



Press release

Preliminary figures for 2006

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Bernhard Wolf
Corporate Communications
Tel. +49 911 395-2012
Fax +49 911 395-4075
bernhard.wolf@gfk.com

GfK Group clears the one billion euro sales mark and increases income significantly

- Sales of the GfK Group rise by almost 19% to EUR 1,112 million
- Adjusted operating income up by a good 20% to EUR 150 million
- Margin increases to 13.5% (prior year: 12.6% like for like)
- Organic growth of 5.4% once again outperforms sector
- NOP World, GfK's biggest acquisition to date, now integrated successfully
- Dividend up 9% to EUR 0.36

Nuremberg, February 28, 2007 – Financial year 2006 was a very successful year for the GfK Group. According to the preliminary key indicators available, GfK increased sales by 18.7% from EUR 937.3 million to EUR 1,112 million. With organic growth of 5.4%, GfK also outperformed sector growth, which experts estimate at 4% to 5%, further expanding the global market position of the GfK Group. Adjusted operating income improved by 20.3% to EUR 150 million. This corresponds to a margin of 13.5% after 12.6% on a like for like comparison, i.e. including the NOP World companies for the full year, representing an increase of 90 basis points. The Group has achieved its sales target in full and the margin is on the upside of the target range of 13.3% to 13.6%, which in itself was upgraded in mid-November 2006.

There was once again a sharp rise in demand for market research services towards the end of the year. In terms of sales and income, the fourth quarter of 2006 was the strongest for the year and also in the company's history.

GfK Aktiengesellschaft
Nordwestring 101
D-90319 Nuremberg

Tel. +49 911 395-0
Fax +49 911 395-2209
www.gfk.com
public.relations@gfk.com

Management Board:
Professor Dr.
Klaus L. Wübbenhorst
(CEO)
Christian Weller von Ahlefeld
(CFO)
Petra Heinlein
Dr. Gérard Hermet
Wilhelm R. Wessels

Supervisory Board Chairman:
Hajo Riesenbeck

Commercial register
Nuremberg HRB 9398



GfK GROUP: PERFORMANCE COMPARED WITH PRIOR YEAR¹⁾

In EUR million	2005	2005²⁾	2006 preliminary	Change in %
Sales	937.3	937.3	1.112	+18.7
Adjusted operating income	125.1	125.1	150	+20.3
Highlighted items				
Integration costs	-15.7	-15.7	-4	-74.2
PPA depreciation/ amortization	-15.9	-15.9	-23	+45.8
Staff costs from the Stock Option Program/Long- term Incentive Plan	-2.6	-2.6	-3	+13.3
Other operating income	10.3	10.3	15	+51.8
Remaining other operating expenses	-20.5	-20.5	-17	-15.2
Operating income/loss	80.7	80.7	118	+46.9
Income from participations	28.3	4.1	3	-17.4
EBIT	109.0	84.8	121	+43.8

1) Figures from the Management Information System – rounding differences may occur

2) Adjusted for income from the sale of the participation in IHA·IMS Health, Switzerland, amounting to EUR 24.1 million

The highlighted items under operating income amounted to a total of EUR 32 million in 2006 (prior year: EUR 44.4 million). As announced in the interim report for the third quarter of 2006, these include final integration costs of EUR 4 million in connection with the acquisition of NOP World in 2006.

WRITE-DOWNS of disclosed hidden reserves from scheduled amortization and impairment (PPA) amounted to EUR 23 million.

STAFF COSTS arising from the Stock Option Program and long-term incentives were slightly up on the prior year at EUR 3 million.

In 2005, other OPERATING INCOME AND REMAINING OTHER EXPENSES were impacted heavily by currency effects resulting from existing consolidated financing at NOP World. In 2006, they virtually offset each other at only EUR -2 million.

INCOME FROM PARTICIPATIONS in 2005 included non-recurring proceeds of EUR 24.1 million from the sale of the participation in IHA·IMS Health in Switzerland. Excluding these proceeds, EBIT has increased by almost 44% to EUR 121 million. This rise is more than twice that of growth in sales.



