

# GfK. Growth from Knowledge

The GfK Group 2010

## Agenda

- 1 **GfK at a glance**
- 2 **Key facts about the market research industry**
- 3 **5 Star Initiative: where we are heading**
- 4 **GfK shares and shareholder structure**
- 5 **Sectors**

# 1 GfK at a glance

# Mission Statement

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Companies need to make decisions.  
Knowledge is the basis for decision-making.

Our business information services provide the essential knowledge that industry, retail, healthcare and service sectors and the media need in order to make their decisions.

As a knowledge provider, we aim to be at the top in all the global markets in which we operate – in the interest of our clients, our employees, our company, our shareholders and the general public.

# A strong heritage in market research

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1925

Founded as "Institut für Wirtschaftsbeobachtung der deutschen Fertigware"



1984

Operations hived off into a limited company; GfK-Nürnberg e.V. to retain status as a non-profit organization

September 1999

GfK shares start trading on the Frankfurt stock exchange

Globally active pure market research player

February 2009

Change to a European joint stock company Societas Europaea (SE)  
Represents international corporate culture



1934

Founded as GfK-Nürnberg e.V. (the GfK Association)

1990

Re-structured as privately held Inc. corporation (stock corporation)  
Focus on internationalization

May 2005

Acquisition of NOP World  
Growth from Knowledge has a new dimension

# GfK Group: key features (I)

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## Sales

2009: 1,164 EUR million (2008: 1,220 EUR million )

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## Employees

2009: 10,058 full-time staff (2008: 9.692)  
82% of which outside Germany

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## Services

- Comprehensive information services on consumer goods, healthcare, media and services markets
  - Research know-how
  - Marketing consultancy
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## Network

More than 100 countries

# GfK Group: key features (II)

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## Core business

Pure market research, delivering information services to major global players in the services, media, consumer goods and healthcare industries

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## Market position

Largest market research company in Germany, 4th largest in Europe and in the world

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## USP

Full service worldwide: more than half of our top 50 clients consult GfK in at least two of our three sectors and in at least five of our six regions

# Management Board

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**Professor Dr.  
Klaus L.  
Wübbenhorst**  
CEO

29 year career  
18 years GfK



**Pamela Knapp**  
CFO and  
Human  
Resources  
Director

23 year career  
from 11/2009 GfK



**Dr. Gérard  
Hermet**  
COO

**Sector**  
**Retail and  
Technology**

32 year career  
26 years GfK



**Petra  
Heinlein**  
COO

**Sector**  
**Custom  
Research**

26 year career  
25 years GfK



**Debra A.  
Pruent**  
COO

**Sector**  
**Custom  
Research**

22 year career  
4 years GfK



**Wilhelm R.  
Wessels**  
COO

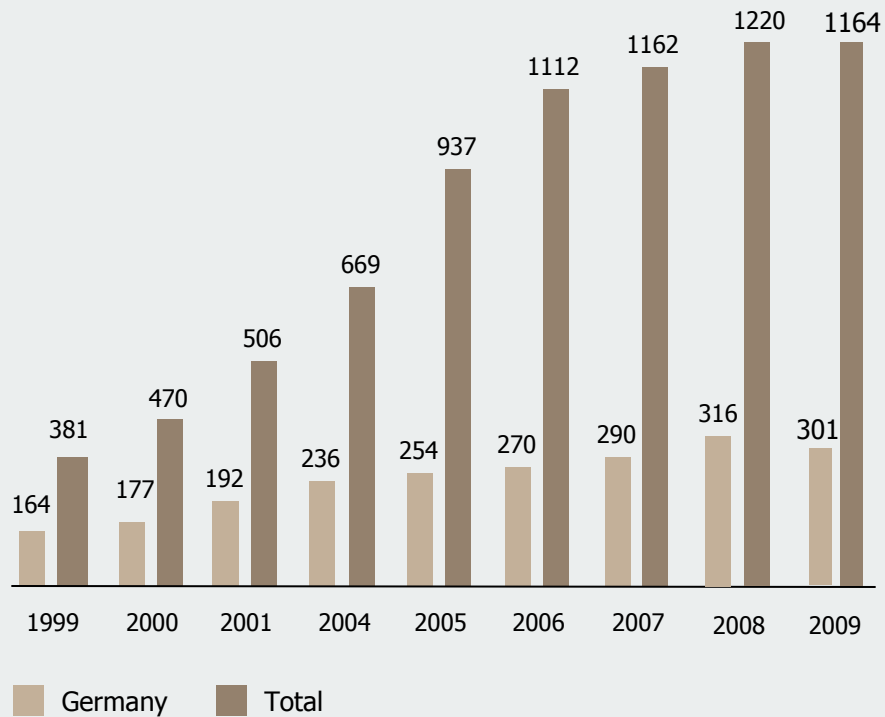
**Sector**      **Sector**  
**Custom**      **Media**  
**Research**

32 year career  
32 years GfK

# GfK development 1999-2009

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## Sales in EUR million<sup>1</sup>



