CLARITY

ANNUAL REPORT 2014
MAGAZINE

GfK GROUP
GROWTH FROM KNOWLEDGE

Clar|ity

SPELLING
Word type: noun
Line break: clar|ity

MEANING
The quality of being clear, in particular:
1. The quality of being coherent and intelligible
2. The quality of being easy to see or hear; sharpness of image or sound
3. The quality of being certain or definite
4. The quality of transparency or purity

PRONUNCIATION
Emphasis: kl<u>a</u>r-i-tee

ORIGIN
Middle English; from Latin *claritas*, from *clarus* meaning ”clear”
= brightness, purity and lucidity

THE MEANING OF CLARITY

What really matters.

We live in paradoxical times. We know more and more, yet understand less and less. What do the consumers of tomorrow really want? What products will be in demand the day after tomorrow? In what direction are markets, brands and products going? And what does one have to do with the other?

We thirst for knowledge,
but are drowning in information.

At the same time we are compelled (whether we like it or not) to make more and more decisions on increasingly complex interrelationships, in less and less time. Relationships that individuals find impossible to grasp. But if the basis for decision-making is fragmented or vague, failure is already on the cards.

What is missing here is clarity.

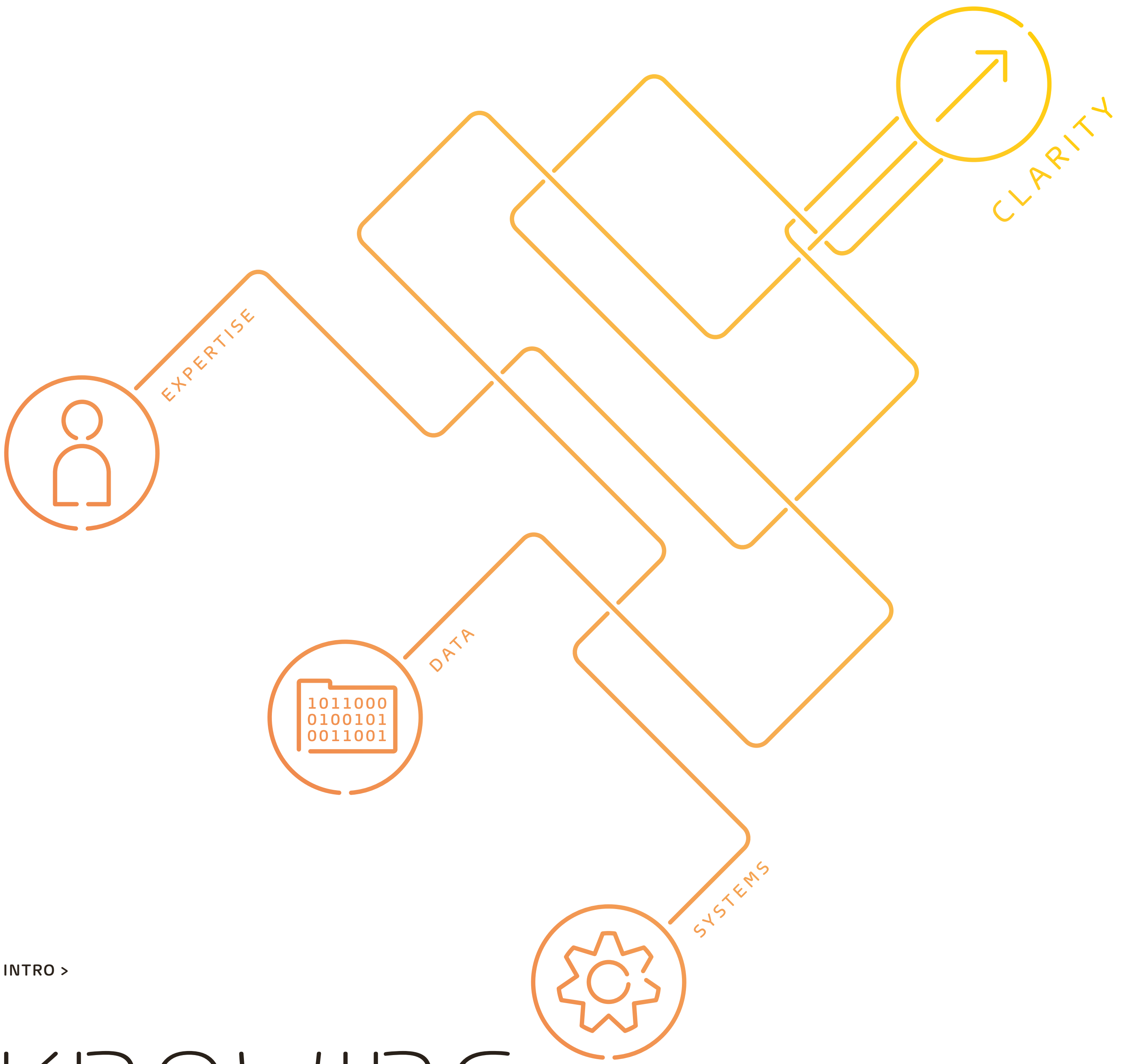
Clarity about what customers really want. Clarity about interrelationships that are not at all recognizable at first sight, but are crucial to success the second time around. Clarity that results from analytical incisiveness, in-depth knowledge, advanced systems and vast experience. Clarity on what really counts.

