GfK

GfK Group: Annual Report 2008

No future without a past

GfK. Growth from Knowledge

Contents

GfK Group

III The corporate values which govern our thoughts and actions
IV Mission Statement
The GfK Group 2008: key data
1 No future without a past
2 2008 at a glance
4 Report by the Supervisory Board
7 The Supervisory Board
8 Letter to shareholders
12 The Management Board
14 Corporate Governance
21 GfK shares

GfK Special

30 1934 – The founding of GfK
34 1957 – Launch of household panel
38 1970 – Launch of retail panel
42 1984 – TV research takes off
46 1999 – Stock market launch
50 2005 – Merger with NOP World
54 2008 – A time of acquisition and expansion

Management report of the GfK Group

59 Management report
86 The regions

Financial statements of the GfK Group

99 Consolidated financial statements
104 Notes to the consolidated financial statements
143 Auditors' report

Additional information

146 5-year overview
150 Glossaries
156 List of GfK company abbreviations
V Financial calendar
VI Index
VII Acknowledgements and contacts

Our corporate values

Client driven

Our clients' needs drive our business. We continuously seek to better understand our clients' needs, improve all aspects of existing research products, offer innovative products and to be an integral part of our clients' information systems. Accuracy, sound methodology, excellent client service, flexibility, timely delivery and cost effectiveness all ensure that we meet and even exceed our clients' expectations. We build long-term partnerships with our clients, contributing to their success.

Our people

People are our main asset. Development through training, sharing ideas and sound experience is essential to our business. Our people have the freedom to explore and develop their talents and are empowered to achieve our common goals. We encourage and reward initiative, dedication and hard work. Fairness, good communication and working relationships at all levels and locations are key to our success.

Innovation

We recognize that investing in continuous innovation in both the process and the end product is a prerequisite to meeting clients' requirements. Our aim is to be at the cutting edge with our key business activities. Clients' needs, evolving markets, new technology and the expertise and ideas of our people throughout the world are what drive innovation.

Global experience – local knowledge

We respect and learn from local business practices and cultures and provide knowledge tailored to local needs. Our global network comprises international teams, tools and products to provide multi-national clients with consistent services. As proud members of the GfK Group, we share local and international expertise to continually improve all aspects of our business.

Growth

Profitable growth results in greater opportunities. As individuals, teams and business units, we are aware of the impact of our decisions and actions at all levels. We use financial and non-financial measurements to review and improve performance on an ongoing basis. Our growth provides investors with a fair return on the financial resources they have entrusted to us.

Mission Statement

GfK. Growth from Knowledge

Companies need to make decisions. Knowledge is the basis for decision-making. Our business information services provide the essential knowledge that industry, retail, the service sector 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 interests of our clients, our employees, our company, our shareholders and the general public.

GfK Group 2008 in figures

		2007[1)]	2008	Change in %
Sales	in EUR m	1,162.1	1,220.4	+ 5.0
EBITDA	in EUR m	188.4	192.0	+ 1.9
Adjusted operating income[2)]	in EUR m	157.6	158.7	+ 0.7
Margin[3)]	in %	13.6	13.0	–
Operating income	in EUR m	125.6	128.9	+ 2.6
Income from ongoing business activity	in EUR m	104.2	113.0	+ 8.4
Consolidated total income	in EUR m	78.9	82.0	+ 4.0
Tax ratio	in %	24.3	27.4	–
Cash flow from operating activity	in EUR m	168.1	145.8	– 13.3
Earnings per share	EUR	1.98	2.04	+ 3.0
Dividend per share	EUR	0.45	0.46	+ 2.2
Total dividend	in EUR m	16.1	16.5	+ 2.5
Number of employees at year-end	full-time	9,070	9,692	+ 6.9

1) All figures in the profit and loss statement are adjusted for effects on income resulting from the settlement with UBM.
2) Adjusted operating income is calculated from operating income. The following expenses and earnings have been eliminated: integration costs arising in connection with the acquisition of companies, amortization on hidden reserves and impairment of additional assets identified on acquisitions as part of purchase price allocation, personnel expenses for share-based payments and long-term incentives, any other remaining operating income and expenses, in particular, currency effects resulting from the reporting date valuation.
3) Adjusted operating income in relation to sales in %

No future without a past

Odo Marquard

GfK is 75 this year. A perfect example of tradition and innovation in harmony. The image section of this Annual Report has taken us on a journey through time on the tracks of innovative creativity, extraordinary events and exceptional people. Separate chapters are devoted to seven of the most critical years for GfK. Each of the contributions reflects a special year in the history of the GfK Group and we hear from colleagues who witnessed the events at first hand. The eye witness portraits were taken by Swiss photographer, Michel Comte.

2008 at a glance

01 / January

The GfK Group concentrates its organizational structure from five business divisions into the three sectors Custom Research, Retail and Technology and Media.

Dr. Gérard Hermet, the Management Board member responsible for the Retail and Technology sector, is appointed to the Management Board of GfK AG for a further five years, until the end of 2013.

The takeover of Sydney-based Blue Moon Group strengthens the GfK network in the Asia and the Pacific region. GfK Blue Moon is Australia's leading Custom Research company.

02 / February

The Management and Supervisory Boards of GfK AG resolve that GfK will change from an Aktiengesellschaft (German joint stock company) to a Societas Europaea (SE).

GfK Marketing Services Australia establishes the first GfK subsidiary in New Zealand

03 / March

GfK Türkiye acquires Turkish market research organization Bilesim International, and is consequently ranked second on the Turkish market.

The GfK Group is a silver sponsor at the Advertising Research Foundation (ARF) conference in New York, and wins three Great Mind Awards for a particularly innovative market research concept and outstanding dedication to ARF. All three awards go to GfK Custom Research North America.

01 02 03 04 05 06

04 / April

Europanel, the consumer panel partnership between the GfK Group and UK market research company, Taylor Nelson Sofres (TNS), cooperates with Information Resources (IRI) in the USA to create the most comprehensive household panel network in the world.

GfK expands its Retail and Technology network in Latin America with the takeover of Brazilian organization, Shopping Brasil.

The GfK Group welcomes its 10,000th employee.

05 / May

GfK AG shareholders approve the resolution proposed by the Management and Supervisory Boards that GfK will change from an AG to an SE.

Dr. Silvestre Bertolini, Managing Director of GfK Marketing Services Italia and member of the Global Retail and Technology Board, is elected President of the Italian market research association, Assirm.

06 / June

The Management and Supervisory Boards of the GfK Group and the Board of Directors of TNS agree on a merger of equals.

German professional research association, Berufsverband Deutscher Markt- und Sozialforscher e.V. (BVM), awards the GfK-Nürnberg e.V. with the 2008 Innovation Prize for its development of the HILCA tool (Hierarchical Individual Limit Conjoint Analysis).

Debra A. Pruent, member of the GfK AG Management Board and coo of GfK Custom Research North America, is appointed to the Management Board of the ARF.

2008 at a glance

07 / July

The GfK Group and TNS reach a mutual agreement not to pursue the planned merger of the two companies. GfK subsequently pursues its intention to acquire TNS.

The establishment of GfK Albania in Tirana consolidates the leading role of the GfK Group in Central and Eastern Europe.

According to American trade magazine, Inside Research, GfK is the market research company displaying the strongest growth in the USA.

08 / August

The GfK Group decides not to pursue the takeover bid for TNS further.

US organization, the Arbor Strategy Group, joins the GfK Group under its new name, GfK Strategic Innovation.

09 / September

The GfK-Anholt Roper Nation Brands Index (NBI), which measures the image of 50 countries, is published for the first time by GfK Custom Research North America in the USA.

GfK NOP Custom Research, based in the UK, receives the ESOMAR Excellence Award at the ESOMAR annual congress in Canada.

Dr. Arno Mahlert is elected as the new Supervisory Board Chairman of GfK AG.

07 08 09 10 11 12

10 / October

For the first time ever, GfK Custom Research North America conducts opinion polls for the American news agency Associated Press (AP) in the USA.

GfK Indicator opens a retail test laboratory in Brazil, in which different shopping situations can be simulated.

11 / November

The GfK Group acts as the main sponsor of the German market research trade fair, Research & Results, held in Munich.

The GfK Group acquires 74% of Egyptian market research organization, Market Insight. The company, which now trades under the name GfK Egypt, is one of the leading research organizations in the Middle East and North Africa.

12 / December

Through its subsidiary Encodex, the GfK Group acquires the majority stake in US company, Etilize, and consequently strengthens its presence in the Retail and Technology sector.

The traditional Christmas campaign organized by the GfK Group – selling traditional Nuremberger spicy gingerbread Lebkuchen in tins with designs by children from the local children's home – raises EUR 34,000. The money is donated to the home for children and young people in Reutersbrunnenstraße, as well as to other welfare institutions in Nuremberg, Germany.

Report by the Supervisory Board

Dr. Arno Mahlert
Supervisory Board Chairman
CEO maxingvest AG, Hamburg

In 2008, the Supervisory Board discharged its obligations according to the law, the Articles of Association, the German Corporate Governance Code and the internal regulations of the company. The Management Board kept the Supervisory Board regularly and comprehensively informed at the appropriate times in written and oral form of issues of fundamental importance to the Group's business development, income and financial position, personnel situation, business strategy, corporate planning, planned investments and risk management. The Supervisory Board monitored and advised on the activities of the Management Board and discussed all significant business developments with it. Between board meetings, the CEO of the Management Board and Chairman of the Supervisory Board discussed every issue of importance to the company.

The Supervisory Board met ten times in 2008. At these sessions, the Management Board reports were exhaustively discussed, the prospects for the Group's growth examined and the votes taken accordingly.

The main topics included deliberations on the strategic direction of the GfK Group, its international acquisitions activity, the annual accounts for 2007, the development of business during 2008 and the budget for financial year 2009.