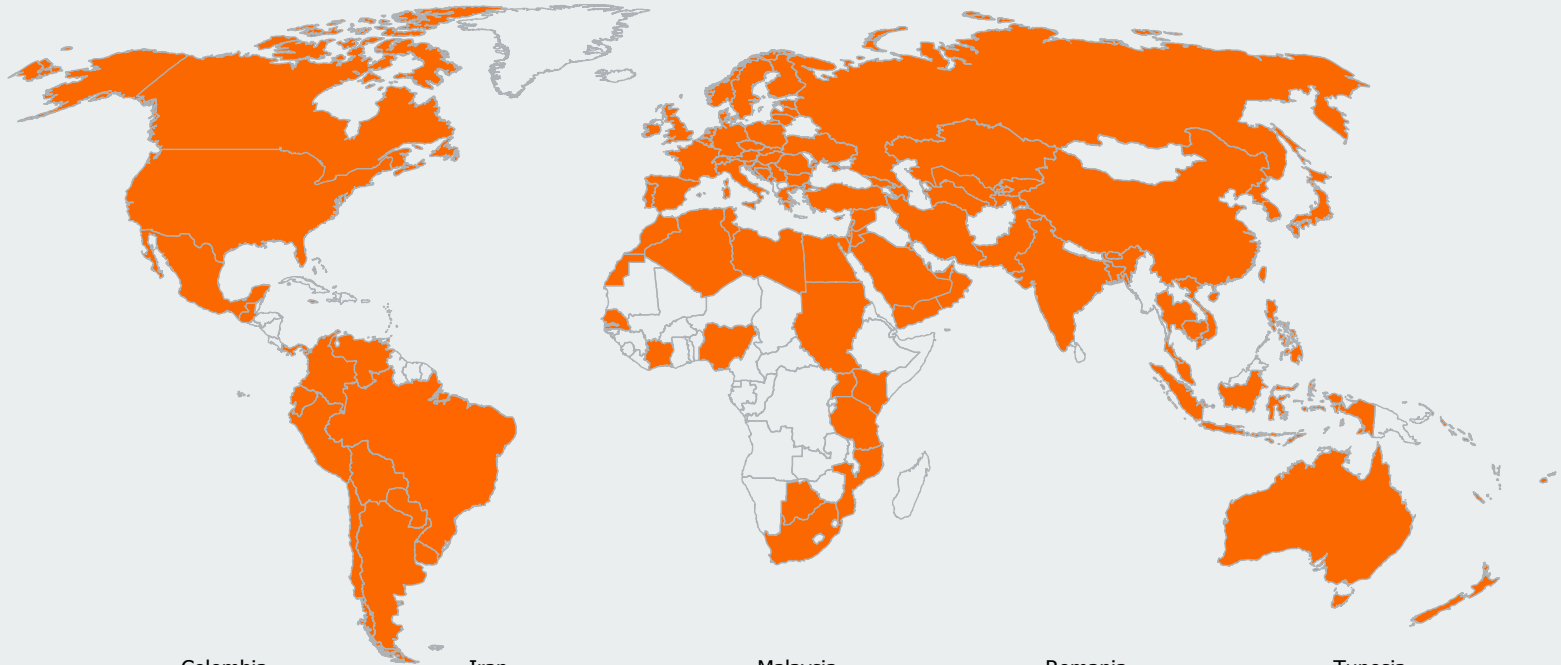
## Employees



<sup>1</sup> Up to 2001 figures according to HGB, from 2001 to 2004 figures according to US GAAP, since 2005 figures according to IFRS

# GfK Group's worldwide coverage: more than 100 countries

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Albania  
Algeria  
Argentina  
Australia  
Austria  
Azerbaijan  
Bahrain  
Bangladesh  
Belgium  
Bolivia  
Bosnia-Herzegovina  
Botswana  
Brazil  
Bulgaria  
Cambodia  
Canada  
Chile  
China

Colombia  
Croatia  
Cyprus  
Czech Republic  
Denmark  
Ecuador  
Egypt  
Estonia  
Finland  
France  
Georgia  
Germany  
Greece  
Guatemala  
Hong Kong  
Hungary  
India  
Indonesia

Iran  
Iraq  
Ireland  
Israel  
Italy  
Ivory Coast  
Japan  
Jordan  
Kazakhstan  
Kenya  
Korea  
Kuwait  
Kyrgyzstan  
Latvia  
Lebanon  
Libya  
Lithuania  
Macedonia

