Quarterly statement

January to March 2017

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GfK down versus prior year

- **Group sales declined by 2.4 percent**
- **Adjusted operating income of €21.6 million**
- **Margin at 6.1 percent (prior year: 8.9 percent)**

Nuremberg, May 15, 2017 – In the first three months of 2017, GfK recorded a decline in both sales and income. In organic terms, consolidated sales were down 2.7 percent. Influenced by positive currency effects of 1.5 percent and the negative impact of acquisitions and divestments (1.1 percent), sales totaled €352.0 million. Adjusted operating income amounted to €21.6 million (prior year: €32.1 million). This is €10.5 million less than in the same period of the prior year. At 6.1 percent, the margin (adjusted operating income in relation to sales) was lower than the prior year's value of 8.9 percent. The market environment for ad hoc business remains challenging.

GfK Group: development compared with prior year

In € million	Q1 2016	Q1 2017	Change in %
Sales	360.5	352.0	-2.4
EBITDA	44.7	29.4	-34.3
Adjusted operating income	32.1	21.6	-32.6
Margin in percent[1]	8.9	6.1	-2.8[2]
Operating income	27.5	11.6	-57.8
EBIT	27.7	11.7	-57.6
Other financial income/expenses	-2.8	-2.3	+18.3
Consolidated total income	15.5	0.9	-93.9
Cash flow[3]	6.0	13.5	+124.4
Earnings per share in €	0.40	0.01	-97.5

1) Adjusted operating income in relation to sales
2) Percentage points
3) Free cash flow after acquisitions, other financial investments and asset disposals

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Peter Feld (CEO)
Christian Diedrich (CFO)
Dr. Gerhard Hausruckinger
David Krajicek
Alessandra Cama

Chairman of the Supervisory Board:
Ralf Klein-Bölting

Commercial Register:
Nuremberg HRB 25014

Trends in the sectors

At €162.9 million, sales in the Consumer Choices sector were 4.1 percent down versus the prior year's level (€169.9 million). An organic sales decline of 2.7 percent was recorded. Due to the divestment of Crop Protection and Animal Health activities, and the associated loss of sales, inorganic growth amounted to -3.1 percent. By contrast, exchange rates had a positive impact of 1.7 percent. The income of the sector declined by €6.6 million to €20.8 million. The margin went down 3.4 percentage points to total 12.8 percent.

Sales trend in the sectors[1)]

In € million	Q1 2016	Q1 2017	Change in %
Consumer Choices	169.9	162.9	-4.1
Consumer Experiences	190.5	189.0	-0.8
Other[2)]	0.1	0.1	+8.7
Total	**360.5**	**352.0**	**-2.4**

1) Figures from the Management Information System – rounded
2) Category

In the first quarter, the Consumer Experiences sector achieved sales of €189.0 million (prior year: €190.5 million). This corresponds to a decrease of 0.8 percent. In view of the sustained challenging market environment in ad hoc business, negative organic growth of -2.7 percent was recorded over the first three months. In contrast, currency effects had a positive impact of 1.3 percent, as did growth from acquisitions (0.6 percent). However, income decreased by €4.7 million to €3.0 million and the margin declined from 4.0 percent in the same period of the prior year to 1.6 percent.

Sales trend in the regions[1)]

In € million	Q1 2016	Q1 2017	Change in %
Northern Europe	133.3	123.8	-7.1
Southern & Western Europe	63.4	64.1	+1.2
Central Eastern Europe/META	29.0	31.9	+9.7
Latin America	17.1	15.7	-8.4
North America	72.3	69.2	-4.3
Asia and the Pacific	45.3	47.3	+4.4
Total	**360.5**	**352.0**	**-2.4**

1) Figures from the Management Information System – rounded

Income and financial position

Adjusted operating income and margin (adjusted operating income in relation to sales) were influenced by the known start-up problems in the Media Measurement business and the decline in sales. EBIT in the first three months decreased to €11.7 million (prior year: €27.7 million).

The tax ratio stood at 90.0 percent and was therefore considerably up versus the prior year's level (prior year: 37.6 percent). This is strongly influenced by the non-recognition of deferred tax assets and the non-deductibility of certain expenses.

The consolidated total income of the GfK Group amounted to €0.9 million, compared with €15.5 million in the prior year.

Outlook

GfK is assuming that 2017 will continue to be characterized by a challenging competitive environment.

At present, the Management Board is expecting a slight year-on-year increase in the capital expenditure investment level of around €80 million (2016: €71 million).

For 2017 the group expects, subject to the known risks, a sales development slightly above 2016 and an AOI margin (adjusted operating income to sales) in the same range as 2016.

The subdued start to the first three months means that developments in both sales and adjusted operating income fell short of expectations. If GfK does not successfully reverse this development, this could lead to a year-on-year decline in both sales and adjusted operating income.

Sales coverage as at the end of March was 63.1 percent of predicted annual sales. It is therefore within the fluctuation range of between 57 percent and 65 percent over the last five years.

About GfK

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK's long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers' experiences and choices.

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