A particular focus of the Supervisory Board's deliberations was the projected merger between GfK AG and Taylor Nelson Sofres (TNS), which was the object of a total of seven meetings of the Supervisory Board. The Supervisory Board was actively involved in the process and saw in the planned merger a good opportunity to create what would be the world's second largest market research organization. After exhaustive discussions with the Management Board, it was resolved to pursue a merger of equals (based on both companies being of equal value) and on April 29, 2008, the fact that the two companies were in negotiations was publicly acknowledged.

On July 4, 2008, the majority shareholder, the GfK-Nürnberg e.V., passed the required board resolution by majority vote approving the merger. In the meantime, however, British company, WPP, had repeatedly expressed interest in acquiring TNS, and this triggered a sudden speculative rise in the TNS share price on one hand, and a fall in the price of GfK shares on the other. This development and the official WPP offer to TNS shareholders on July 9, 2008 significantly changed the original basis for the merger of equals. The same day, as a result, the Supervisory and Management Boards of GfK and the relevant boards of TNS announced that negotiations for the planned merger of equals had been terminated.

Consequently, up to August 28, the GfK Supervisory and Management Boards pursued the acquisition of TNS with the involvement of a new investor. However, the development of the price for TNS and the potential influence of another investor eventually led to the decision not to pursue the acquisition further.

Following the termination of merger negotiations, the Supervisory Board Chairman at the time, Hajo Riesenbeck, resigned the chairmanship of the Supervisory Board of GfK SE and the presidency of the GfK-Nürnberg e.V. and left both boards with effect from September 26, 2008. The Supervisory Board wishes to thank Hajo Riesenbeck for his seven years of service to the Supervisory Board, five of which as its Chairman.

On September 26, 2008 Dr. Arno Mahlert, CEO of maxingvest AG, Hamburg, and Chairman of the Supervisory Board of Springer Science+Business Media S.A., Luxembourg, was unanimously elected by the Board as the new Chairman of the Supervisory Board of GfK SE. Dr. Mahlert, formerly Deputy Chairman of the Supervisory Board of GfK, joined the board in 2004. At the same time, Stefan Pfander was appointed Deputy Chairman of the Supervisory Board. Stefan Pfander left the Management Board of Tchibo GmbH on December 31, 2008 to take up his appointment to the Supervisory Board of Tchibo GmbH on January 1, 2009. Stefan Pfander is also a member of the Supervisory Board of Beiersdorf AG and a member of the Administrative Board of Barry Callebaut AG. Dr. Raimund Wildner, Vice President and Managing Director of the GfK-Nürnberg e.V., was appointed by decision of the Nuremberg administrative court on January 8, 2009 to replace Hajo Riesenbeck on the Supervisory Board.

In addition, the Supervisory Board debated the conversion of GfK AG to an Europäische Aktiengesellschaft (SE), which was completed on February 2, 2009, in several sessions.

The Supervisory Board examined the regulations pertaining to the Corporate Governance Code and on December 10, 2008, gave the Declaration of Compliance in accordance with the terms of Article 161 of the German Joint Stock Corporation Act. The company fulfils the mandatory provisions to the full extent with the exception of three requirements and the voluntary regulations with the exception of one. The discrepancies are explained on page 19 f of the present Annual Report under the section on Corporate Governance.

To enable it to carry out its remit efficiently, the Supervisory Board is supported in its work by four committees: the Audit Committee, the Personnel Committee, the Presidial Committee and the Nominations Committee.

The Audit Committee met six times in the reporting period to discuss the company's business development, the income and financial position and planned investments by the company. Additional focal points were issues of financing, questions pertaining to the accounting system and interim reporting, the internal audit and subjects relating to Corporate Governance and Compliance.

The Personnel Committee met four times in the reporting period and subjects under discussion included Management Board remunerations, extending the service contract of Management Board member, Dr. Gérard Hermet, and deliberations on the new form of the Supervisory Board remuneration.

The Presidial Committee held two telephone conferences during the TNS project for the purposes of obtaining information on the current status of the TNS project.

Since October 2008, the Nominations Committee has dealt with the preparations for nomination of two new Supervisory Board members at the Supervisory Board sessions, as well as on the telephone. This became necessary with the resignation of Hajo Riesenbeck, and the request from Jürgen Schreiber that he be permitted to resign his post at the Annual General Meeting on May 20, 2009.

Moreover, Dr. Raimund Wildner, who was appointed as successor to Hajo Riesenbeck on the Supervisory Board by court decision, will leave this committee when the ordinary Annual General Meeting appoints his successor at its meeting on May 20, 2009.

The 2008 annual report and accounts of GfK SE and the GfK Group were audited and given unqualified approval by the auditors, KPMG AG. Every member of the Supervisory Board received the audited financial statements at the appropriate time.

The Audit Committee deliberated on these documents in a preparatory session and the Supervisory Board gave it consideration at the plenary session held during its accounts' meeting on March 26, 2009. The auditors of the annual and consolidated accounts were present at both meetings. They reported on the audit in general and on particular aspects specified as mandatory for the issue of the auditor's certificate. Beyond this, they responded in detail to questions from members of the Audit Committee and the Supervisory Board.

The Supervisory Board noted and approved the auditors' report, and having examined the annual accounts prepared by the Management Board, gave its approval to discharge the accounts. The Supervisory and Management Boards reached agreement on the proposal for appropriation of the profits. GfK once again pursued a successful course in 2008, despite the growing difficulties in the markets caused by the global economic and financial crisis. This result is attributable to the superb achievements of the staff, directors and employee representatives of GfK SE. The Supervisory Board wishes to express its thanks to all in appreciation of their dedication and performance. In spite of the considerable added burden of work associated with the TNS project, the commitment to current business remained firm at all times. Thanks and appreciation are also due to clients and business associates of GfK SE. The Supervisory Board has no doubt that the strong basis forged by the GfK Group will enable it to surmount the major challenges posed by 2009.

Nuremberg, March 26, 2009

Dr. Arno Mahlert

The Supervisory Board

Dr. Arno Mahlert
Supervisory Board Chairman
Appointed September 26, 2008
CEO, maxingvest AG, Hamburg

Hajo Riesenbeck
Up to September 26, 2008
Supervisory Board Chairman

Stefan Pfander
Deputy Chairman of the Supervisory Board
Appointed September 26, 2008
Management Consultant

Dr. Christoph Achenbach
Managing Director and Partner of the INTES Group, Bonn

Dr. Wolfgang C. Berndt
Non-Executive Director

Kerstin Döpfert
Up to February 2, 2009
Independent Works' Council representative at GfK SE, Nuremberg

Sandra Hofstetter
Up to February 2, 2009
Independent Works' Council representative at GfK SE, Nuremberg

Stephan Lindeman
Since February 2, 2009
Director Retail, Intomart GfK B.V., Hilversum, Netherlands

Shani Orchard
Since February 2, 2009
Director Human Resources, GfK Retail and Technology UK Ltd, West Byfleet, Surrey, UK

Jürgen Schreiber
CEO and President of Shoppers Drug Mart, Toronto, Canada

Dieter Wilbois
Independent Works' Council representative (Chairman of the Works' Council and Group Works' Council) at GfK SE, Nuremberg

Dr. Raimund Wildner
Since January 8, 2009
Managing Director and Vice President of the GfK-Nürnberg e.V., Berlin

Audit Committee
Dr. Christoph Achenbach (Chairman)
Stefan Pfander
Dieter Wilbois

Personnel Committee
Dr. Wolfgang C. Berndt (Chairman)
Dr. Arno Mahlert
Shani Orchard
Jürgen Schreiber

Presidial Committee
Dr. Arno Mahlert (Chairman)
Dr. Wolfgang C. Berndt
Stefan Pfander
Dieter Wilbois

Nominations Committee
Dr. Arno Mahlert (Chairman)
Dr. Wolfgang C. Berndt
Stefan Pfander

Letter to shareholders

Professor Dr. Klaus L. Wübbenhorst
Chief Executive Officer of GfK SE

Dear Shareholders and Business Associates,

I have been writing this letter to you since 1998, and have almost always been able to report increased sales and good profits. I am delighted to say that this is also the case for 2008. However, I have seldom been so unsure as to what to write as I am this time. Will the assumptions for 2009 still be correct by the time you receive the copy of the financial report? Will reality overtake plans for the current year, and could the measures we intend potentially lead us in the wrong direction?

2008*: a turbulent year*

This financial year was eventful in many respects, and was certainly much more than just another year in the long and successful history of the GfK Group.

A new organizational structure has been in place since the beginning of 2008. Taking as a starting point the source of the information on which our business model is based, we have concentrated our former five business divisions into the three sectors: Custom Research, Retail and Technology and Media. Less is more was – and is – the idea behind this move.

With this new structure, we have achieved organic growth of 5.5 % and sales of over EUR 1.2 billion. We performed particularly well in the growth regions of Central and Eastern Europe, Asia and the Pacific and Latin America. Our approach of using acquisitions as a foundation for future organic growth is paying off.

In April, we also welcomed our 10,000th employee worldwide. My colleague, Debra A. Pruent, joined the Management Board at the beginning of the year, and she is responsible for major areas of our Custom Research sector. Her presence also makes our Management Board still more international and contributes further to the gender balance.

Many months of the 2008 financial year were affected by the discussions between the GfK Group and British market research organization, Taylor Nelson Sofres, with a view to creating the industry's undisputed No. 2. The negotiations were originally aimed at a merger of equals. In late summer, we then considered attempting a takeover, but eventually abandoned this intention. We judged the financial risks and potential influence of private equity investors to be too high. Given the current financial and economic crisis, we can say that this decision was absolutely the right one.