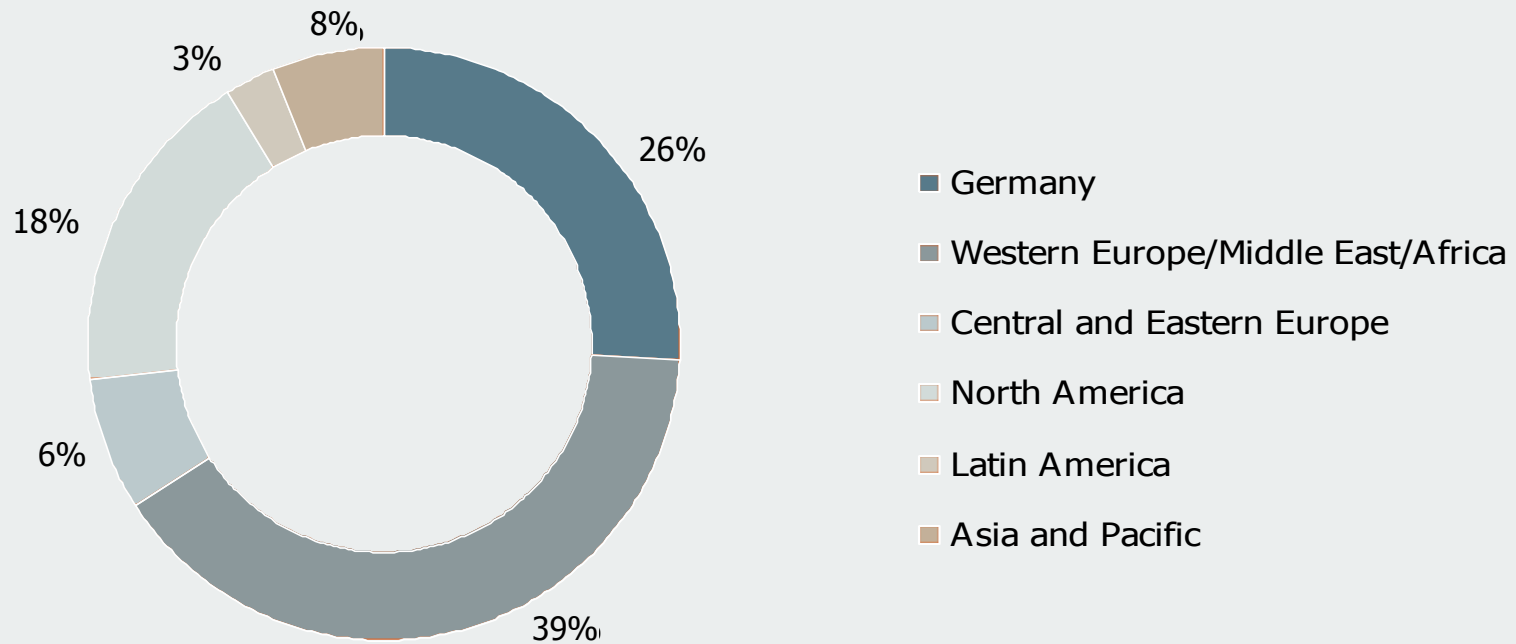
Malaysia  
Mexico  
Montenegro  
Morocco  
Mozambique  
Netherlands  
New Zealand  
Nigeria  
Norway  
Oman  
Pakistan  
Panama  
Paraguay  
Peru  
Philippines  
Poland  
Portugal  
Qatar

Romania  
Russia  
Saudi-Arabia  
Senegal  
Serbia  
Singapore  
Slovakia  
Slovenia  
South Africa  
Spain  
Sudan  
Sweden  
Switzerland  
Syria  
Tajikistan  
Taiwan  
Tanzania  
Thailand

Tunesia  
Turkey  
Turkmenistan  
Uganda  
Ukraine  
United Arab Emirates  
United Kingdom  
Uruguay  
USA  
Uzbekistan  
Venezuela  
Vietnam  
Yemen

# Sales by region 2009

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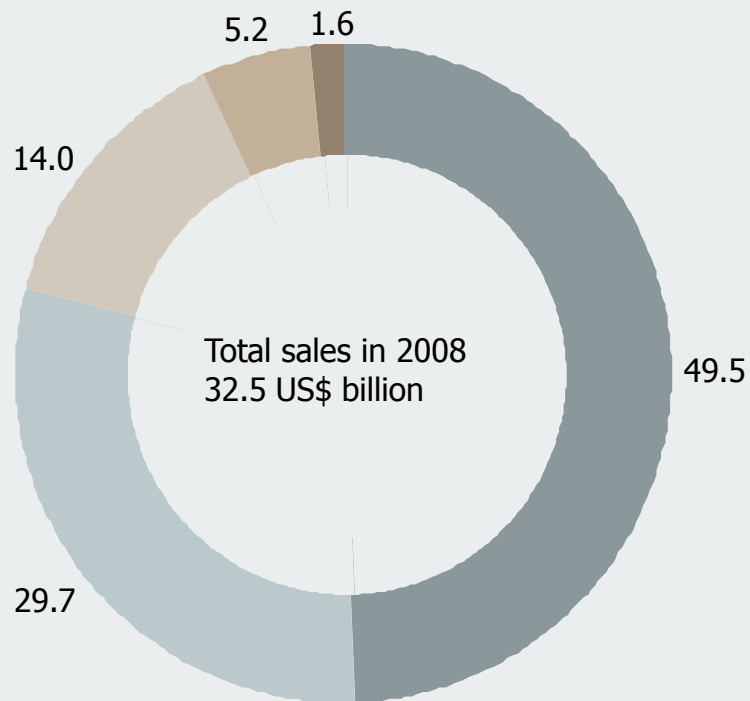


## **2** **Market research industry**

# Market research industry: growth market

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Percentage breakdown of sales by region



	Sales in US\$ million	Growth in % (local currency)
Europe	16,066	+4.7
North America	9,629	+1.5
Asia and the Pacific	4,538	+6.3
Latin America	1,700	+13.4
Middle East/Africa	529	+12.0
<b>Total</b>	<b>32,462</b>	<b>+4.5</b>