Other FINANCIAL INCOME of approx. EUR 29 million is expected, which has risen following interest expenses on liabilities for the financing of the acquisition of NOP World included for the full year. In addition, it is affected by a new IFRS rule. In accordance with this new standard, purchase price obligations impact on the income statement. The first-time reporting of liabilities for future acquisitions of additional shares in subsidiaries resulted in interest expenses. The minority interests attributable to these future acquisitions are already reduced accordingly now. The impact of interest on income attributable to shareholders of the parent company is therefore largely neutralized.

The company expects a TAX RATIO for 2006 of less than 30%.

Shareholders benefit from the positive performance. The Supervisory and Management Boards intend to propose a 9% increase in the DIVIDEND per share from EUR 0.33 to EUR 0.36 to the Annual General Meeting taking place on May 23, 2007. This marks a rise in payout of 10.3% to EUR 12.8 million. Since its IPO in 1999, GfK has increased the dividend every year.

GfK Group performance

Overall, GfK increased sales by 18.7% last year. At 5.4 percentage points, organic growth outperformed estimated sector growth of 4% to 5%. Currency effects depressed growth by 0.7%.

The high level of growth from acquisitions of 14.0 percentage points resulted mainly from the acquisition of NOP World, which has been consolidated since June 1, 2005.

Successful integration of the NOP World companies

The integration of NOP World into the GfK Group was successfully completed in 2006. With the acquisition of NOP World, the GfK Group now owns strong and well known brands in the USA, UK and Italy. The integration costs amounted to EUR 4 million last year. Together with integration costs of EUR 15.7 million in 2005, expenses relating to NOP World totaled around EUR 20 million, as announced originally. The synergies achieved have materialized faster and more effectively than anticipated at the time of the acquisition of NOP World. Synergies resulting from reduced costs were expected to amount to EUR 7 million for 2006 and EUR 15 million for 2007 and subsequent years. In 2006, cost synergies of around EUR 10 million were achieved. Including tax benefits, the company expects the 2007 amount to be virtually double this. It will be achieved through improvements in business operations and a more efficient corporate structure under company law. The Group also benefits from a low tax ratio as a result of optimized financing models.

Growth in the business divisions

In the year under review, the GfK Group once again achieved good growth rates in all of its five business divisions.

GROWTH IN THE BUSINESS DIVISIONS¹⁾

Sales in EUR million	2005	2006 preliminary	Change in %
Custom Research	416.4	522	+25.5
Retail and Technology	209.6	228	+8.9
Consumer Tracking	100.3	106	+6.4
Media	96.2	117	+21.7
HealthCare	107.3	133	+23.9
Other	7.5	4	-38.9
Total	937.3	1,112	+18.7

1) Figures from the Management Information System – rounding differences may occur

STRUCTURE OF SALES GROWTH BY DIVISION¹⁾

Growth in %	Total	Organic	Acquisitions	Currency
Custom Research	+25.5	+4.5	+21.4	-0.5
Retail and Technology	+8.9	+8.4	+0.8	-0.3
Consumer Tracking	+6.4	+6.3	0.0	+0.1
Media	+21.7	+1.6	+21.7	-1.6
HealthCare	+23.9	+8.3	+17.7	-2.0
Other	-38.9	-38.8	0.0	-0.7
Total	+18.7	+5.4	+14.0	-0.7

1) Figures from the Management Information System – rounding differences may occur

In the CUSTOM RESEARCH division, GfK provides clients with information services to support their operating and strategic marketing decisions in 36 countries across the globe. These services include tests and surveys on products and pricing policy, brand management, communications, distribution logistics and customer loyalty.

The division generated the highest sales in the GfK Group. At EUR 522 million, around 50% of Group sales are achieved through custom research services. With sales growth of 25.5%, this division recorded the highest growth rate of all divisions. 21.4 percentage points of growth were acquisition-based. This was attributable to the acquisition of NOP World and the expansion of the network in South and Central America. Organic growth amounted to 4.5%. With operating profit of almost EUR 44 million, the margin was 8.4%.



GROWTH IN MARGINS AT THE BUSINESS DIVISIONS¹⁾

Margin in %	2005 Like for like	2006e
Custom Research	8.8	8.4
Retail and Technology	25.5	25.9
Consumer Tracking	4.5	7.3
Media	23.8	21.7
HealthCare	7.6	11.6
GfK Group²⁾	12.6	13.5

1) Figures from the Management Information System – rounding differences may occur

2) Including Other

The RETAIL AND TECHNOLOGY division surveys and analyzes retail sales of durables in more than 70 countries. GfK offers its clients from retail and industry a database of up-to-date information covering more than one million products.