The discussions generated a very high level of uncertainty with some GfK Group staff, and in the cooperation of the various boards, in particular the Management and Supervisory Boards and the majority shareholder of the GfK Group, the GfK Association. Following the failed merger, Hajo Riesenbeck resigned from his posts as Supervisory Board Chairman and President of the GfK Association. I should like to thank him for his years of service on the Supervisory Board of the GfK Group.

Since then, Dr. Arno Mahlert has chaired the Supervisory Board, of which he has been a member for many years, and in this capacity, he will be contributing to the continuity and stability of the development of the GfK Group.

Our dividends policy also shows continuity. Despite, or as a result of, the international economic situation, the Supervisory and Management Boards are proposing the ninth consecutive dividend increase to the Annual General Meeting on May 20, 2009. By giving a dividend of EUR 0.46, we are enabling our shareholders to share in the company's success.

2009*: a year of uncertainty*

The 2009 financial year and also large parts of 2010 will, without a doubt, be characterized by a high level of uncertainty. How will our clients develop? Which industries will suffer more than others as a result of the global economic crisis? When will economic recovery begin?

What is clear is that nobody knows for certain. The development in the dollar exchange rate and the price of oil show this only too clearly.

How should we, in the GfK Group, face up to these particular challenges?

For GfK Management, the certainty is that it will not be "business as usual".

The Management Board will not be making decisions based on a short-term view that does not look beyond the next quarter. Equally, there will be no knee-jerk reactions in the wake of the cancellation of an order.

Instead, we must act with a sense of proportion over the next few months. We must display caution where appropriate. We must not simply save for the sake of saving costs, but we must scrutinize expenditure and business processes. We must be proactive in the market wherever possible. Any crisis has its risks, but it also presents opportunities, and we aim to grasp these.

Seizing the opportunities and overcoming the risks have been an integral part of the development of the GfK Group for many years. Despite all the uncertainty, the year ahead is also a special one for GfK. And in the spirit and letter of the Annual Report you are now holding, on the occasion of our 75th anniversary, we can say: "No future without a past".

Our predictions for financial growth in 2009 are cautious. Our aim will be to increase sales organically in 2008 and to retain the margin, goals which will certainly not be easy to achieve.

Our Group-wide efficiency program, BISS, is intended to support us in achieving these aims. BISS combines various projects that are divided into the four main categories of "Business, IT Services and Streamline Services create Synergies". The program will make a significant contribution to maintaining and fostering GfK's competitive edges. From 2012 onwards, the program should result in sustainable income growth of EUR 30 million.

Until then, we will certainly have to chart some stormy seas and uncertain waters. The GfK Management and Supervisory Boards still have a clear view of the way ahead, and we know that we can rely on our global team.

It is clear that in stormy waters, navigation systems and navigators are essential. Our navigation systems are the tools, methods and techniques that we employ for our market research. And the navigators? All of us together – the more than 10,000 members of the GfK global team.

Sincerely yours,

Prof. Dr. Klaus L. Wübbenhorst

Professor Dr. Klaus L. Wübbenhorst, Debra A. Pruent, Petra Heinlein (first row from left to right)
Dr. Gérard Hermet, Wilhelm R. Wessels (second row from left to right)
Christian Weller von Ahlefeld, Professor Dr. Klaus L. Wübbenhorst, Debra A. Pruent (third row from left to right)

The Management Board

Professor Dr. Klaus L. Wübbenhorst

born 1956

Chief Executive Officer (CEO), responsibility for Strategy, Internal Audit, Method and Product Development, Corporate Communications and IT Services

Professional career

Since 1998 Spokesman and, since 1999, CEO of GfK SE, appointed until 2012

Since 2005 President of the Chamber of Industry and Commerce for Middle Franconia in Nuremberg

1992 – 1997 Member of the Management Board of GfK AG, responsible for Finances, Accounting, Financial Controlling, Personnel, Purchasing, Production and IT

1991 – 1992 Member of the Management Board of KBA-Planeta AG, Radebeul near Dresden

1984 – 1991 Employee of Bertelsmann AG, Gütersloh, becoming Managing Director of Druck- und Verlagsanstalt Wiener Verlag, Himberg near Vienna

Education

2005 Awarded the title of Honorary Professor by Friedrich-Alexander University in Erlangen-Nuremberg

1984 Doctorate from the Technische Hochschule, Darmstadt

1981 Graduated in Business Administration from the University/Gesamthochschule, Essen

Christian Weller von Ahlefeld

born 1958

Chief Financial Officer (CFO) and Human Resources Director, responsibility for Financial Services, Human Resources and Central Services

Professional career

Since June 1, 2005 Member of the Management Board of GfK SE, appointed until 2013

2000 – 2005 CFO of the Tele-München Group

1996 – 2000 Director and Head of Group Finance at Siemens AG and Manager of Siemens Financial Services division

1995 – 1996 Executive Director of SBC Warburg and member of the corporate management of J. P. Morgan

1983 – 1995 J. P. Morgan in New York, London and Frankfurt, becoming Vice President and member of the European Corporate Finance Executive Committee

1982 – 1983 Assistant to the management of Heinrich D. Hansen in Flensburg

Education

1981 Graduated in Business Administration from the Freie Universität Hamburg

Petra Heinlein

born 1958

Responsibility in the Custom Research sector, e.g. for the Financial Services and Consumer and Retail segments

Professional career

Since 2002 Member of the Management Board of GfK SE, appointed until 2011

2001-2001 Integration management on behalf of GfK AG

1992 – 2000 Managing Director of contest census in Frankfurt

1985 Joined GfK as project manager with GfK Marktforschung

1984 Research Assistant at the Arnold-Bergstraesser Institute, Freiburg im Breisgau

Education

1984 Graduated in Political Science from the University of Bamberg

Dr. Gérard Hermet

born 1951

Responsibility for the Retail and Technology sector

Professional career

Since 1999 Member of the Management Board of GfK SE, appointed until 2013

1998 – 2000 Chairman of the French Marketing Association (AFM)

1988 – 1998 Managing Director of GfK Sofema, France

1984 – 1998 Managing Director of GfK France, then General Manager GfK Marketing Services, France

1978 – 1984 Employed by Burke Marketing Research, Paris, France

Education

1978 Doctorate from the University of Grenoble

1975 MBA from the French Business School (ICN)

Debra A. Pruent

born 1961

Responsibility in the Custom Research sector for the Automotive and Business and Technology segments

Professional career

Since **January 1, 2008** member of the Management Board of GfK SE, appointed until 2011

2006 – 2007 Chief Operation Officer (COO) of GfK Custom Research North America

1992 – 2005 Employee of the US automotive-industry market-researcher Allison-Fisher International, most recently as CEO

1983 – 1992 Various management functions with General Motors Corporation, USA

1988 – 1990 Extraordinary Professor of Statistics at Oakland University, USA

Education

1986 Degree in Applied Statistics from Oakland University, USA

1983 Degree in Mathematics and Computer Science from Wayne State University, USA

Wilhelm R. Wessels

born 1952

Responsibility for the Media sector and in the Custom Research sector for the Consumer Tracking and HealthCare segments

Professional career

Since 1996 Member of the Management Board of GfK SE, appointed until 2011

1991 – 1996 Managing Director of GfK AG, Gesundheitsforschung/I+G Gruppe Gesundheits- und Pharma-Marktforschung

1986 – 1996 Managing Director of GPI, Gesellschaft für Pharma-Informationssysteme, Nuremberg/Frankfurt

1978 Joined GfK as a Research Associate

Education

1977 Graduated in Business Administration from the University of Saarbrücken

Corporate Governance

The management of GfK is committed to increasing the value added of the company on a responsible, transparent and sustained basis. This is documented by almost total compliance with the Corporate Governance principles.

Declaration of compliance without material restrictions

The Management Board and the Supervisory Board issued their declarations of compliance pursuant to Section 161 of the Joint Stock Corporation Act (AktG) on December 10, 2008. The declaration of compliance is on page 19.

The company complies with all the recommendations under the Code apart from those mentioned below and in the declaration of compliance.

For all other affiliated or associated companies, the company publishes their share of the capital and their own equity capital, but not the respective income from the preceding financial year. The decisive factor here is that transparency at the individual-company level could be disadvantageous to the company's competitiveness.

The interim report was published on August 28, 2008 (14 days after expiry of the 45-day period). The delay was caused by the interim audit in connection with the strategic negotiations with Taylor Nelson Sofres (TNS). In 2009, GfK will again comply fully with the prescribed publication dates.

GfK also complies with virtually all of the non-binding suggestions in the Code. There is only one point where compliance is restricted. This relates to the contactability of the appointed proxy-representative for the execution of shareholders' voting rights in accordance with instructions during the Annual General Meeting. This should guarantee that shareholders can issue instructions to the company via their representative even during the Annual General Meeting. From the Annual General Meeting in 2010, it is intended to secure the contactability of shareholders' representatives during the Annual General Meeting.

Management and control structure

GfK Aktiengesellschaft (since February 2, 2009, GfK SE) is subject to the German Stock Corporation Act and has a two-tier management and control structure comprising a Management Board consisting of six persons and a Supervisory Board with nine members. Two thirds of the members of the Supervisory Board are shareholder representatives and one third employee representatives. In accordance with the standing rules of the Supervisory Board, its representatives are independent. Alongside their activity for the Supervisory Board, the majority of the members also held senior positions in other companies during 2008.

The Supervisory Board advises and monitors the Management Board in the management of business operations. Consequently, expertise from trade, industry and financial sector at both national and international levels should be represented in the composition of the Supervisory Board. The Supervisory Board has formed four independent committees, the Presidial Committee, the Nominations Committee, the Personnel Committee and the Audit Committee.