That's what we do. Our 13,000 experts use innovative technologies, unique data sources and statistical algorithms to turn Big Data into the knowledge that is relevant to our clients and that they need for success on the market. We combine precision in the details with an eye on the big picture in over 100 countries around the world. For more than 80 years we have been evolving in the same way that markets, consumers and their desires evolve. This is how we deliver one thing above all to our clients:

WE CREATE CLARITY

0.1%
FACTS

99.9%
FICTION



INTRO >

KNOWING WHAT MATTERS

TOPIC > CLIENTS, MARKETS, COMPETITORS

MARKET > GLOBAL

Never before has so much information about customers, products, markets and media been available, and in such detail – and never before has it been so difficult to interpret that information correctly. It is precisely this capability that gives GfK its massive strength. Backed by comprehensive analytical tools, a global organization as a market research company and deep insights into consumer behavior, GfK creates clarity for clients in a complex world.

It's been about 80 years since Wilhelm Vershofen encapsulated the core mission of market research in a now legendary formulation. As the respected economist said, the aim is to "allow the voice of the consumer to be heard".

Since then, this task has become much more complicated. Today's consumer is more diversified, more active and more difficult to grasp than in the past. He "tweets, emails and uses Facebook". He buys online on the other side of the world and at the same time in a nearby conventional shopping street. He watches TV, surfs and buys things while on the move. He reveals some of his preferences in the form of customer feedback, shares others only with his personal friends and keeps a great deal to himself. In addition, preferences change faster than ever before: Findings that are only a few months old are now sometimes no longer relevant. Nonetheless, on his way through the world of brands and goods, the consumer also provides information about his experiences, or leaves a wide trail of publicly visible messages or information. However, due to its sheer quantity and ambiguity, this information is all the harder to interpret. The quiet voice of the consumer has swollen to a polyphonic and sometimes bizarre chorus. Especially the more relevant tones are quite often drowned out by the irrelevant, but even louder sounds.

How can an overview be maintained in such a world? How is it possible to gain the clarity needed for quick decisions that are well-founded and lead to success?

If you really want to understand customers and markets, the main requirement nowadays is that you are able to distinguish between the important signals and the insignificant ones. It is necessary to capture experiences and activities correctly, analyze them intelligently, condense them into in-depth knowledge and translate them into effective actions. In other words: exactly what GfK does.

The company, one of largest and most experienced in its industry anywhere in the world, has in recent years passed through changes that are at least as rapid as those seen in the world of consumers. This traditional German market research company has developed into a global data analyst and consultant, understanding modern consumers and markets like no other. Some 13,000 GfK experts are working on this endeavor, in more than 100 countries around the world and in a wide range of industries. They analyze almost all the media and parameters that reveal and shape present-day consumer decision-making.

For example, GfK not only measures TV viewing figures in Germany and other European countries, but soon also in Brazil, the fourth largest TV market in the world, and the Kingdom of Saudi Arabia, the biggest country in the Middle East. In addition, partnerships with mobile phone providers and social media platforms provide detailed insights into the wishes and behavior of "digital natives". It's no longer just a matter of analyzing TV, internet or smartphones on an individual basis. It's now all about what content and advertising reaches which people, no matter what medium is used.

Innovative products such as GfK Echo and GfK Innovation Roadmap assist companies in better understanding the feedback from their customers and in designing innovation processes more effectively. Through its "Own the Future" strategy, GfK has not only positioned itself in a much more integrated and client-focused way in the past three years, but has also opened up a number of digital and mobile data sources. This is because the importance of the classic survey on behalf of clients is waning, while the evaluation of passive data, i.e. data that was originally created or collected in other contexts, is becoming increasingly important.

On this basis, consumer researchers can follow precisely not only which channels customers use for getting information and shopping, but also what media contacts or other touchpoints with brands actually translate into purchase decisions in the end. These insights are indispensable for brand decision-makers.