The division increased sales by 8.9% and contributed EUR 228 million to Group sales. With 8.4%, as in prior years, it recorded the highest organic growth of all five GfK divisions. Consolidation and currency effects had a minor impact only. The success results essentially from the well established network, which enables the Group to collect market research data on durables in all continents. The expansion of this network continued in financial year 2006, especially in Latin America, Africa, the Middle East and Eastern Europe. In addition, the range of services was enhanced and the delivery frequency of reports increased further. The global use of the standardized Startrack production and reporting system makes it possible to provide the uniform global reports requested by international durables manufacturers.

Operating profit rose to around EUR 59 million and the margin developed positively. At 25.9%, it clearly exceeded the figure for the prior year.

The CONSUMER TRACKING division provides its clients with data and analysis of consumer purchasing behavior in 26 countries across Europe on a regular basis. Alongside information about many consumer goods and services, GfK clients receive data on almost all FMCG on offer in the market.

Sales by the division rose 6.4% to EUR 106 million, with the increase mainly attributable to organic growth. This reflects the good business performance and use of innovative methods and technology. A number of highly innovative measures were implemented, in particular at GfK Panel Services Germany. These included an increase in the online proportion of panel participants and new data collection technology. GfK Panelservices Benelux in the Netherlands expanded its ConsumerScan panel, which now includes a total of 6,000 households. The operating profit of the division amounted to



almost EUR 8 million and the margin of 7.3% marked a significant improvement in profit on 2005.

GfK's MEDIA division provides information services about the intensity and nature of media usage and media acceptance. The offering covers the classic media, such as television, radio, print and film as well as online and offline media. Clients include media companies, agencies and the branded goods industry in more than 27 European countries and the USA.

In 2006, this division once again recorded two-digit growth rates. Sales were up 21.7% from EUR 96.2 million in the previous year to EUR 117 million. Growth through acquisitions amounted to 21.7%, mainly attributable to the US subsidiary, Mediamark Research. Organic growth accounted for 1.6 percentage points and currency effects impacted on growth with 1.6 percentage points. Operating profit was a good EUR 25 million and resulted in a margin of 21.7%. The margin was pleasing in view of investment in the new Evogenius evaluation software and set-up costs for new panels.

Organic growth of 1.6% in financial year 2006 appears lower compared with 2005, especially compared with the last quarter because a one-off contract for the delivery of GfK meters to measure TV ratings in India was reported in the last quarter of 2006. Performance by subsidiaries based in Western and Southern Europe was very good. The TV ratings contract for Germany with a term from 2005 to 2011 and an extension option to 2013 was supplemented in the financial year ended by an agreement for new metering technology. In addition to the existing measurement of analog television consumption, the new agreement covers television via all digital user platforms. This creates a sound basis for the future development of the division.

The HEALTHCARE division focuses on special healthcare markets within GfK's American, European and Asian network. It offers clients from the pharmaceutical and healthcare sectors in 27 countries data analysis on a range of topics, including product development and market communications, the image and price control of medicines, market positioning and customer satisfaction, as well as information on the sales volumes of products used in the dental and veterinary industries and by laboratories.

This most recently established GfK Group division achieved very good sales growth in 2006. Sales were up 23.9% from EUR 107.3 million to EUR 133 million. While acquisitions in America and Europe resulted in an increase of 17.7%, organic growth amounted to a good 8.3%. Developments were particularly pleasing in Germany, with the HealthCare companies of the former NOP World in the UK and USA also well positioned. The operating margin of 11.6% was considerably higher than in the prior year. In absolute terms, operating profit in excess of EUR 15 million was achieved.

OTHER does not represent an independent division, but supports the divisions. It covers GfK's centralized services for its subsidiaries and affiliates, as well as their cooperation partners. The division primarily includes GfK Data Services, GfK Methoden- und Produktentwicklung (methodology and product development) as well as the GfK Group Services departments.