# League table of the market research industry

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Company	Sales 2009 in US\$ million	Growth in %	Organic growth in %	Margin in %
The Nielsen Company, USA	4,808	0.0	0.9 <sup>1)</sup>	2.4
The Kantar Group, UK <sup>2)</sup>	3,703	+63.0	-9.5	8.5
IMS Health, USA	2,190	-6.0	n.a.	13.8
GfK Group, Germany <sup>3)</sup>	1,625	-4.6	-6.0	12.6
Ipsos Group, France <sup>3)</sup>	1,318	-3.6	-3.8	10.8
Synovate, UK <sup>2)</sup>	842	0.6	-9.4	5.8

1) Analysits' estimates

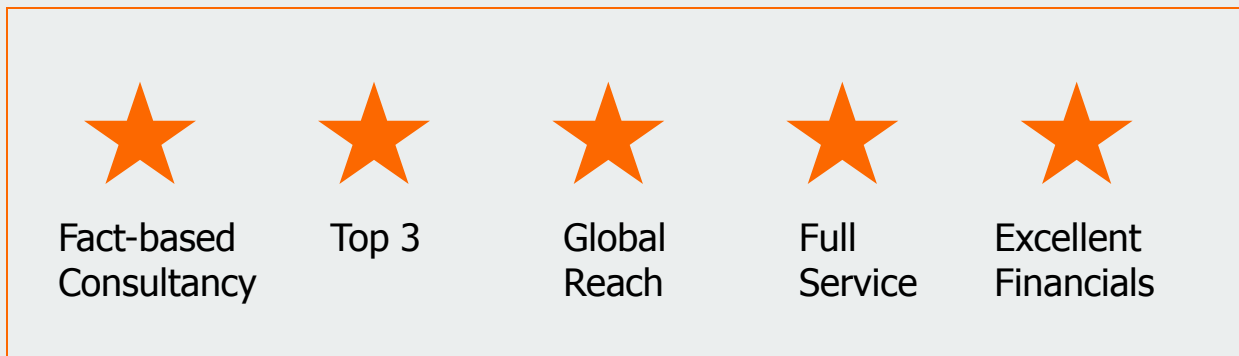
2) FX-rate USD/GBP 0.6193

3) FX-rate EUR/USD 1.3957

## **3 5 Star Initiative: where we are heading**

# 5 Star Initiative: overview

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# Star 1: Fact-based Consultancy

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- > Competence through added value and consultancy
- > Focus on customer relationship
- > Innovation leadership

With the first initiative, "Fact-based Consultancy", we aim to consistently expand our service offering to produce high quality, information-based ongoing advisory services for the top-level management of our clients. In addition to providing precise and up-to-date information, we intend to further strengthen our position as the essential partner for our clients' market decisions.

## Star 2: TOP 3

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### > Top 3 global player –

Currently number 4

### > Top 3 for the individual sectors –

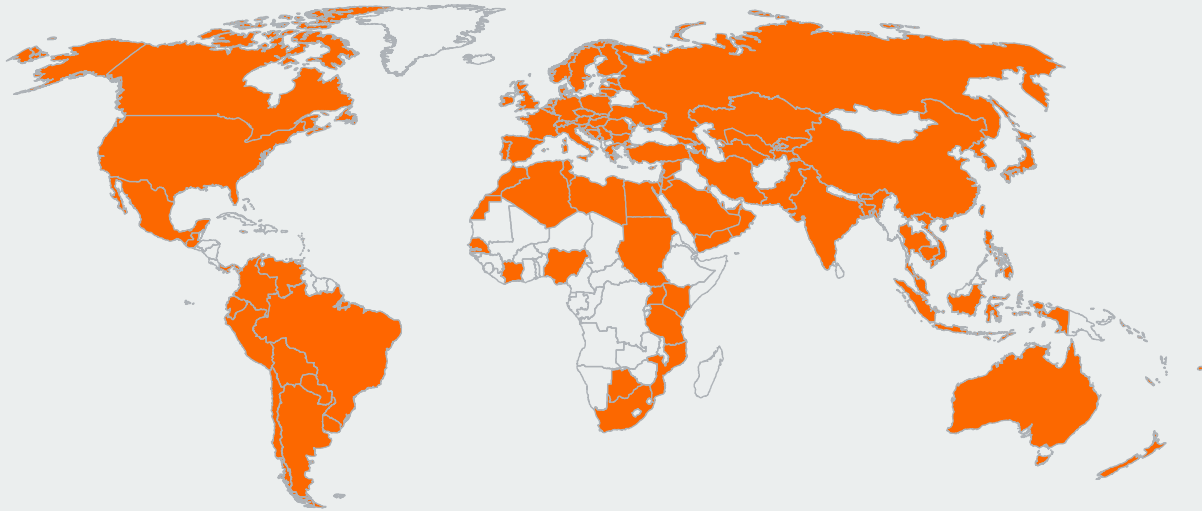
Aim achieved in 2 sectors

### > Top 3 in key countries –

Target achieved in 11 out of the 20 biggest market research countries

With the “Top 3” initiative, we have set ourselves the ambitious target of becoming the number 3 in the market research industry. In order to achieve this aim, we will work intensively to occupy at least the number 3 spot in the industry for the sectors and in the key countries.

