

Press Release

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GfK Group with dynamic sales growth and increased income

Nuremberg, August 16, 2010 – After the very good start to 2010, the successful business performance of the GfK Group continued into the second quarter. The recovery signals of the first quarter were confirmed. The result was a considerable rise in sales and income. GfK emerged strengthened from the financial and economic crisis. For this reason, sales and income expectations for financial year 2010 were raised considerably.

In the months April to June, GfK improved boosted sales and income, increasing the growth momentum considerably against the first quarter. In the second quarter, GfK generated sales of EUR 328.7 million, an increase of 12.3%. In addition, GfK generated a considerable income upturn, both against the equivalent quarter of the prior year and the first quarter of 2010.

In strategic terms, the signs are also pointing to growth. With its participation in SirValUse Consulting and nurago made in May 2010, and the development of the innovative GfK Network Intelligence Solution (GfK NIS) research methodology, as well as the extension of the GfK Media Efficiency Panel, GfK further expanded its Internet-related expertise. "Not only do we look back on an extremely successful second quarter. We also set the path for a new digital era and are well positioned for the challenges of the future", stated Professor Dr. Klaus L. Wübbenhorst, CEO of the GfK Group.

Economic and financial development

In the first six months of the current year, GfK generated SALES of EUR 609.6 million. They were up 9.4%, or in organic terms by a pleasing 6.7%. Currency effects, especially the US dollar, increased sales by 2.6%.

In the first half-year, GfK increased ADJUSTED OPERATING INCOME to EUR 71.9 million, a rise of 39.3% in comparison to the EUR 51.6 million in the prior year. Once again, income developed more strongly than sales.

The GfK Group MARGIN climbed to 11.8% and was therefore 250 bp higher than the prior year's margin of 9.3%.

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OPERATING INCOME increased by 61.7% in comparison with the prior year, reaching EUR 52.0 million.

In the first six months, EBIDTA rose by EUR 20.0 million to EUR 78.2 million (prior year: EUR 58.2 million).

In the first six months of 2010, CASH FLOW FROM OPERATING ACTIVITY totaled EUR 64.0 million, following EUR 48.6 million in the prior year.

Pamela Knapp, Human Resources Director and CFO of the GfK Group, commented: "The very good development of the company is shown in the excellent trend demonstrated by operating cash flow. GfK not only financed all investments and acquisitions from the same, but also still had EUR 12.7 million available. Such high free cash flow to the end of the half-year is very positive, allowing us to reduce net debt in comparison to the previous year."

GfK GROUP: KEY GROWTH FIGURES¹⁾

In EUR million	Q2 2009	Q2 2010	Change in %	H1 2009	H1 2010	Change in %
Sales	292.8	328.7	12.3	557.5	609.6	9.4
EBITDA	40.8	47.3	16.0	58.2	78.2	34.4
Adjusted operating income	36.8	46.6	26.5	51.6	71.9	39.3
Margin in percent ²⁾	12.6	14.2		9.3	11.8	
Operating income	26.7	33.6	25.6	32.2	52.0	61.7
EBIT	28.1	34.4	22.6	34.1	53.5	57.0
Consolidated total income	14.4	22.0	52.9	15.7	31.8	102.8
Cash flow from operating activity	48.2	56.9	18.1	48.6	64.0	31.6
Net debt ³⁾				-533.3	-494.2	-7.3
Undiluted earnings per share (in EUR)	0.32	0.52	62.5	0.33	0.75	127.3
Adjusted earnings per share (in EUR) ⁴⁾	0.60	0.89	48.3	0.87	1.31	50.6

1) Rounded

2) Adjusted operating income to sales

3) Liabilities to banks plus pension obligations, liabilities under leases and other interest-bearing liabilities less cash and cash equivalents and securities and fixed-term deposits

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

Trends in the sectors

CUSTOM RESEARCH: In the first six months, the GfK Group sector with the highest sales generated sales of EUR 368.1 million, a year-on-year upturn of 9.7%. Income tripled from EUR 6.5 million to EUR 19.5 million.

The ongoing recovery of business with customers from the automobile and financial market industries made a major contribution here. Furthermore, contract volume with customers from the IT and telecommunications industries continued to develop very successfully. In addition, new orders being concluded, for example on customer satisfaction and on web mining generated further growth impulses.



RETAIL AND TECHNOLOGY: In the first half-year, the sector with the strongest income generated a sales upturn of 10.1% to EUR 172.8 million. Income surged more strongly, by 20.6% to EUR 47.4 million.

The international GfK StarTrack production and reporting system, which ensures cost-efficient assessment of data to the same standards worldwide, continues to make a key contribution to the success of the sector. Retail and Technology achieved a particularly strong performance in the Telecommunications, Information Technology and Optics segments. Core segments, such as Consumer Electronics and Do it Yourself, also gained ground. The new activities of Tourism and Fashion Life also generated dynamic sales growth.

The MEDIA sector also maintained its position successfully in the first six months. In the first half-year, the sector improved sales by 4.5% to EUR 66.1 million. Factors contributing to this positive sales trend included successful contract renewals in the area of media use in Austria and The Netherlands. In addition, the North American subsidiary GfK MRI, with its product GfK AdMeasure, which measures the effectiveness of advertising in the print media, gained customers and significantly pushed sales. Sector income totaled EUR 7.8 million (prior year: EUR 9.1 million).

Outlook

The volume of orders developed positively in the first seven months. At the end of July 2010, the order book covered a total of 85.4% of budgeted annual sales. This represents a considerable increase on the comparative prior-year figure of 81.0%. All three sectors contributed positively to this development.

In view of the excellent half-year results and the pleasing volume of orders, GfK is making a considerable increase to the statements made in the Group management report in the 2009 Annual Report.

For financial year 2010, GfK, taking into account the companies consolidated at the start of the year, now expects a rise in sales to the order of up to 6%. That represents a doubling of the original statement. This does not take into account currency effects. All three corporate sectors are set to contribute to this performance with positive organic sales growth. For 2010 as a whole, GfK is considerably increasing its margin forecast from its original estimate to up to 13.5%. This is higher than the level achieved in 2008 and ends the crisis-driven margin decline in 2009. However, this is based on the premise that economic conditions do not worsen. The statements made in the first quarter for the highlighted items and for capital expenditure are retained for the whole-year 2010.

With the measures taken the Management Board of the GfK Group believes that GfK is well equipped to outperform the market research sector in terms



of organic growth, also in the medium term, and to improve the level of income quality further.

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 10,000 staff. In 2009, the GfK Group's sales amounted to EUR 1.16 billion. For further information, visit our website: www.gfk.com. Follow us on Twitter: www.twitter.com/gfk_group

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