At EUR 4.6 million, sales by OTHER remained below last year's figure (EUR 7.5 million). The decrease was almost entirely organic and resulted from the non-extension of the contract with the Information Resources company to collect retail sales data. This agreement had already been gradually reduced in recent years. The operating loss is now only around EUR 1 million.

Regional trends

All regions increased sales compared with the prior year.

GROWTH BY REGION¹⁾

Sales in EUR million	2005	2006 preliminary	Change in %
Germany	253.6	269	+6.3
Western and Southern Europe	257.5	290	+12.8
Northern Europe	127.2	167	+31.6
Central and Eastern Europe	52.7	64	+22.2
Asia and the Pacific	39.4	39	+0.5 ²⁾
America	207.0	280	+35.7
Total	937.3	1,112	+18.7

1) Figures from the Management Information System – rounding differences may occur

2) Excluding Japan, 8.3%

STRUCTURE OF SALES GROWTH BY REGION¹⁾

Growth in %	Total	Organic	Acquisition	Currency
Germany	+6.3	+6.3	0.0	0.0
Western and Southern	+12.8	+4.7	+8.4	-0.3
Northern Europe	+31.6	+2.7	+28.9	0.1
Central and Eastern Europe	+22.2	+20.9	0.0	+1.3
Asia and the Pacific ²⁾	+0.5	+1.4	0.0	-0.9
America	+35.7	+3.5	+35.0	-2.8
Total	+18.7	+5.4	+14.0	-0.7

1) Figures from the Management Information System – rounding differences may occur

2) Excluding Japan, 8.3%

In 2006, GfK achieved sales totaling EUR 269 million (prior year: EUR 253.6 million) in GERMANY. This represents an increase of 6.3% on the prior year and 24.2% of overall sales generated by the GfK Group. The rise in sales was exclusively based on organic growth. All divisions contributed to this region achieving the second highest growth rate in organic terms of all GfK regions and all companies expanded their market positions further.

With EUR 290 million, WESTERN AND SOUTHERN EUROPE remains the GfK Group's region with the highest sales. The Sales increase totaling 12.8% was accounted for by organic growth of 4.7 percentage points. The sales increase attributable to acquisitions amounted to 8.4% and related to the Swiss company, GfK Research Matters, and GfK Eurisko in Italy. Currency effects reduced growth by 0.3 percentage points.

The significant increase in sales in NORTHERN EUROPE of 31.6%, from EUR 127.2 million to EUR 167 million, resulted primarily from the acquisition of NOP World. Organic growth amounted to 2.7%, a significant improvement on the first nine months when only 0.5% growth was achieved. Currency effects were marginal at +0.1%.

In CENTRAL AND EASTERN EUROPE, GfK increased sales by 22.2% to EUR 64 million. Organic growth of 20.9 percentage points was once again the highest of all regions. This means that GfK achieves 6% of Group sales, which have risen considerably since the acquisition of NOP World, in this region. Currency effects added a further 1.3% to the sales increase. No acquisitions were made in the region.

With an increase of 35.7% from EUR 207.0 million in 2005 to EUR 280 million in 2006, once again, GfK in AMERICA recorded the highest growth rate of all regions. The major proportion of 35.0 percentage points resulted from acquisitions. In addition to the former NOP World companies, this included Merc in Mexico and KleimanSygnos in Argentina. Organic sales growth amounted to 3.5%. The growth rate has increased considerably in each successive quarter. In the first three months of 2006, it stood at -6.1%. Currency effects reduced growth 2.8 percentage points.

In financial year 2006, sales in ASIA AND THE PACIFIC were at the prior year's level of EUR 39 million. This sales increase of 0.5% is comparatively small and organic growth of 1.4 percentage points was relatively low as a result of weaker business in Japan and the fact that several global contracts are being processed from Europe. Currency effects impacted on growth with an additional 0.9 percentage points. The organic growth rate, excluding business in Japan, stood at a good 8.3%.



Employees

As at the end of financial year 2006, the GfK Group employed 7,903 staff. Compared with the previous year, this represents an increase of 388 employees, or 5.2%. Around 80% of this rise resulted from organic growth. Acquisition-based growth was accounted for by companies in Latin America and Switzerland joining GfK.

In Germany, the number of employees rose 2.6% to 1,628.