## Star 3: Global Reach



Our third aim under the “Global Reach” initiative is to further expand our network from the present level of 100+ countries and to establish a presence in other countries, which are important both economically and in terms of market research, and where we do not yet have our own subsidiaries.

## Star 4: Full Service

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- > Expertise in all markets and regions relevant to market research
- > Information services for the full range of strategic and operating marketing decisions
- > Use of standard, high quality, multivariate analysis methods

With our fourth initiative, “Full Service”, we intend to further enhance our position as a company specializing in market research services with a wide range of information, analysis and advisory services for all the market research segments in consumer goods, pharmaceuticals, media and services.

## Star 5: Excellent Financials

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➤ Margin	➤ Sales	➤ Net indebtedness/ EBITDA ~ 2	➤ Tax ratio of approx. 30%
13-15 %	1,500 EUR million	~ 2	
12.6 %	1,164.5 EUR million	~ 2.3	19.8 %

The fifth initiative, "Excellent Financials", defines our medium-term financial expectations. We are working to drive our sales quickly up to the EUR 1.5 billion mark and in the next few years will generate a margin of between 13% and 15%. We have set specific targets for reducing our indebtedness. This also applies to the tax ratio for the Group.

## **4 GfK shares and shareholder structure**

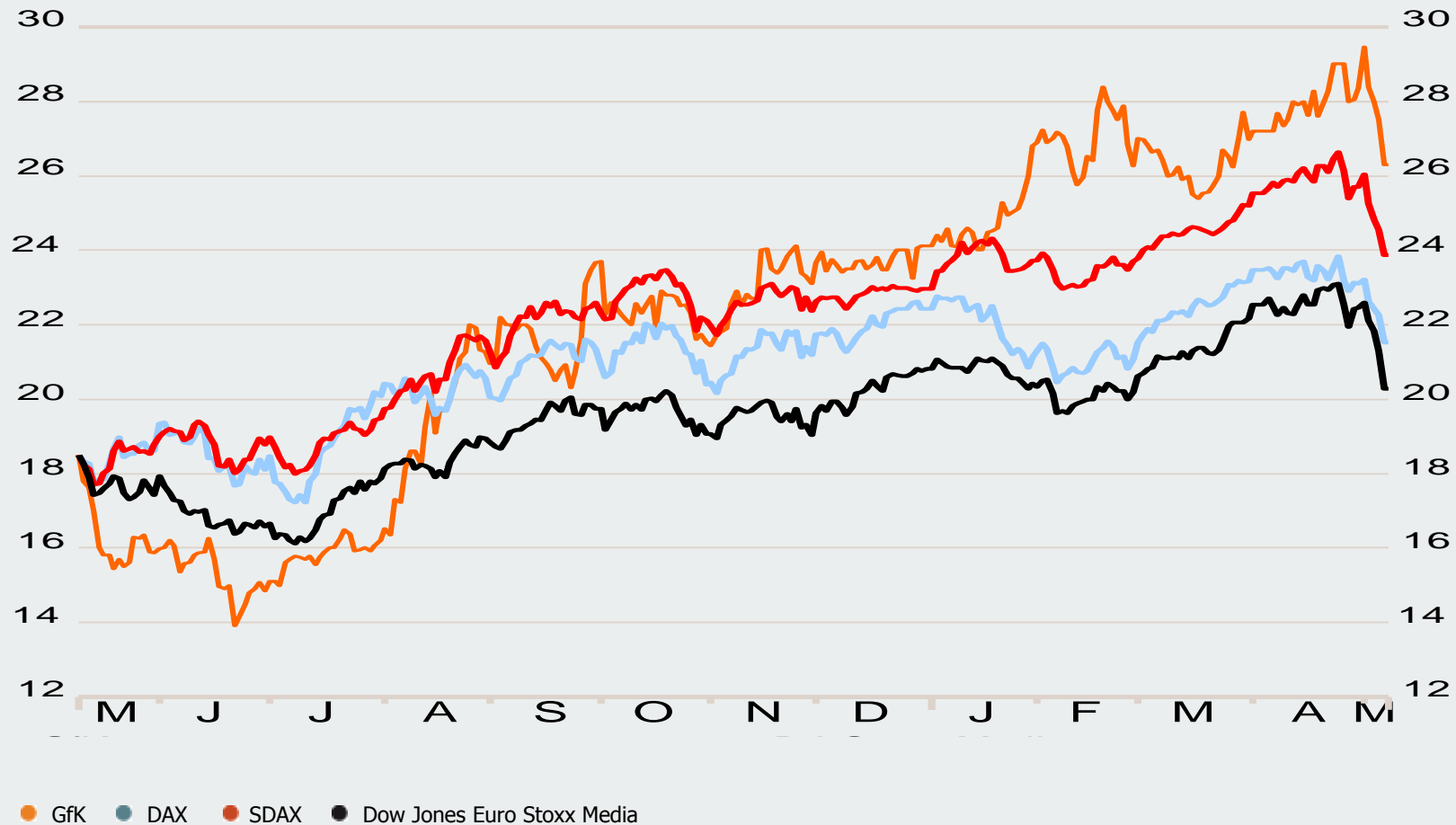
# Key indicators for GfK shares

	Unit	2008	2009
High	EUR	31.27	24.29
Low	EUR	13.00	13.67
Closing price	EUR	22.02	24.13
Average daily volume traded	No.	31,668	21,745
No. of no-par shares (weighted)	No.	35,884,308	35,884,308
No. of no-par shares as of Dec. 31	No.	35,947,363	35,947,363