On behalf of a major European e-Commerce provider, for example, GfK analysts recently investigated the ways in which visitors had arrived at the company's shopping portal. Just before this, the company had spent millions on TV advertising while at the same time attempting to activate its target groups online. But in the final analysis, which of these campaigns led to online traffic and sales? Which medium motivated customers to take action? And, even more interesting: What did not motivate them?

COLLECT AND UNDERSTAND DATA CORRECTLY

GfK experts got to the bottom of these questions by using methods such as GfK Crossmedia Link, a unique panel in which the use of various online and offline media and the actual purchases made by the participants are recorded and analyzed. The results were equally revealing and valuable for the e-Commerce provider. This is because its

CONSUMER BEHAVIOR IS
CONSTANTLY EVOLVING

01 > Consumers are "always on" with mobile devices

02 > The rise of digital creates a growing number of touchpoints

03 > The speed of innovation accelerates

04 > Consumer experiences are increasingly complex

IN THIS CHANGING ENVIRONMENT,
CLIENTS NEED CLARITY

TV campaign alone increased the number of online store users by only 4 percent. The results for online activities as the sole impetus were similar. The true driving force turned out to be a combination of both media, accounting for more than 40 percent of the additional visits – a finding that the company can now use for designing highly effective cross-media campaigns.

"We are now more digital and faster than ever, in tune with the times," states Matthias Hartmann, GfK's CEO. **"We provide reliable data and analyses and help to draw the right conclusions from them. In this way we create clarity for our clients."**

It is a basic principle for GfK that these methods of analysis require strict respect for the privacy and anonymity of consumers. Another fundamental tenet is that only scientifically sound and precise technologies and methods are employed, generating in-depth data that is indeed comparable. Drive, Nurago, Telecontrol and Crossmedia Visualizer are among GfK's unique in-house technology platforms that are deployed across sectors and national boundaries to produce data of consistently high quality. This is becoming more and more important for globally operating clients. GfK in turn employs a large number of experienced specialists to assess and process this data, since data alone does not create clarity. Market research skills and experience are also needed to identify correlations. As an example, about 500 coders are now employed in GfK's centralized service centers to enter millions of products worldwide into the GfK retail panel using a standardized format. Technologies are currently being tested in pilot projects to optimize these standard tasks further and to automate them as far as possible, with consistently high levels of data quality. It is also the case that, in certain industries, the quantity and complexity of the articles to be recorded is so enormous that the amounts of data would definitely not be economically manageable without additional technical support. In this field, too, GfK is active in developing the attractive panel business.

Taxonomies are also being created by coders for GfK Crossmedia Link so that apps and websites can be assigned to the respective genres and media operators in a way that is as automated as possible. Specially trained staff is needed to interpret the content of comments and reviews in publicly accessible social media channels. In this case, GfK relies on an innovative crowdsourcing platform, enabling suitable teams to be quickly put together for each client project. **"Contrary to popular belief, data analysis is still not feasible without expert human intervention,"** says Management Board member Dr. Gerhard Hausruckinger. **"A lot of people do believe, of course, that large mountains of data along with a few algorithms can deliver wonderful insights. Nothing could be further from the truth. It's only the combination of a range of data from different sources and their expert analysis that converts Big Data into actionable Smart Data."**

In this way, GfK generates highly accurate knowledge about customers, markets, media, products and brands. But how can this knowledge be harnessed quickly, at any time? How can even the most complex patterns be processed so that they provide the basis for clear and effective decision-making in any situation? In this respect, GfK is forging new paths, as is evident in the example of brand research.

HARNESSING KNOWLEDGE

The relationships people have with brands take many forms, each one providing meaning to the consumer about themselves and their lives. Above all, these relationships can evolve in dynamic ways over time. Marketers who recognize this understand that the brand experiences they design must drive not only short-term behavior, but also the longer-term sense of connection that consumers have with the brand.

U.S. marketing expert Susan Fournier has demonstrated that the relationships between consumers and brands follow very similar patterns to those between humans. Fournier is a Professor of Marketing at Boston University and is one of the academic luminaries with whom GfK cultivates an ongoing scientific exchange. She and GfK worked together to build on her consumer-brand relationship model and formulate a new measurement and analysis system that better understands how consumers connect to brands. Initially measuring consumer relationships with over 250 brands in four strategic countries across the globe, the research has now expanded to a database of more than 2,500 brands worldwide.