The Code recommends that the Chairman of the Audit Committee has particular expertise and experience in the application of accounting principles and internal financial controlling. Until September, 2008, the Audit Committee was chaired by Dr. Arno Mahlert, who has been a member of the Management Board since 2004 and Chairman of the Management Board of maxingvest AG since May 1, 2007. Following the resignation of Hajo Riesenbeck, Dr. Arno Mahlert was appointed Chairman of the Supervisory Board at the Supervisory Board meeting on September 26, 2008. He was succeeded as Chairman of the Audit Committee by Dr. Christoph Achenbach. Dr. Achenbach has been a partner and shareholder in INTES Beratung für Familienunternehmen since the beginning of 2008. He sits on various Advisory and Supervisory Boards. Dr. Achenbach has many years' operational experience in various senior positions. He was previously Spokesman for the Klingel Group's management.

In 2008, there were no consultancy and other service and works contracts between members of the Supervisory Board and the company. Further details of the activities of the Supervisory Board are given in the detailed Report by the Supervisory Board on page 4 onwards.

The company has taken out a D&O insurance policy with an appropriate deductible for members of the Management and Supervisory Boards.

Responsible risk management

Systematic risk management has been in place at the company for many years and has been reviewed by the year-end auditors. Details are provided in the Risk Report on page 76 onwards.

Transparency in communications

With the aim of transparent communications, the company is pursuing its objective of providing the same information to all the interested parties at the same time. All press releases and corporate communications are available via the website www.gfk.com. Newsletters in both electronic and printed form report on the latest news from the Group, and the survey results from the three sectors provide the findings from market research.

Remuneration report

Remuneration of the Management Board

The remuneration of the members of the Management Board comprises four components: a fixed element, a bonus (variable, short-term remuneration), the 5 Star Incentive Program (variable, long-term remuneration) and the pension commitments. The structure of the remuneration system is reviewed regularly by the Supervisory Board in line with the recommendations of the Personnel Committee. The remuneration is based on the respective remits of members of the Management Board, their personal performance and that of the full Management Board. The non-performance related remuneration components comprise a fixed element and the pension commitments. The variable remuneration components comprise variable components dependent upon internal annual performance targets (short-term components) and stock options or a claim under the 5 Star Long Term Incentive Program (long-term components).

The 5 Star Incentive Program has the following objectives:

This program continues on the basis of the earlier stock option program, without issuing new shares. The remuneration is based on cash benefit. As with the previous program, the intention is to bind the management to long-term operational and strategic corporate goals. The term of each tranche is three years. Participation in the program is dependent on individually-agreed performance targets. The contractually-agreed remuneration component creates an entitlement to virtual shares on attainment of individual performance targets. The number of virtual shares is calculated with reference to the amount of remuneration divided by the price of the virtual shares. The price is the listed price of GfK shares, which corresponds to the average price of the last 20 trading days before the year-end. For every virtual GfK share acquired, the Management Board also receives a performance share. The development of the long-term remuneration, composed of the virtual shares and performance shares, depends on the development of the share price and attainment of two performance targets: the Total Shareholder Return (TSR) of the GfK share by comparison with the TSR of the shares of companies in the Dow Jones Euro Stoxx Media Index and the increase in the operating income of GfK over a three-year period. The operating income index is measured as an actual rise in the operating income over an expected rise of this parameter. The expectation is stipulated by the Supervisory Board of GfK on an individual basis for each tranche of the program. The Supervisory Board derives the performance targets from the expected capital-market income to companies from the index noted above.

The performance shares granted by GfK shall lapse, reduce or increase, depending on attainment of both targets. Under terms of the Corporate Governance Code, the increase in value of a tranche is limited.

Structure of pension commitments

In principle, the pension contracts for Management Board members are uniformly structured. After three service years as a member of the Management Board (waiting period), the company grants a retirement pension, an early retirement pension, a disability pension and a widows'/widowers' and orphans' pension. The fixed annual remuneration of the beneficiary agreed in the contract of employment is deemed to be the pensionable income. Beneficiaries receive a retirement pension, when they leave the service of the company upon reaching the normal retirement age. After three years' service as a member of the Management Board, the annual pension amounts to 30 % of the pensionable income. This increases by three percentage points for each additional full year. The retirement pension is limited to 60 % of pensionable income. The retirement pension is granted on leaving the company at the age of 62. A reduced, early-retirement pension may be provided at the age of 60. If pension beneficiaries leave the service of the company before their 62nd birthday due to a partial or complete reduction in earning capacity, they receive a disability pension for the duration of the partial or complete reduction in earning capacity. If the reduction in earning capacity still applies upon reaching the normal retirement age, the pension continues to be paid as a life-long pension. The disability pension is calculated in the same way as the retirement pension albeit only the service years until the beneficiary leaves the company are included in the calculation, which is based on the pensionable income at the time membership of the Management Board ends. In the calculation it is assumed that the beneficiary has been a member of the Management Board for ten years. If he or she has been a member for more than ten years, the beneficiary's disability pension will equal the entitlement acquired up to

leaving the company. There is a different arrangement for Management Board member Debra A. Pruent, in whose calculation the entitlement to a disability pension assumes that she has been a member of the Management Board for three years. If she is a member for more than three years, her disability pension will be equal to that acquired up to leaving the company.

The widows'/widowers' pension amounts to 60 % of the retirement pension or disability pension last paid; the orphans' pension amounts to 30 % for full orphans and 15 % for half orphans. After the commencement of the pension, the current pension is increased annually by two percentage points.

The company can grant higher adjustments, if the consumer price index shows a higher increase in prices.

Remuneration of the Management Board

	Annual salary		5 Star Incentive Program			Pensions	
TEUR	Fixed salary	Variable Compo-nent	Number of shares (units)	Value at time of issue	Total	Liquidation of / allocation to pension provisions	Pension provisions at year-end 2008
Prof. Dr. Klaus L. Wübbenhorst (CEO)	570.5	573.9	5,466	247.1	1,391.5	– 285.6	4,407.2
Christian Weller von Ahlefeld	378.3	417.8	3,644	164.8	960.9	149.6	1,784.9
Petra Heinlein	391.5	305.3	3,644	164.8	861.6	– 110.3	2,003.8
Dr. Gérard Hermet	395.7	576.5	3,644	164.8	1,137.0	503.5	3,087.7
Debra A. Pruent	318.6	279.8	3,644	164.8	763.2	359.6	359.6
Wilhelm R. Wessels	376.9	378.7	3,644	164.8	920.4	– 26.6	2,918.6
Remuneration 2008	**2,431.5**	**2,532,0**	**23,686**	**1,071.1**	**6,034.6**	**590.2**	**14,561.8**
Remuneration 2007	**2,067.7**	**2,905.0**	**6,540**	**348.7**	**5,321.4**	**– 1,380.0**	**13,971.5**

In 2007, the Management Board of GfK Group comprised five and in 2008 six individuals.

As of December 31, 2008, the Management Board held a total of 375,787 shares and 302,107 options for GfK shares.

Former members of the management of GfK GmbH, Nuremberg, and of the Management Board of GfK SE, Nuremberg, and their dependents received a total remuneration of EUR 0.9 million. There are provisions of EUR 11.4 million for pension obligations to former Management Board members, their dependents and Managing Directors.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board is regulated by the Annual General Meeting and stipulated in the Articles of Association. It is based on the remit and responsibility of Supervisory Board members and on the commercial success of GfK. Essentially, this comprises the following elements: in addition to expenses, members of the Supervisory Board receive a fixed remuneration of EUR 9,000.00 payable at the end of the financial year. They also receive

annual remuneration, which is performance-linked and contingent on income per share. This payment is linked to attainment of a minimum value, which is calculated as follows: a performance-related remuneration of EUR 500.00 is paid for every EUR 0.10 income per share above the threshold value of EUR 0.30 income per share established in 2005, as shown in the consolidated financial statement in accordance with the International Financial Reporting Standards (IFRS). The amount of EUR 0.30 is increased annually by EUR 0.10, so that the minimum value for financial year 2008 is therefore EUR 0.60. The average income per share over the current financial year and the two preceding years is used as a basis for the calculation.

Performance-related remuneration may only amount to one and a half times the fixed annual remuneration. The Chairman of the Supervisory Board receives two and a half times the fixed and variable amounts mentioned above; the Deputy Chairman receives one and a half times this amount. The remuneration increases by 25 % for membership of the Personnel Committee and the Audit Committee, and by 50 % per chair of one of these two committees up to a maximum of 100 % of the fixed and variable remuneration. GfK compensates every Supervisory Board member for any VAT applying to their remuneration and the reimbursement of expenses. Supervisory Board members, who have only held their position for part of the financial year, are compensated on a pro rata basis.

Remuneration of the Supervisary Board

TEUR	Fixed componets	Variable components	Total remuneration
Dr. Arno Mahlert (Chairman since September 26, 2008)	19.80	15.39	35.19
Hajo Riesenbeck (Chairman up to September 26, 2008)	19.90	15.47	35.37
Stefan Pfander (Deputy Chairman since September 26, 2008)	12.45	9.68	22.13
Dr. Christoph Achenbach	11.85	9.22	21.07
Dr. Wolfgang C. Berndt	11.85	9.22	21.07
Kerstin Döpfert	11.25	8.75	20.00
Sandra Hofstetter	9.00	7.00	16.00
Jürgen Schreiber	11.25	8.75	20.00
Dieter Wilbois	11.25	8.75	20.00
Remuneration 2008	**118.60**	**92.23**	**210.83**
Remuneration 2007	**121.50**	**94.50**	**216.00**

As of December 31, 2008, the Supervisory Board held a total of 3,462 shares. Members of the Supervisory Board hold no share options.

Details of transactions involving GfK shares by members of the Supervisory Board and the Management Board are published on the website in accordance with the Corporate Governance Code.

The remuneration report forms part of the consolidated financial statements and the Group management report.