Stock market capitalization as of Dec. 31	EUR m	791.6	867.4
Ranking in SDAX			
by sales		30	19
by market capitalization		5	4
Index weighting by market capitalization	in %	3.4	4.4
Dividend	EUR	0.46	0.30 <sup>1</sup>
Total dividend	EUR m	16.5	10.8 <sup>1</sup>
Earnings per share	EUR	2.04	1.42
Free cash flow per share	EUR	2.64	2.38

1) Proposal to the Annual General Meeting on May 19, 2010

# GfK share price performance: May 2009 to May 2010<sup>1)</sup>

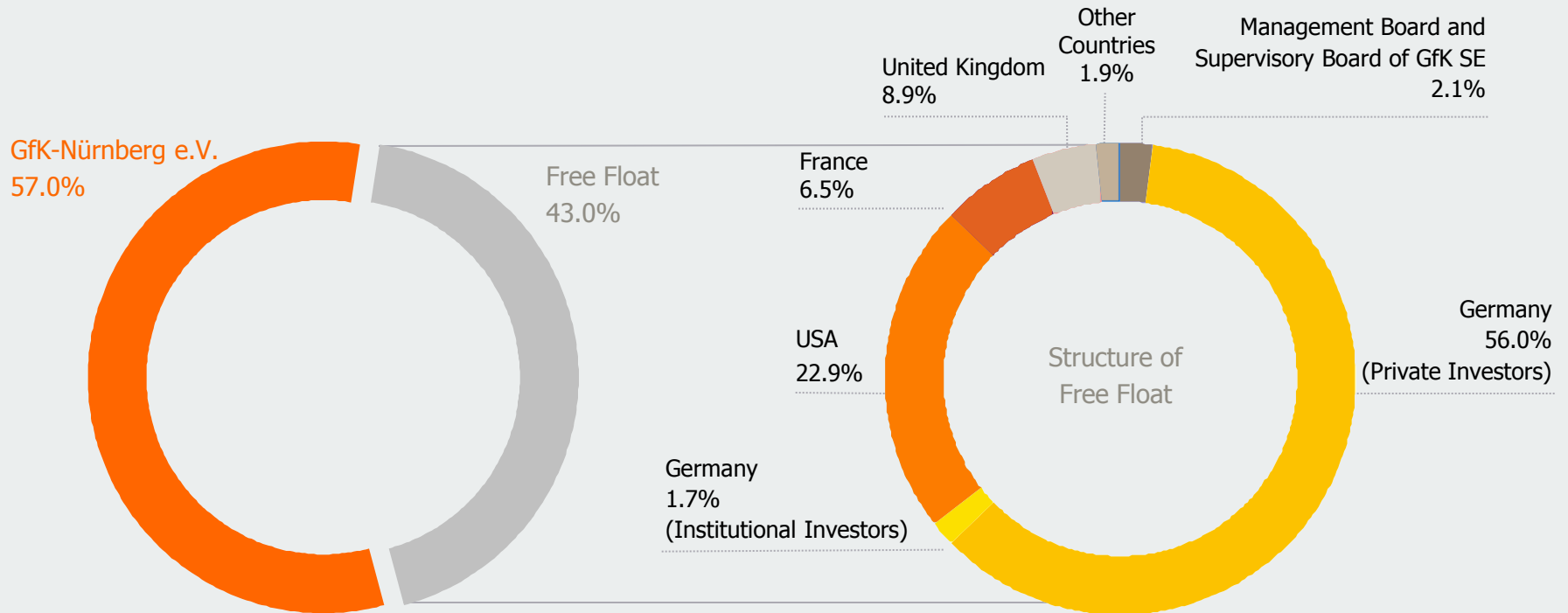
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1) All values are indexed to the GfK share price, close price, in Euro, Source: Thomson Datastream; May 10, 2010

# GfK SE: shareholder structure

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**5 Sectors**

## 3 sectors: knowledge from 3 sources

	Custom Research	Retail and Technology	Media
Data source	Point of Consumers and Physicians	Point of sales	Point of Media
Services	Tailor-made surveys and continuous data collection	Retail information through continuous data collection	Tailor-made surveys and continuous data collection regarding media consumption
Share of continuous research	~43%	100%	~95%
Sales	709 EUR million	326 EUR million	126 EUR million
Margin	5.6%	29.4%	3.1%

# Custom Research

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## Markets

Automotive, business and technology, financial, media, fast moving consumer goods (FMCG); in the HealthCare segment: drugs, materials and products for dentists and laboratories

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## Marketing solutions

Market structure, brand/communication, customer satisfaction, pricing, concept/product tests, market positioning

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## Customer benefit

Minimize risks of business decisions and ensure sustained growth in profit potential