This is the foundation of GfK Brand Vivo, GfK's new tool for measuring and monitoring brand equity. It efficiently detects the emotional imprint of recent brand experiences and patterns within brand relationship development – revealing intuitive and actionable ways to optimize brand success. The system also incorporates social media data, tracking the dynamic relationship signals and "wow" experiences that consumers post online every day. By asking consumers about their brand relationships and listening for the signals they send, GfK Brand Vivo helps marketers stimulate market share growth and profitability for their brands.

For GfK itself, this is an example of the integrated approach through which the company now assists its clients.

"Simply providing comprehensive data analyses has not been sufficient for quite some time now," says Debra A. Pruent, Management Board member at GfK. For many clients, the biggest problem is no longer having too little data but too much, which can be virtually impossible to handle. According to Pruent, **"Our expertise in consulting is increasingly in demand, at a time when decision-makers must deal with ever more complex issues in ever shorter timeframes. We therefore not only generate market research data and evaluate passive data, but also translate it into knowledge that our clients can apply with quite specific recommendations for action."**

This is all the more true as markets are becoming more global and strategies now need to be developed, bearing in mind a variety of quite different cultures and user groups. But how does one find out what makes these different target groups "tick"? How does one know which product features appeal to them – and which may alienate them? Market research data from purely local providers delivers hardly any real information in this respect, because it is often collected using the local firm's own standards and methods. This apparently clear-cut viewpoint turns out to be an optical illusion on closer inspection. In contrast, GfK's consistently sophisticated analysis platforms provide brand managers with a scientifically accurate view of the different preferences – throughout the world. **"We bring a deep understanding of local markets together with the ability to integrate this knowledge globally. And we apply this advantage with increasing consistency on behalf of our clients,"** says Chief Financial Officer Christian Diedrich. GfK is present in more than 100 countries around the world. Wherever the growth markets of the future are emerging, GfK teams are already represented with their expertise.

STRENGTHENING BRANDS, OPTIMIZING PRODUCTS

While the company is assisting its clients on the world market, it is at the same time directing its view more closely at details: on the specific experiences of people when using products and services. Even these details are relevant to the decision as to whether a customer experiences a brand as disappointing – or whether he remains loyal to it and possibly even recommends it enthusiastically to others. Therefore, as far as brand strength is concerned, product features and customer experiences are at least as crucial as advertising budgets and strategies for marketing and communication. It is precisely in these areas that GfK now supports its clients with its own high-caliber User Experience Team.

This Chicago-based team with worldwide operations includes psychologists, media IT specialists and ethnologists, in addition to product and communication designers. On behalf of GfK clients, they analyze and develop products, solutions and communication channels from almost every product category and sector – from the operating instructions and website through to the complete automobile. Using the proven GfK UX scores, task-oriented qualities (learnability and operability), self-oriented qualities (product fit and inspiration), and aesthetic qualities (look & feel) are accurately assessed and specific recommendations for action are derived from the study. On request, the User Experience professionals can even contribute to the design of optimized products, media and communication campaigns directly at the client's offices, thereby helping to create outstanding brand and product experiences. **"We not only show our clients their unique selling points or deficiencies and what their products could be like, but go the extra mile for the perfect brand experience,"** explains CEO Matthias Hartmann. **"There's hardly any other major market researcher anywhere in the world offering a comprehensive service of this nature. It provides support for clients from in-depth analysis to the optimized product solution."**

Market research, as GfK now defines the term and puts it into practice, includes so much more than the idea of allowing the voice of the consumer to be heard, as Wilhelm Vershofen had in mind 80 years ago. Ultimately, market researchers now act as highly skilled and globally networked intermediaries between consumers and brandmakers. They use the breadth and depth of their knowledge about the experiences and activities of consumers to assist companies in developing more successful products and stronger brands. In this way, knowledge leads to growth, clarity to value creation.

In an age that seems to be more complex, more hectic and more contradictory than any previous one, this expertise is almost invaluable.

BIG CHALLENGE

100 SONGS FOR THE TOP 100 CHARTS >

100
LOVES

GROWTH FROM KNOWLEDGE

35,500,000
LIKES

< MORE THAN 35 MILLION SONGS PER DAY

Which artists and songs are popular right now?
What is being bought? What is being streamed for free?
What are consumers listening to?
What influence do social media, events and advertising have on the chart position?