Declaration of Compliance by the Management and Supervisory Boards of GfK Aktiengesellschaft in accordance with the provisions of Section 161 of the German Stock Corporation Act (AktG)

Pursuant to Section 161 of the German Stock Corporation Act (AktG), the Management and Supervisory Boards of stock-exchange listed companies must declare each year, the extent to which they have complied with and will continue to comply with the recommendations of the Government Commission German Corporate Governance Code published by the German Ministry of Justice in the official section of the online Federal Gazette and which recommendations have not or will not be complied with. This declaration must be made available to shareholders at all times.

The German Corporate Governance Code (the "Code") contains regulations, some of which are binding. In addition to outlining the prevailing company law, it also contains recommendations from which companies may deviate, although in such cases, they are obliged to publish information on such deviations every year. The Code also proposes suggestions from which companies may deviate without the necessity for these to be disclosed.

Deviations from the recommendations and suggestions have been published since 2002. These are reported separately below:

I. Recommendations

The Management and Supervisory Boards of GfK AG declare that they have complied with and will continue to comply with the recommendations of the Government Commission German Corporate Governance Code in the version of June 6, 2008 published by the German Ministry of Justice on August 08, 2008 in the official section of the online Federal Gazette. Only the following recommendations have not been applied:

1) Point 4.2.3 deals with variable remuneration components for the Management Board. With regard to stock options, the requirement includes "the Supervisory Board shall agree a limitation option (cap) for extraordinary, unforeseeable developments".

GfK AG's stock option program expired on December 31, 2004 and no cap is provided for this program. Tranches already issued or still to be issued may be exercised up to and including December 31, 2011. The Management and Supervisory Boards agreed on a new program on December 12 and December 14, 2005 which complies with the requirements of point 4.2.3.

2) Point 4.2.3 subsections 4 provides: "In concluding Management Board contracts, care shall be taken to ensure that payments made to a Management Board member on premature termination of his contract without serious cause do not exceed the value of two years' compensation (severance payment cap) and compensate no more than the remaining term of the contract…"

In 2008 no new Management Board contracts were negotiated or concluded.

3) Point 7.1.2 provides for the publication of the consolidated financial statements within 90 days and interim reports within 45 days.

Since January 1, 2005, GfK AG has consistently complied with the 45 day period for publication of its quarterly results. In 2008 the Mid Year Report was published on August 28, 2008 (14 days after expiration of the 45 day period) as a result of the half year audit in connection with the strategic negotiations with Taylor Nelson Sofres plc. (TNS). Publication of the 2009 Annual Report is scheduled for 31 March, 2009, i.e. within the required period.

4) Point 7.1.4 provides for the publication of information concerning other companies.

Every year, GfK AG publishes a list of holdings which gives information on all affiliated and associated companies and other major holdings. The information includes equity stake, equity and fiscal year details.

Information beyond this level concerning the last year's results of companies in which GfK AG holds a not insignificant stake is not made available. The key criterion here is that transparency at individual company level may prove a competitive disadvantage to GfK AG.

II. Suggestions

The Management and Supervisory Boards declare that they have complied with and will continue to comply with the suggestions of the Government Commission German Corporate Governance Code in the version of June 6, 2008 published by the German Ministry of Justice on August 08, 2008 in the official section of the online Federal Gazette. Only the following suggestions are not applied:

1) Point 2.3.3, third sentence provides: "The Management Board should ensure the appointment of a representative to exercise voting rights for shareholders in accordance with instructions: such persons should also be contactable during the annual General Meeting."

In the past, GfK AG has appointed a proxy to exercise the voting rights before the Annual General Meeting and will continue to do so in then future. Voting proxies shall be determined in accordance with the regulations listed in the invitation convening the Annual General Meeting. The details are published in the agenda and on the website under www.gfk.com/Investor. Voting during the Annual General Meeting is currently difficult for technical reasons. As soon as a practicable solution has been found for the secure transmission of votes, GfK AG will check the feasibility to introduce such a system.

Compliance Officer: Roland Fürst

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→ www.gfk.com/Investor

GfK shares

Stock market 2008 dominated by the crisis on financial markets

The crisis on the financial markets cast its shadow over 2008. It affected events on all stock markets, albeit to a differing degrees. Players on Wall Street are looking back on one of the most turbulent years on stock markets in living memory. In September, New York's Dow Jones index lost 4.4% in one day – the sharpest fall since trading resumed after September 11, 2001. The exchange supervisory authority suspended trading at times because of the dramatic falls in prices, short sales were forbidden. Over the course of the year, the index lost 33.8% (2007: +6.4%). At the same time, the US's S&P 500 fell 38.5% (2007: +3.5%) in the reporting period. Share markets in Europe and Asia also slumped. The leading European index, the EUROSTOXX 50, lost 44.4% of its value (2007: +6.8%) in the course of the year. In a country comparison, the leading French index, the CAC 40, closed 42.7% down (2007: +1.3%), while the leading Spanish index, the IBEX 35, was 39.4% down (2007: +7.3%) and the leading British index, the FTSE 100, lost 31.3% (2007: +3.8%). The leading Asian indices were even more heavily hit. Having made substantial gains in 2007, the Chinese Shanghai Composite lost 65.4% (2007: +96.7%) and the Indian BSE Sensex 52.5% (2007: +47.1%) of their value. At the 2008 year-end, the Japanese Nikkei index was 42.1% down (2007: –11.1%). Leading indices in Central and Eastern Europe recorded comparably sharp falls in value. In the reporting period, the CECE Eastern European index fell by 53.7% (2007: +10.5%), while the Russian RTS lost a massive 72.4% (2007: +19.2%).

GfK shares: outperformed the comparable index

Even the heavyweights in the German stock market were subject to violent price fluctuations and suffered substantial losses. After five successful years in succession, the leading index, the DAX, lost 40.4% of its value in the last financial year (2007: +22.3%) to stand at 4,810 points at the year-end. In October alone, the blue chips fell by 22%, which is almost double what had previously been the weakest week since the terrorist attacks in the USA in September 2001. Investors reacted to the negative economic data and falling corporate profits by selling more shares.

GfK share key data

German Securities code	587530
ISIN (International Securities Identification Number)	DE0005875306
Reuters	GFK.DE
Bloomberg	GFK GR
Datastream	D:GFKX
First Call	GFK.DE

GfK share price performance comparison

	in 2008	From IPO to 31.12.2008[1)]
GfK AG	– 20.0 %	+ 42.9 %
DAX	– 40.4 %	– 9.2 %
SDAX	– 46.1 %	– 3.4 %
DJ Euro Stoxx Media	– 33.2 %	– 33.5 %

1) Compared with the Initial Public Offering (IPO) of EUR 15,41 at the time of the stock exchange launch on September 23, 1999 (adjusted by the capital increase from corporate funds).

Having risen by 5.0% in 2007, the mid cap index MDAX fell by 43.2% in 2008. The small cap index SDAX lost 46.1% of its value (2007: –6.8%) over the course of the year. The Dow Jones Euro Stoxx Media, the index relevant to GfK listing international media and market research stocks, fell by 33.2% (2007: –1.2%) in the same period.

Bond markets benefited from the turbulence on stock markets. In the course of the year, the German bond index, the REX, which contains 30 fixed rate German government bonds, recorded a gain of 10.1% (2007: +2.5%). Investors had more faith in fixed rate instruments, which also corresponded with the decline in investors investing directly in shares. According to the German Institute of Investors, the number of shareholders decreased from 4.0 million in 2007 to 3.6 million in 2008.

GfK share price performance compared with the indices in 2008[1)]

1) All values are indexed to the GfK share price

GfK · DAX 30 Performance · SDAX Performance · DJ Euro Stoxx Media

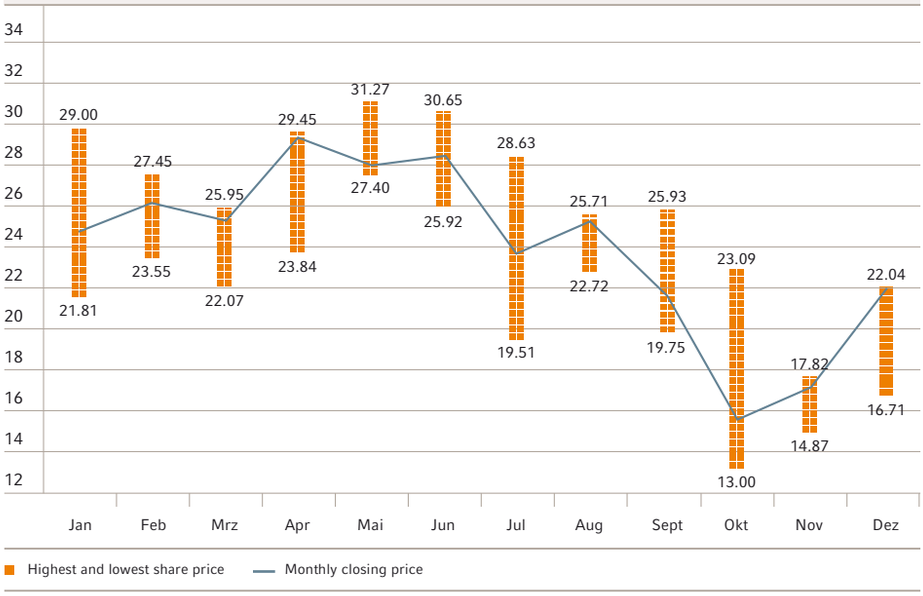
GfK shares closed the year down 20% at EUR 22.02 (2007: –16.2%). Within the 50 SDAX stocks, the company ranked seventh best in terms of performance. For shareholders, who acquired their shares as part of the IPO in 1999 and have held them since, their shares had increased 42.9% at the end of 2008. This equates to an annual return on invested capital of 4.8%. In comparison with this, fixed rate German government bonds generated an average return of 4.2% per year in the same period. In the same period, the average annual return on a DAX index certificate (1:1 copy) would be minus 1.0%, on an SDAX index certificate it would be minus 0.4% and on a Dow Jones Euro Stoxx Media index certificate, it would be minus 3.7%.