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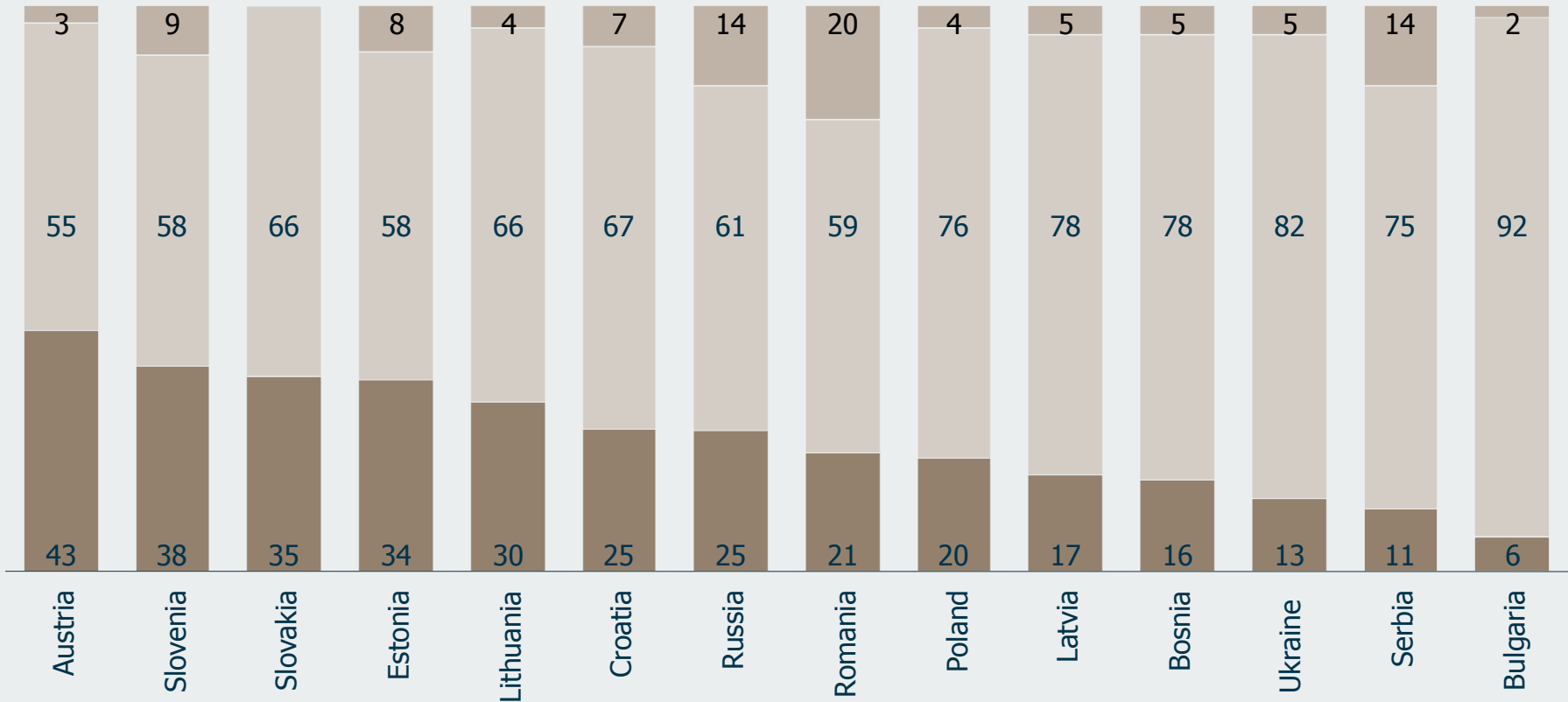
## Presence

In more than 90 countries across the globe

# Case study – saving and investing in Eastern Europe

29

Will the members of your household have a chance to save money in the coming twelve months?



Don't know/no answer  
 No/unsure  
 Yes

# Retail and Technology

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## Markets

Consumer electronics, entertainment media, office communications, photographic and optical equipment, domestic appliances, IT and telecommunications, DIY, tourism, sports equipment and entertainment

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## Marketing solutions

Product and pricing policies, advertising, distribution, sales and logistics

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## Customer benefit

Access to databases and/or transfer of standardized analysis of information about trends, volume, sales, sales channels and segments in our clients' markets