CASE STUDY > 01

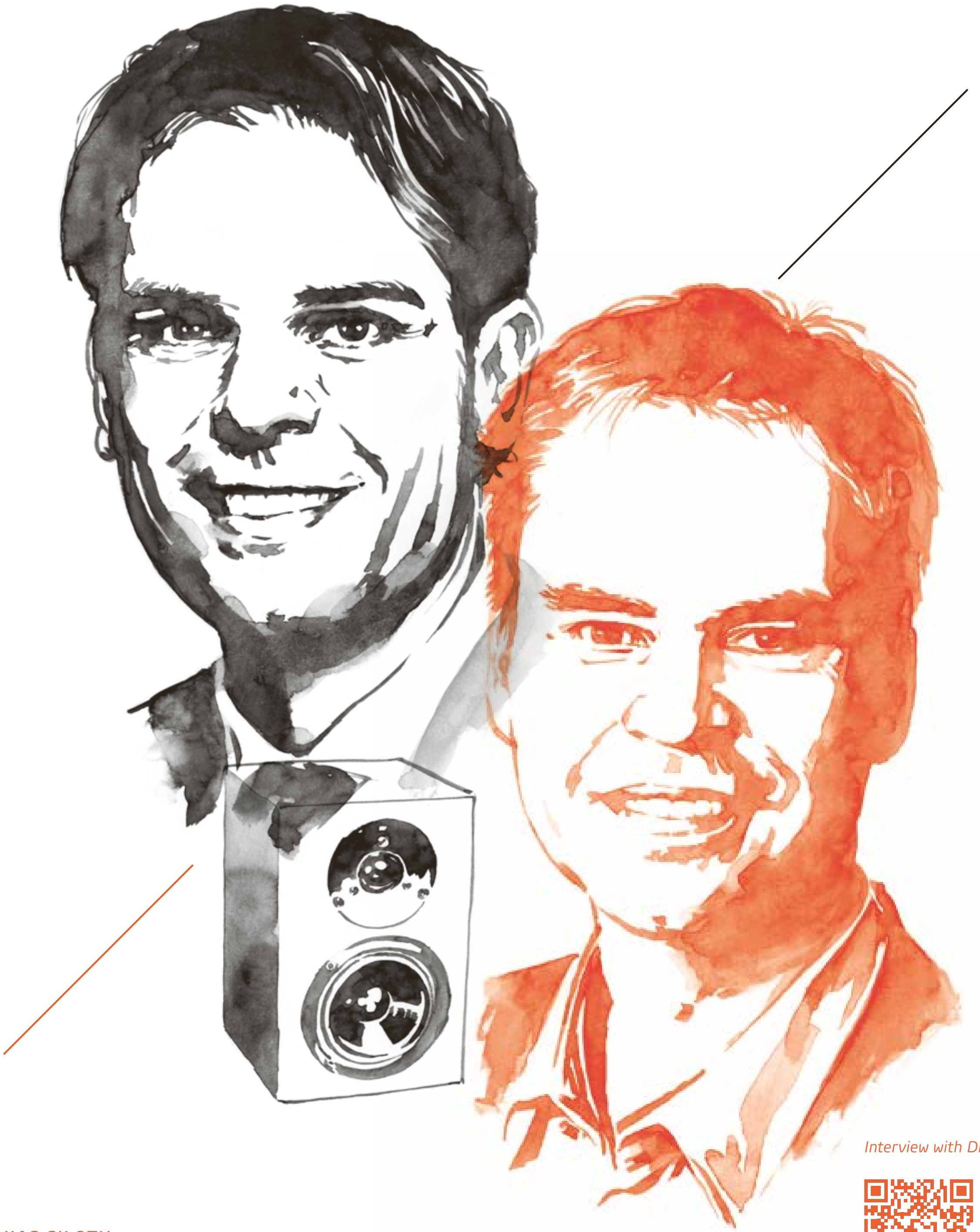
CLEAR FAVORITES FOR THE MUSIC INDUSTRY

PRODUCT > MUSIC

MARKET > GERMANY

DR. FLORIAN DRÜCKE
Bundesverband Musikindustrie e. V.

The official German charts are the currency for music success in the country. They help music fans discover what is on trend at the moment. For record labels, retailers and media partners, the charts are a reflection of an artist's success, marketing and sales promotions. This is only possible with a truly independent, proven and robust market analysis.



Interview with Dr. Mathias Giloth

DR. MATHIAS GILOTH
GfK

In the official German charts, we have been showing "who's hot and who's not" in the music industry for many decades. They are a reliable indicator for successful concepts in the music industry. Our market data delivers valuable information for decision-making in marketing and media planning. At the same time, we use tools such as GfK MarketBuilder to investigate how streaming and music consumption will develop in future.