At the end of December 2008, GfK's market capitalization stood at EUR 791.6 million (2007: EUR 986.2 million). As a result, the company ranks number 5 in the SDAX (2007: number 13) and number 45 in the DAX 100 (2007: number 63). In terms of stock market turnover, GfK ranked number 30 in the SDAX (2007: number 26) and number 81 in the DAX 100 (2007: number 77) in the reporting period. In the past financial year, the average daily stock market turnover, at 32,000 shares, was lower than in the previous year (2007: 48,000 shares).

Merger discussions: a significant impact on share price performance

GfK shares started 2008 at EUR 27.49, but were unable to buck the trend on the international stock markets and shares fell to EUR 21 in January. Following publication of very good provisional figures for 2007 at the end of February, the previous falls in the share price were offset to some extent. The price of GfK shares rose to over EUR 26. Six banks confirmed their "buy" recommendations while one bank recommended holding the share. Citigroup, the world's second largest bank, recently included GfK shares in its coverage.

Highest and lowest value of the GfK share full year 2008 in EUR



The second and third quarters of 2008 were dominated by merger negotiations with the British market research company Taylor Nelson Sofres (TNS). Share markets reacted very positively to the announcement on April 29 that GfK planned to enter into a "merger of equals" with TNS. At this point a merger of equals was possible since both groups had roughly equal market capitalizations. The GfK share gained 17% to EUR 31.27 within a week, while the TNS share price increased by 23% in this period.

On May 5, the British media and market research group WPP expressed its interest in taking over TNS. The TNS management immediately rejected its bid as too low. The TNS share rose by a further 26 % in the course of the month, while the GfK share slipped slightly. The disparity in the two companies' performance at this time was detrimental to the shared notion of a merger of equals.

On June 3, GfK and TNS published additional detailed information on the planned merger, which sent the group's shares soaring on the capital market. On this date, the GfK was the best performer in the SDAX, gaining 7 %. Stock market trading quadrupled to almost 180,000 shares. The French bank Natixis Securities subsequently included GfK in its coverage and advised investors to "buy" GfK shares in its first recommendation.

On July 9, WPP made its first official takeover bid to TNS shareholders. On the same day, GfK and TNS cancelled the joint merger agreement. In the meantime, the share prices of the two companies had diverged by 56.7 %. A merger of equals was no longer possible. GfK's management also announced that it was examining whether a cash bid involving a financial investor to TNS shareholders would be possible. While the price of the TNS share climbed sharply, the price of GfKs dropped back sharply to EUR 19, then edged up to recover to EUR 23 in the course of the month.

On August 27, the capital market rewarded the decision by GfK not to continue the discussions in connection with financing a possible takeover bid for TNS. In pre-market trading, the GfK share price rose by just under 6 % to close at EUR 24.50. One bank upgraded its rating to "buy" and four further banks confirmed their "buy" recommendation. Analysts had welcomed a merger, but were more sceptical about a takeover and the associated increase in net debt.

The further deterioration in the financial crisis caused further price falls on the world's stock markets in the fourth quarter of 2008. GfK was also affected by this and the share price fell back to EUR 13. GfK subsequently stepped up its road show activities in the USA, the UK and Germany and succeeded in adding three new banks to those covering GfK shares. Cheuvreux, MainFirst and Merrill Lynch started their coverage with a "buy" rating and the GfK share price subsequently climbed above the EUR 20 threshold.

Annual General Meeting resolves conversion to GfK SE

At the Annual General Meeting in Nuremberg on May 21, 2008, GfK shareholders owning at least 97 % of the capital present at the meeting voted in favor of the resolutions proposed by the Supervisory Board and the Management Board. Around 350 shareholders and proxy representatives were there representing over 80 % of all GfK shares. The key item put to a vote was the change in form of GfK Aktiengesellschaft to a European company (Societas Europaea) SE. A resolution on authorizing the GfK Group to acquire and use its own shares (share buyback program) was also voted on.

Dividend per share more than tripled since IPO

To ensure that shareholders benefit from the company's positive performance, the GfK Supervisory and Management Boards will propose a dividend of EUR 0.46 per share to the Annual General Meeting on May 20, 2009 (previous year: EUR 0.45 per share). This equates to a dividend yield of 2.8 %. Based on the total of 35,947,363 shares entitled to a dividend as of December 31, 2008, the total dividend will rise to EUR 16.5 million (previous year: EUR 16.1 million). The ninth increase in the dividend in succession since the IPO in 1999 demonstrates the confidence of the Supervisory Board and Management Board in the company's future growth. In this period, the dividend per share has increased by 318 % in total.

GfK share indicators

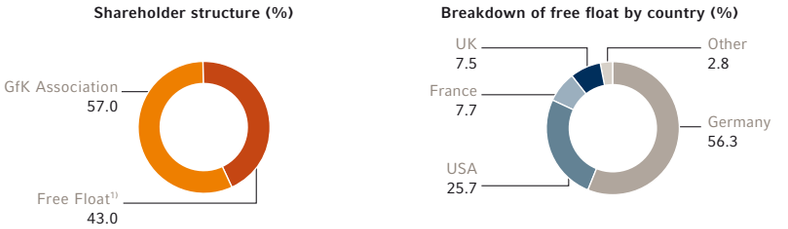
	Unit	2007	2008
High	Euro	39.58	31.27
Low	Euro	25.29	13.00
Closing price	Euro	27.50	22.02
Average daily volume traded	Stück	48,128	31,668
Number of no-par shares (weighted)	Stück	35,682,085	35,884,308
Number of no-par shares as of Dec. 31	Stück	35,863,031	35,947,363
Stock market capitalization as of Dec. 31	Mio. Euro	986.2	791.6
Ranking in SDAX			
by sales		26	30
by market capitalization		13	5
Index weighting by market capitalization	in %	2.5	3.4
Dividend[1)]	Euro	0.45	0.46
Total dividend[1)]	Mio. Euro	16.1	16.5
Earnings per share	Euro	2.33	2.04
Free cash flow per share	Euro	3.56	2.66

1) Applies to financial year 2008: proposal for the Annual General Meeting on May 20, 2009

Private shareholders investing more heavily

The shareholder structure of GfK AG is balanced and global in its focus. With a 57.0 % stake, GfK-Nürnberg e.V. remains the largest single shareholder. The proportion of shares in free float amounts to 43.0 %. The Management Board and Supervisory Board hold 1.1 % as in the previous year. The distribution between institutional and private investors has shifted in favor of private shareholders compared with the previous year. At the year-end 2008, the share of institutional investors was 20.2 % (2007: 25.1 %) and the share of private investors was 21.7 % (2007: 17.3 %). At country level, more than half the GfK free float is located in Germany, a quarter in the USA, followed by the UK and France (with 8 % each).

Shareholder structure of GfK ag



1) including the Management and Supervisory Boards of GfK AG (1,1 %), as at 31.12.2008

Successful start to the GfK Capital Market Day

In addition to the balance sheet press conference and the Annual General Meeting, GfK has been present at

- nine international investor conferences in Germany, the UK, France and the USA,
- a DVFA analysts' conference,
- seven road shows in Germany, the UK, Italy, Canada, Austria and the USA,
- eleven conference calls
- and 139 one-to-one meetings with analysts, fund and sales managers.

In January 2008, GfK hosted a two day conference for investors, the GfK Capital Market Day, for the first time and issued invitations to a series of lectures and one-to-one meetings. A total of 35 analysts and institutional investors from Germany, France and the UK took this opportunity for discussions with members of the GfK Management Board. The presentations focused on market positions, regional profiles, customer relations, services, instruments and methods as well as the company's long-term strategies, targets and development potential.

For the fourth year in succession, GfK also hosted the Nuremberg stock market day for private investors in cooperation with the Munich stock exchange and the Munich Investment Club. Over 3,000 investors took this opportunity to talk to over 60 companies from the financial sector and attend over 40 specialist presentations in February 2008.

On the GfK website www.gfk.com in the "Investor" section, GfK gives detailed information on current share price performance, dates and presentations, key data and financial reports, the Annual General Meeting and the company's corporate guidelines. The "gfk impuls" newsletter for shareholders, published four times a year, provides additional information such as the development of the corporate network, the latest survey results and developments in the market research sector.

Excellent communications activity

According to the results of the annual competition for the best annual report held by the German financial magazine "Manager Magazin", GfK ranks among the best. For the 14th time, the financial magazine and the University of Münster analyzed the annual reports of major German and European listed companies in the reporting year. In the SDAX companies' category, the GfK Annual Report moved up to 1st place from 2nd place in the previous year.

GfK also did well in the Capital Investor Relations Prize 2008, achieving 376.3 of a possible 500 points. It moved up from 3rd place to 2nd place in the ranking of SDAX companies. Financial magazine "Capital" and the Society of Investment Professionals in Germany (DVFA) have been holding their Investor Relations awards since 1997. This year, 400 analysts and fund managers, who often represent an entire team, provided 10,000 individual assessments of 197 companies from the EUROSTOXX 50, DAX, MDAX, TECDAX and SDAX indices.

In the BIRD 2008 awards, the sixth survey carried out by financial and business magazine "Börse Online" of private investors on the information and communication activities of the 160 largest listed German companies, GfK was ranked seventh in the overall listing covering all indices. Within the SDAX companies, GfK ranked 2nd with 64.5 points. The results are based on 2,000 individual assessments of corporate dialogue on business development, strategy and future prospects.