The total of 6,275 employees in the international GfK companies represents an increase of 347 employees on the previous year. 79% of all GfK employees work outside Germany. With business performing well, the regions of Western and Southern Europe and Central and Eastern Europe, in particular, recruited new members of staff. Conversely, Northern Europe was the only region to record a drop of 4.1% in the number of employees compared with the prior year, mainly following restructuring measures in the UK.

Important events occurring after the reporting date

After the end of the financial year, GfK published new contracts and contract extensions, particularly in its Media division.

In Romania, TV ratings of 1,200 households have been measured since the beginning of 2007. Measurements cover all locally received domestic and international TV programs and the use of video recorders, DVD games, set-top boxes and games consoles. The contract has a term of four years.

Intomart GfK and the Dutch Association for Viewer Research, SKO, have extended their contract, which has been in place since 1964, by a further three years. In addition to the standard data collection on ratings of all TV channels, new technology is being tested which will facilitate the measuring of time-delayed and non traditional TV consumption.

GfK has once again been awarded the official contract for recording TV ratings in the Ukraine. The contract applies for five years. The relevant panel has been expanded to include more than 2,500 households.

Outlook

On the basis of the companies included in the scope of consolidation at the beginning of the year, GfK forecasts organic growth in sales of more than 5% in 2007. This does not include currency effects. The company expects therefore to outperform average sector growth again. Experts estimate this to be 3% to 5% in 2007.

The margin, i.e. adjusted operating income in relation to sales, is set to exceed 13.5%. The company anticipates the following growth trends in the individual divisions:



GfK DIVISIONS: 2007 GUIDANCE¹⁾

In EUR million	2006 sales preliminary	2007e sales increase in %	2006 preliminary margin in %	2007e margin in %
Custom Research	522	4-5	8.4	~8.5
Retail and Technology	228	>6	25.9	~25.0
Consumer Tracking	106	4-5	7.3	~8.0
Media	117	4-5	21.7	~22.0
HealthCare	133	5-6	11.6	~12.0
GfK Group²⁾	1,112	>5	13.5	> 13.5

1) Figures from the Management Information System – rounding differences may occur

2) Including Other

Overall, GfK expects all divisions to achieve healthy growth rates and increase their margins further. Most divisions are expected to achieve further improved margins and Retail and Technology is expected to maintain its excellent margin, despite investments in new products and services.

GfK has seen a positive start in the new financial year. By the end of January, the order book (total of existing orders, incoming orders and sales already invoiced) already accounted for 32.6% of the sales target forecast for 2007 compared with 30.9% in the prior year.

In addition to expectations regarding adjusted income, GfK anticipates the following changes in relation to highlighted items.

With the integration of NOP World completed, there will be no integration costs in the current year.

In 2007, write-downs of disclosed hidden reserves (PPA) will once again be based on the components of scheduled amortization and impairment of capitalized economic assets. GfK expects a slightly lower PPA amount for 2007 compared with the prior year's level of EUR 23 million.

Currency effects stated under other income should be minor in 2007.

The highlighted items are therefore expected to amount to EUR 30 million this year.

GfK aims to achieve a tax ratio of around 30% for the Group. In terms of net income for the year, the increase in interest expenses resulting from the newly included purchase price obligations should be largely offset by minority interests, which have been included under income to date, and should therefore be neutral in terms of earnings per share.



Accounts press conference and full financial statements

GfK will publish its full financial statements at its accounts press conference in Nuremberg on April 4, 2007 at 10 a.m. On the same day, a presentation of the financial statements will be given at a DVFA analysts' conference in Frankfurt/Main, starting at 3 p.m.

Provisional key dates in the financial calendar

April 4, 2007	Accounts press conference, Nuremberg
April 4, 2007	Analysts' meeting, Frankfurt/Main
May 15, 2007	Interim report as at March 31*
May 23, 2007	Annual General Meeting, Nuremberg
August 14, 2007	Interim report as at June 30*
November 14, 2007	Interim report as at September 30*

*) Publication is scheduled for before the start of trading.

Responsible under press legislation
GfK AG
Corporate Communications
Bernhard Wolf
Nordwestring 101
D-90319 Nuremberg
Tel. +49 911 395-2012
Fax +49 911 395-4075
bernhard.wolf@gfk.com

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