REPORT >

CLARITY IN THE MUSIC MARKET

The world has seen many music sensations over the last few years, but two really stand out in Germany: AC/DC sold 250,000 copies of its new album in its first week of release, making it the most successful launch in seven years, and Kollegah became the first German musician to pass the 100 million-mark in music streaming within a year. Will the hard rock band and German rapper be able to maintain the success they have set in the long term?

WHO'S UP? WHO'S DOWN? WHO ARE THE NON-MOVERS?

GfK Entertainment is a leader in providing reliable answers to these questions and more. For many years, and under its former name mediacontrol® GfK INTERNATIONAL GmbH, the GfK subsidiary has conducted research into the German music market on behalf of the Bundesverband Musikindustrie e. V. (BVMI). This includes the top 100 single and album charts, the top 30 compilation charts and also special rankings such as top 30 jazz charts, top 20 classic charts, top 10 comedy charts and, more recently, the top 100 streaming charts.

The market researchers derive highly relevant insights for both music lovers and the entire music industry. These are independent and reliably measure the proven real success of artists and songs. Dr. Florian Drücke, Managing Director of BVMI: **"Tweets and 'Likes' can be very fleeting. What ultimately counts are listeners' purchase and use decisions. Our charts are the only such unequivocal breakdown of consumer appreciation and preference across all media."**

Week after week, the charts must accurately reflect the up and downward movement of songs in the various music scenes. To this end, encrypted sales data from more than 2,800 high street and online retailers is automatically and continuously fed into GfK's computers. On any given day, an average of around 200,000 physical records are sold. GfK also monitors the approximately 300,000 downloads on iTunes and Amazon. Premium and ad-funded music services are examined as well, with streaming in the German market amounting to around 35 million songs. The experience and data handling skills of GfK's experts means they identify and check potential reporting errors or discrepancies quickly.

Overall, GfK's data pool covers more than 90 percent of the German market. All music that is bought, downloaded or streamed for free in Germany is captured by GfK Entertainment. The top 100 is shared with its listeners via online platforms, TV and print media. It answers questions such as which songs are being played? Who is popular? What newcomers is it worth keeping an eye on?

INSIGHTS AS AN ESSENTIAL MARKETING TOOL

GfK even provides far deeper insights for the music industry. Partners and clients can access their data at any time via the Music Panel portal. This allows them to see at a glance if and how effectively ad measures are resonating with consumers. Based on the analysis, they can immediately take steps to boost sales of particular products. Dr. Mathias Giloth, Managing Director of GfK Entertainment: **"Record labels can actively promote their artists via social media, air play and advertising. A higher chart position also makes it easier to persuade retailers to display an artist in a more prominent position at the point of sale."** In this way market data can be directly translated into increased sales. In future it will be possible to combine data with GfK statistics on purchase behavior, ad spend, social media buzz and other areas via the Planet Music Dashboard. Record companies will therefore not only know what has been bought or streamed for free, but also by whom and why.

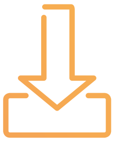
WHERE IS THE STREAMING MARKET HEADED?

At the same time, GfK also assesses the future of the music market for BVMI. The GfK MarketBuilder product is used to analyze trends such as the booming segment of music streaming, for example. Questions include: How quickly will it grow? Do premium and ad-funded music services offer greater potential? How will streaming be split between premium and ad-funded services? What is the saturation point for streamed music?

GfK MarketBuilder delivers the right answers by systematically analyzing the motives as well as the consumption and decision-making patterns of those who stream music and those who do not. GfK provides valuable guidance to the industry on the future direction of the streaming market. Their scenarios also take into account disruptive factors, which are developments that can have a decisive impact on the expansion of streaming. Examples include own streaming services offered by iTunes and Amazon or a significant reduction in the retail space dedicated to CDs in stores. GfK is an expert in producing substantiated forecasts.

This will be key for artists and the entire music industry in future. And of course this also includes AC/DC and Kollegah.

SOLUTION > **CHARTS & GfK MARKETBUILDER**



DOWNLOADS

300,000

SONGS > PER DAY

STREAMING

35 MILLION

SONGS > PER DAY

PHYSICAL

200,000

CDs > PER DAY

TOTAL

35.5 MILLION

SONGS > PER DAY

OUTPUT

CHARTS

CLIENT > MUSIC INDUSTRY
CONSUMER

OUTPUT

MUSIC PANEL

CLIENT > MUSIC INDUSTRY

BIG CHALLENGE

THE RIGHT PRICE WINS >

1
PRICE

GROWTH FROM KNOWLEDGE

15,000,000
CONTACTS

< THE BEST STRATEGY WINS

Where is the market heading?
What are your competitors' price points?
Which prices must be adjusted?
How are your respective competitors presenting their business?
Which prices can be set in various markets?
Who is driving the market? Who follows?