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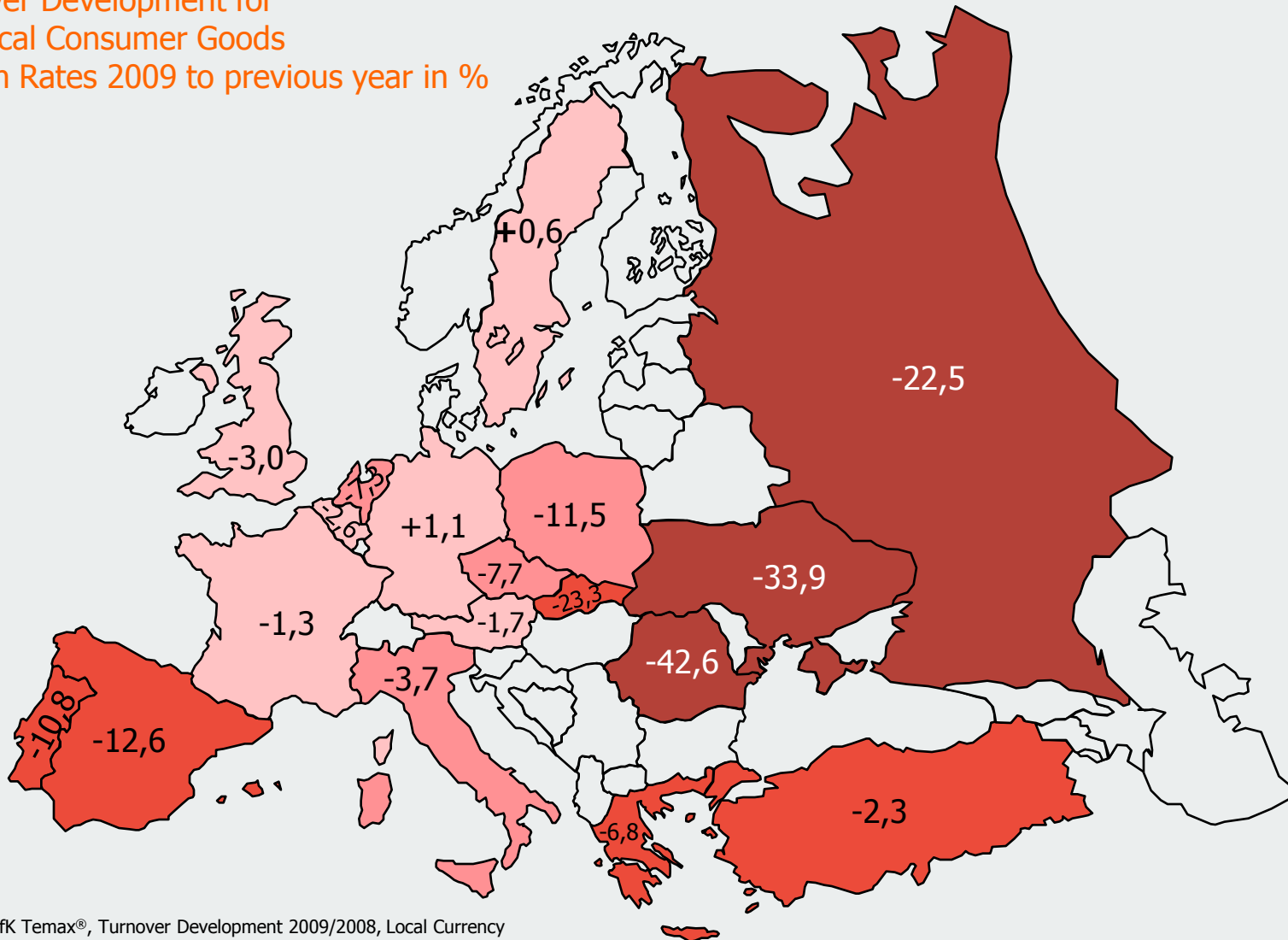
## Presence

In more than 80 countries

# Case study: Consumer Electronics in Europe

Turnover Development for  
Technical Consumer Goods  
Growth Rates 2009 to previous year in %

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# Media

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## Markets

TV, radio, newspapers, magazines, bill-board, online

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## Marketing solutions

Viewer, reader and listener reach and qualitative studies on consumption, acceptance, preferences and recall of media content

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## Customer benefit

Media reach as the basis of pricing in advertising and media planning

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## Presence

In more than 30 countries across Europe and North America

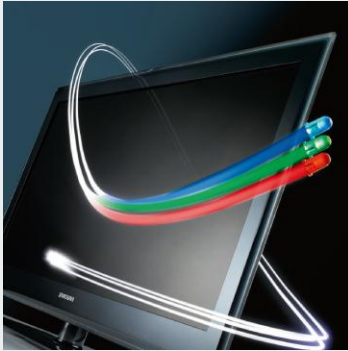
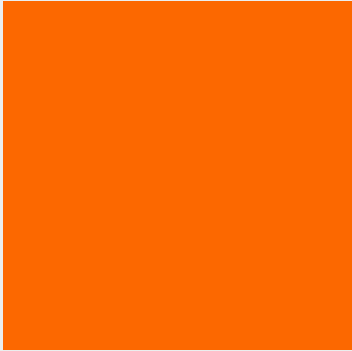
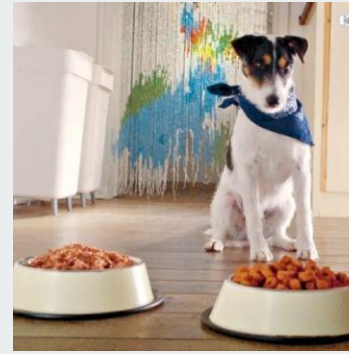
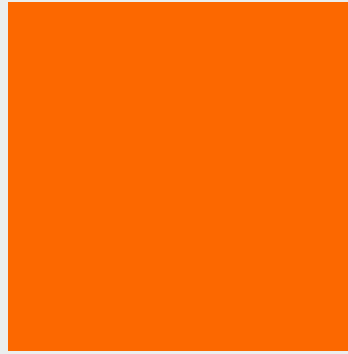
# Case study – Average TV viewing time of different countries 2009

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## Viewing time in minutes



Viewers age 3 upwards (Ukraine and Belgium : viewers age 4 upwards)



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