Kyoichi Hirano

there was no listed market research institute in Japan at the time. I felt even more responsible in my job, because now, I had a responsibility to the shareholders!"

GfK was also thinking of its employees when it made the decision to go public. Investing in the future would not only increase job security, but raise the prestige of the entire group. Kyoichi Hirano recounts: "My personal prestige increased, because I was working for a German listed company and I well recall that when talking to my German colleagues, we never failed to check out the share price. And of course, we were absolutely delighted when it had gone up."

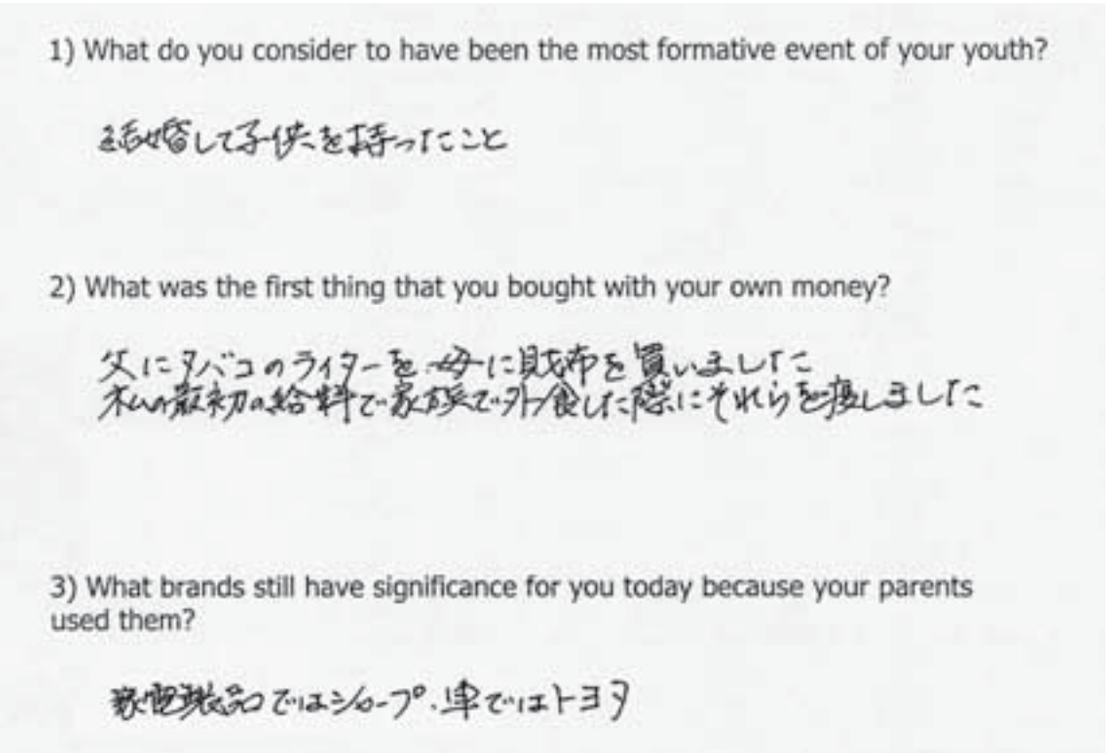
What is important to GfK is to make stakeholders out of its employees, because the success of each and every individual goes towards determining the price of the company's shares. And staff can also share in the company's success by buying shares, naturally, at a preferential rate.

Kyoichi Hirano reports:

"Naturally, I also bought shares. This was a matter of course: how could anyone represent a GfK group company without having invested in it personally? Of course, at the moment, I think the shares are under-valued. Even in the knowledge that we are in the middle of a crisis, it is clear that to be successful, our customers will need information. Obtaining this information is the core competence of GfK and this is why I personally wish that the analysts would sometimes be a bit less careful."

Five questions to Kyoichi Hirano

What do you consider to have been the most formative event of your youth?
My wedding and the birth of our child.
What was the first thing that you bought with your own money?
A lighter for my father and a purse for my mother. I presented my parents with these gifts at a meal I had invited them to with my first earned money.
What brands still have significance for you today because your parents used them?
Sharp electronics and Toyota cars.
What do you think is the greatest change to have occurred between 1999 and today?
Before the stock exchange launch, the name GfK was not so well known here in Japan. But after going public, confidence in GfK grew along with its reputation and it became easier to acquire business.
What does GfK mean to you personally?
GfK has given me the strength and energy to work with so many different people, ranging from the young to the more experienced, our employees and our customers. What was also exciting was being allowed to focus on employee management. When I returned to Japan from Germany, I came back with the responsibility for expanding GfK in Japan, and this was a very great moment in my life.



2005 – The merger with NOP World

Together we're strong

On June 1, 2005, GfK acquired market research group NOP World. The company was ranked ninth in the global list of market research organizations at the time, and its arrival enriched GfK by 47 companies and more than 1,500 colleagues.

Elizabeth Nolley, born June 28, 1968, is one of these colleagues. Today, she holds the post of Vice President, Marketing Communications, GfK Custom Research North America. At the time of the takeover, she was Associate Vice President, Marketing Communications, NOP World, having joined the organization just a few months prior. She told us:

"When I first heard that NOP World was merging with GfK, I had mixed feelings. I was excited about the idea of combining with another industry leader in order to form a bigger even better organization and I was thrilled that we were going to have a parent company focused on the business of market research. However, I was still nervous about losing my job."

She wasn't the only one worried. Many feared for their jobs and wondered what would happen.

"We didn't know where the acquisition would lead us. For many of us, GfK was an unknown entity. So we weren't sure how the new organization would be run, or how our culture and operations would merge with that of our new parent company. However, it didn't take long to see that joining the GfK family was a great move for NOP World."

With this, Elizabeth Nolley was voicing the thoughts and feelings of her colleagues.

Most of NOP World's staff of 1,500-strong were based in the UK, the USA and Italy. The US and German monopoly commissions carefully reviewed the merger and immediately after approval was granted, GfK began work on the integration of NOP World. Project teams comprising managers from GfK as well as NOP World were set up. These teams were tasked with creating a new organizational structure that quickly combined the GfK and NOP subsidiaries for future success. The remit included optimization of the service offering, as well as all aspects of operations and administration. But what of the general mood among the staff? Elizabeth Nolley recalls:

"Folks were very nervous and apprehensive at the mention of the words 'merger' or 'acquisition.' When it became clear that GfK would become our new parent company, there was a big sense of relief. GfK was known as a people-focused company with a strong global presence, great expertise and products, who would appreciate what we had to offer. As such, we knew we'd get more than a fair chance to succeed."

The amalgamation of GfK and NOP World was very successful and produced a group that became quickly established as the world's fourth largest market research organization. Today, the group offers market research services in over a hundred countries and out of the 10,000 employees, 80% work outside Germany.

At the time of the merger, NOP World annual sales were about half those of GfK. Together, the two organizations broke the billion euro sales barrier in record time.

Elizabeth Nolley tells us what her colleagues thought:

"We knew integrations of this size are never easy. But today, we are pleased to be part of a client-focused, employee-friendly company with such a great reputation around the world."

NOP World employees were delighted to become part of a global leader that is not only well-known for its professionalism, but also for its fairness. When

What else happened in the world in 2005...

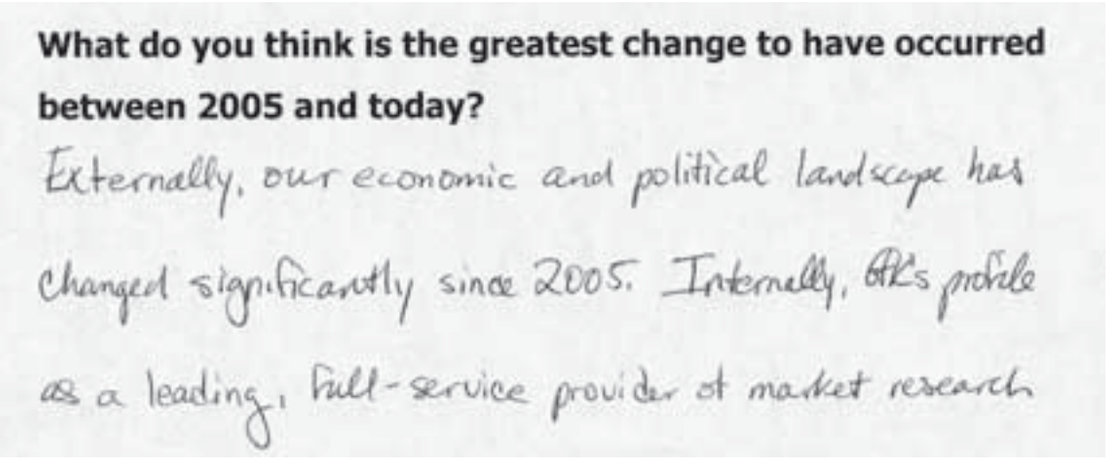
- In Italy, a comprehensive smoking ban came into effect in restaurants and public buildings.
- The crude oil price reached a record high in more than 20 years with a barrel (42 US gallons or 159 liters) costing 47 dollars.
- In Toulouse, South Western France, the Airbus A380 – the world's biggest passenger aircraft – was introduced.
- Cardinal Joseph Ratzinger was elected Pope, thereby becoming the first ever German Pope. He took the name Benedict XVI.
- The heat shield was damaged upon launch of the Discovery space shuttle. The crew succeeded in carrying out a risky emergency repair in space. On August 9, the shuttle landed safely at Edwards Air Force Base in California.
- Team Renault motor racing driver, Fernando Alonso, was 24 years old when he became the youngest Formula 1 World Champion ever.