CASE STUDY > 02

A LOOK AT THE PRICING JUNGLE OF DIGITAL MARKETPLACES

PRODUCT > SPORTS EQUIPMENT

MARKET > GLOBAL

DEREK BOUCHARD-HALL
Wiggle

The correct pricing strategy is essential for us because price matters so much to our customers. A competitive price is a key selection criterion for e-Commerce consumers. Wiggle seeks to guarantee its customers the best possible price, not just the best range, service and shopping experience. To this end, we must first know how our prices match up against the competition anywhere in the world at any point in time – this is a very challenging task when you consider the millions of price points we have globally.

Interview with Adrian Hobbs

ADRIAN HOBBS
GfK

GfK Online Pricing Intelligence covers the largest number of different product groups in various markets across the globe. Our data allows suppliers to accurately determine optimum prices for every product in each market – anywhere in the world, regardless of target consumer group. In other words, we help our retail clients to systematically expand their market share by improving sales and strengthening customer retention.

SOLUTION >

GfK ONLINE PRICING INTELLIGENCE

6
CURRENCIES

7
MARKETS WORLDWIDE

100
COMPETITORS

15,000
PRODUCTS

10.5 MILLION
PRICE POSITIONS

REPORT >

CLARITY FOR WIGGLE

Many Wiggle employees are passionate cyclists, runners and triathletes, so they are experienced in covering rough terrain quickly. Their day-to-day operations include implementing their resources in a targeted way, leaving the competition trailing in their wake without ever losing sight of the goal.

These qualities are increasingly in demand in the ambitious online retailer market. Wiggle grew from a small bicycle shop to an internationally renowned online retailer within 14 years. Today, the company is confronted with diverse competitors and customer demands from around the world. "**We are active in dozens of markets from the USA and Europe to Japan, with a portfolio of more than 15,000 products on offer,"** explains Derek Bouchard-Hall, Director of International and Pricing at Wiggle, adding: **"This means that we must define compelling portfolios for completely different cultures and consumer wishes, as well as offering these in various languages and currencies on a number of websites."**

This multitude of different customers all share one thing in common: Price is categorically the pivotal purchase criterion. Bouchard-Hall: **"Before making a buying decision, a significant proportion of customers compare our prices against those of our competitors. This has been confirmed through buying behavior surveys and analyses. We know that without a competitive price, an e-Commerce business such as ours would not be able to fulfil the wishes of its customers, let alone exceed them. This is always our aim."**

PRICE IS KEY IN E-COMMERCE

What is a competitive price? This question is not so easy to answer for the online market. A price can go from being lowest to third-best in a matter of hours. A product which appeals in Market A may not gain traction among consumers in Market B. For example, Wiggle products are sold around the world in a dozen currencies and languages. They compete against many other companies for the customers' attention and a place in shopping baskets. Competitors' prices are now changing more quickly and more often than ever before. **"In short, this means we must continually monitor millions of items and, based on this, update our prices accordingly,"** explains Bouchard-Hall. In the past, he and his colleagues had to observe price and competitors manually, making notes by hand. This was an exceptionally laborious task and, on account of the huge quantities of data, one which invariably remained unfinished with updates not being applied as regularly as required.

Wiggle has had a strong partner over the last year: GfK Online Pricing Intelligence, previously an independent company under the name Cogenta, was fully integrated into the GfK Group in September 2014. It is one of the most knowledgeable and dynamic market observers for online retail. The exclusive software developed internally enables the GfK subsidiary to present price developments against historic price curves in real time, compare retailer profiles across various product categories and deliver a precise, up-to-date market view to clients. GfK Online Pricing Intelligence currently operates in more than 30 countries, facilitating an analysis covering various national, linguistic and currency borders. **"Many price analysts restrict themselves to just a few market segments or countries,"** says Adrian Hobbs, Global Head GfK Online Pricing Intelligence. **"There are no borders when it comes to price comparisons in the online shopping world. Our analyses are just as inclusive."**

UNDERSTANDING MARKET DYNAMICS

GfK analyzes competitors and price positions in Japan for Wiggle. This is an important market with its own language, alphabet and currency. Derek Bouchard-Hall comments: **"GfK helps us to understand the dynamics of markets – also providing historical context. We receive these insights on an ongoing basis, which is just as important as obtaining insights into the Japanese market. This allows us to recognize market trends, with a particular focus on fluctuations in the pound sterling to yen exchange rate. We therefore ensure our customers are always offered unbeatable prices."**

