was adversely affected by the weaker order intake at the start of the year.

Good capacity utilization had a positive impact on income which climbed by 23.9% in the first half of 2011 to EUR 24.2 million. This corresponded to organic growth of 27.5%. On the other hand, acquisitions and currency effects reduced income by 1.3 and 2.2 percentage points respectively. The margin improved from 5.3% in the previous year to 6.1%.

RETAIL AND TECHNOLOGY: Compared with the first half of 2010, with sales of EUR 192.9 million the Retail and Technology sector generated a very pleasing increase of 11.6%. At 11.2 percentage points, this growth was largely organic in nature with the currency effects of 0.3 percentage points and acquisitions of 0.1 percentage points playing only a minor role. The sector therefore again achieved the strongest sales performance within the GfK Group.

Sales increases were reported in all regions. In Germany, the expansion of several large international contracts in particular had a positive impact. These contracts were concluded in Germany and passed on within the GfK network. In China, GfK benefited especially from increased spending on market research by large companies and additional sales were also generated by greater regional coverage. Despite the disaster in March of this year there was no significant downturn in Japan.

The sector also saw a substantial improvement in income. The rise from EUR 47.4 million in the previous year to EUR 56.3 million represents an increase of 19.0%. As with sales growth, at 18.5 percentage points the upturn in income was largely organic.

The margin in the sector was 29.2%, again surpassing the high level of 27.4% already achieved in the first six months of 2010.

MEDIA: While sales declined slightly in organic terms in the first quarter of the year, the second quarter saw a return to growth with a rise of 3.0% on an organic basis. In the first half of 2011 as a whole, sales in the Media sector advanced slightly by 1.0 percentage points in organic terms. However, at 2.2 percentage points the negative impact of currency effects led overall to a marginal fall in sales of 1.2% to EUR 65.3 million.

Sales increased in the Central and Eastern Europe region. In the second quarter, the company won a further new contract in the field of radio audience measurement in Romania.

Income was down year-on-year by EUR 0.9 million to EUR 6.9 million. The sector margin was 10.6% (previous year: 11.8%).



“Own the Future” – new corporate strategy focuses on global and digital customer requirements

With “Own the Future”, GfK is reinventing itself with effect from January 1, 2012 to ensure a successful future for the company and its clients.

As part of the strategy, GfK will make targeted investments in globally consistent products and solutions to key issues in its clients' businesses. The Group's presence will be strengthened in countries and regions with a significant market profile and attractive growth prospects. GfK will offer its clients convincing products and services for an increasingly digital world, based on a comprehensive innovation campaign.

All our energy, knowledge and ingenuity is focused on achieving one goal: to understand consumers better than any other market research company. This is based on two new sectors with two clearly positioned complementary businesses.

Our first new sector is Consumer Choices. It is a business that focuses on market sizing and trends in all major and increasingly convergent digital sales and information channels as well as media. Our second new sector is Consumer Experiences. This business primarily explores consumers' experiences, perceptions and attitudes

In the context of the new corporate strategy entitled “Own the Future”, the Management Board has also introduced long-term growth and income targets. By 2015, sales of around EUR 2 billion are to be achieved with 16% profit. The goal is to realize organic growth on a scale that considerably outperforms the sector average.

Important events after the reporting date of June 30, 2011

After Professor Dr. Klaus L. Wübbenhorst, the longstanding 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 on January 1, 2012 at the latest. In his present position as Global Head of Strategy and Industries, the business management graduate is responsible for the global strategy and direction of IBM Global Services, the consulting arm of the IBM Group.

On August 12, 2011, GfK acquired a 25% stake (25% of the shares are held by The Nielsen Company and 50% by the two founding partners) in the US company Media Behavior Institute (MBI). Based in New York, MBI will provide 2,000 Americans with smartphones that have a special app as part of its syndicated USA TouchPoints survey. The survey measures the complete media usage of consumers at half-hour intervals and combines this data with lifestyle habits, for example up-to-date information about location, person, activity and mood. The comprehensive measurements are virtually in real-time and thus enable the media, advertising companies and



agencies to align advertising messages to their target groups with great accuracy.

Outlook

The well-filled order books, with 84.6% of the sales expected for 2011 as a whole posted or included in the order books at the end of July, also point to another successful financial year for GfK in 2011. The figure is significantly higher than the previous year's level of 82.2%. GfK therefore confirms the guidance it gave at the start of the financial year, despite the severe dislocations in the capital and currency markets. The company expects organic sales growth of 5% to 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 planned investments, especially in the digital segment and in growth regions, as well as the expenses for implementing the "Own the Future" strategy, GfK is setting itself a challenging target of achieving a margin of at least 14.3%.

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 Custom Research, Retail and Technology and Media. The No. 4 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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