Elizabeth Nolley

people realized that the new owners welcomed the staff and respected the local culture, they were finally convinced that the merger was good news for everybody.
Elizabeth Nolley concludes:
"We are proud that, in a relatively short period of time, we've helped to raise GfK's profile as a leading full-service provider of syndicated and custom research in the US and Canada. We're truly excited about the possibilities that our new "orange world" holds for our clients, employees and shareholders."

Questionnaire Elizabeth Nolley

What do you consider to have been the most formative event of your youth?
While many things have shaped the person I continue to become, I'd have to say that it was the summers I spent as a little girl at my Grandmother's in Virginia that really helped to shape me. Things in the rural South were very different from the suburban lifestyle that I was used to growing up in New Jersey. But being with my Grandma, Grandpa, uncles, aunts and cousins all summer long taught me the value of working hard, taking time to rest and play when the sun was high, connecting with your Higher Power regularly, being self-reliant (my Grandma either caught, grew or made almost everything herself, including soap!), and the importance of fresh air and fresh food. I also learned how to cook a lot of things I still make today!
What was the first thing that you bought with your own money?
I was about 13 and my brother and I had just gotten a brand new hi-fi record player for Christmas. So with the birthday money I received the following June I purchased Earth, Wind and Fire's "Raise" album, Kurtis Blow's self-titled album and the "Controversy" album by Prince.
What brands still have significance for you today because your parents used them?
My parents were both school teachers, so to save money they didn't buy a lot of brand name products. But I can remember in my parents' house, as well as my grandparents' house, there was always Clorox bleach in the bathroom, Karo syrup in the kitchen cupboard and Arm & Hammer baking soda in the fridge and freezer – and all three continue to be staples in my home today.
What do you think is the greatest change to have occurred between 2005 and today?
Externally, our economic and political environment has changed significantly since 2005. Internally, GfK's profile as a leading, full-service provider of market research solutions here in North America has been raised significantly in a relatively short period of time.
What does GfK mean to you personally?
For me, GfK is a place where the "best practice" wins, regardless of the country, division or employee who suggests them. This global, knowledge sharing culture provides each of us as employees with tremendous opportunities to hone existing skills as we learn and grow. GfK is part corporate and part entrepreneurial, which means it's an extremely dynamic, creative place to work – and one that is constantly striving to find ways to make things better for clients, shareholders and employees alike.



2008 – A time of acquisition and expansion

Well equipped for the future

2008 has been an eventful year for GfK and a time of acquisition and expansion. In June 2008, the Supervisory and Management Boards of the GfK Group had agreed a merger of equals with the Board of Directors of the Taylor Nelson Sofres group. One month later, the agreement was cancelled by mutual agreement and GfK subsequently attempted to acquire Taylor Nelson Sofres on the basis of a pure cash offer with help from an investor. However, in August 2008, GfK finally withdrew from the takeover. The financial terms and conditions had not enabled the company to make an acceptable bid for Taylor Nelson Sofres, in addition to which, the move was not in the best interests of GfK shareholders.
However, 2008 continued to be a year of acquisitions and expansion. GfK recorded organic growth of 5.5% to total sales of EUR 1,220.4 million, with the adjusted operating result rising to EUR 158.7 million and the margin at the forecast level of 13.0%.

What else happened in the world in 2008...

- Indian corporation Ratan Tata produces the "Nano", the world's cheapest car, which sells for the equivalent of EUR 1,700.
- German chancellor Angela Merkel is the first politician in ten years to be added to Madam Tussaud's waxworks museum, where she stands next to George W. Bush and Tony Blair.
- The 36 kilometer-long (approx. 27 miles) Hangzhou bridge connecting the Chinese towns of Shanghai and Ningbo is officially opened. It is currently the longest sea bridge in the world.
- Barack Obama takes up residence in the White House as the USA's first black President

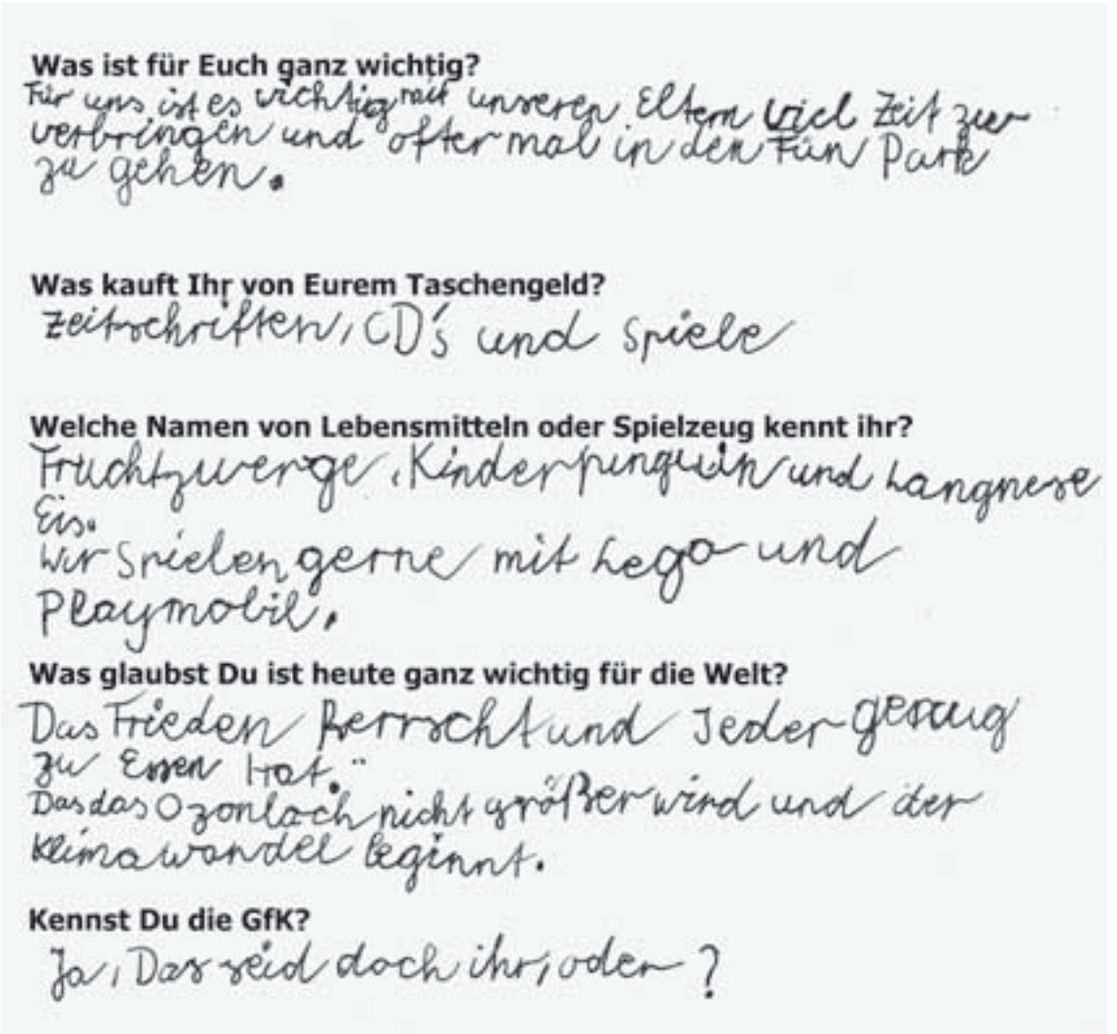
GfK recorded particularly dynamic results in the growth regions of Central and Eastern Europe, Asia and the Pacific and Latin America. The strategy of acquisitions as the basis for organic growth has also paid off.
In April 2008, GfK welcomed its 10,000th member of staff.
GfK is particularly proud of another event which occurred in 2008: the professional association of German market researchers awarded the 2008 innovation prize to a tool developed by GfK itself, HILCA (Hierarchical Individualized Limit Conjoint Analysis). The beginning of 2008 saw the restructuring of the five former business areas of Custom Research, Retail and Technology, Consumer Tracking, Media and HealthCare into the three sectors of Custom Research, Retail and Technology and Media. The new structure facilitates even better optimization of GfK's cross-field services, such as online panels, data gathering and survey methodologies. In addition, the new structure and amalgamation of core competencies enables GfK to sharpen its profile in the market still further. These core competences and the sound basis of the GfK Group will also sustain the company's future growth.
And when it comes to growth, this is not only important to the big corporates, but to children as well, such as Johanna (6) and her sister Kathrin (8). Children are our future. And they are the reason why in 2008, GfK carried out a survey on behalf of the association of toy and game manufacturers and retailers to find out what children really want. The clear findings of the survey of six to twelve year-old youngsters carried out for International Children's Day were that most of all, children want a pet and a computer. They also said they wanted to

Johanna

spend more time with their parents on outings and vacations. Money and school marks came in as less important, while an amazing 21.9% responded to the question: "What would you like most?" by naming an animal. Next came computers, with 18.6% putting this at the top of their list and ranked third with just under 8% was the wish for a happy family with no arguments or divorce. Question two was: "What activities would you like to do with your Mum and Dad?", and to this, almost 30% said they wanted to go on holiday with their parents, while around 26% wanted their parents to take them to a leisure park or on outings. This goes to show that it is their parents' time and attention which children need most. And here, Johanna and Kathrin are in agreement with their contemporaries. To find out what else they would like, read the questionnaire below.

Five questions to Johanna and Kathrin

What's really important to you?
Spending lots of time with our parents and going to the FunPark more often.
What do you buy with your own pocket money?
Magazines, CDs, toys and games.
Do you know the names of any particular food products or toys and games?
Fruchtzwerge jelly beans, Kinderpinguin biscuits and Langnese ice cream. And we love Lego and Playmobil.
What do you think is very important for the world today?
World peace and everyone having enough to eat. That the ozone hole doesn't get bigger and climate change doesn't get worse.
Have you ever heard of GfK??
Yes. You're GfK, aren't you?



Kathrin