PREMIUM PRODUCTS AND CUSTOMER SERVICE: CONSISTENT SUCCESS FACTORS

GfK's comprehensive market insights help Wiggle to position itself as a leading online retailer in all relevant markets. But price alone is not enough. Wiggle's pricing is just one of many factors which contribute to attracting customers, although it is perhaps the most important. Wiggle not only wants to offer prices competitors cannot match, but also the best product portfolio, an enjoyable, informative shopping experience as well as top service and delivery. Bouchard-Hall explains: **"If we are never beaten on price and still manage to offer the best products, the best shopping experience and the best all-round service, then our customer have no reason whatsoever to shop elsewhere. The price is therefore not the be all and end all – but it is a fundamental cornerstone for successful online trading."**

BIG CHALLENGE

ONE CLEAR PICTURE OF THE VIEWING BEHAVIOR >

1 CLEAR PICTURE

GROWTH FROM KNOWLEDGE

318,400,000 VIEWERS

< MORE THAN 318 MILLION POTENTIAL VIEWERS

Which media are actually used today and how?
Is TV still the media king?
What are the facts behind the hyper-viewing phenomenon?
Which user habits are not on our radar yet?
What will target-group specific advertising look like in the future?

CASE STUDY > 03

AN UNDERSTANDING OF THE VIEWING BEHAVIORS OF MEDIA USERS

PRODUCT > MEDIA CONSUMPTION ANALYSIS

MARKET > USA

RICHARD ZACKON
Council for Research Excellence

Given all the current changes in media technology and audience behavior, we have to improve our methodologies of audience measurement. One of our main motivations is to look at the cross-platform behavior of audiences, who have moved from a single-source and single-device media usage to a multi-source and multi-device model. To understand the implications of this change, we have to get into the lives of today's consumers and see the world the way they see it.

Interview with Heather Coffin

HEATHER COFFIN
GfK

Everybody knows that the media market and consumer behavior are changing more rapidly than ever before – but there are a lot of unknowns about how they are changing. Our study is designed to shed light on the quality of these changes, which are deeply impacting the businesses of media producers and advertisers.

REPORT >

CLARITY FOR THE MEDIA INDUSTRY

Everything used to be simpler, including media usage. In the past, families would gather in front of the TV at prime time, together giving their undivided attention to the programs on that screen. This was the standard cliché of media consumption for many years. But it's now an outdated model in many digitally mature markets.

Smartphones, tablets and smart TVs as well as streaming services, YouTube and FaceTime have dramatically changed the landscape of media consumption and user behavior. New behaviors are emerging, in some cases replacing traditional viewing patterns, and in some cases reimagining them through digital media. With only anecdotal evidence, the exact nature of media consumption at home today has remained a mystery – even for industry experts.

CONSUMERS SHOW CROSS-PLATFORM BEHAVIOR

"There are a myriad of new media platforms being used and there are even more viewing options," explains Richard Zackon of the Council for Research Excellence (CRE), an independent research group created in 2005, funded by Nielsen and composed of senior research professionals in media and entertainment. **"The traditional behavior in the household changes because new technologies offer new options. The media industry urgently needs to keep up with these changes, and for that reason we do need better measurement methods."**

In fall 2013, GfK set up an ambitious longitudinal study on behalf of CRE to serve precisely this purpose. For almost two years, experts have been monitoring the media consumption of approximately 100 households across the USA. They examine how each household member uses various technologies and platforms. This research is not a quantitative survey, but an ethnographic study. It uses digital data, innovative self-reporting and face-to-face interviews to gain deep insights into user behavior and preferences. A wide range of complex trends are explored. These include mobile media consumption, how new devices have changed media consumption, and cross-platform media use. Recognizing trends is absolutely essential for media companies. The first precise tools for measuring cross-media behavior and purchasing impact are now coming to the market. GfK Crossmedia Link is just such a tool.

It is also not known how mobile the use of mobile devices actually is, or if they are in fact primarily used at home. And hyper-viewing is a widespread, but still hardly researched phenomenon, says study head Heather Coffin: **"We've seen people using video conferencing like Google Hangouts or FaceTime to watch a show together over distance, while at the same time tweeting or texting about the show or using additional platforms to access further content. In our study, we have observed many creative ways to engage with content and to share the viewing experience with others."**

Ultimately, this study will reveal a highly differentiated picture of media consumption. This will really help content providers and advertisers. **"An intended outcome of the study will be the ability for us to create better measurement methods for the media industry,"** says Richard Zackon: **"The findings can improve the efficiency of the marketplace and deliver better content to the consumers."**

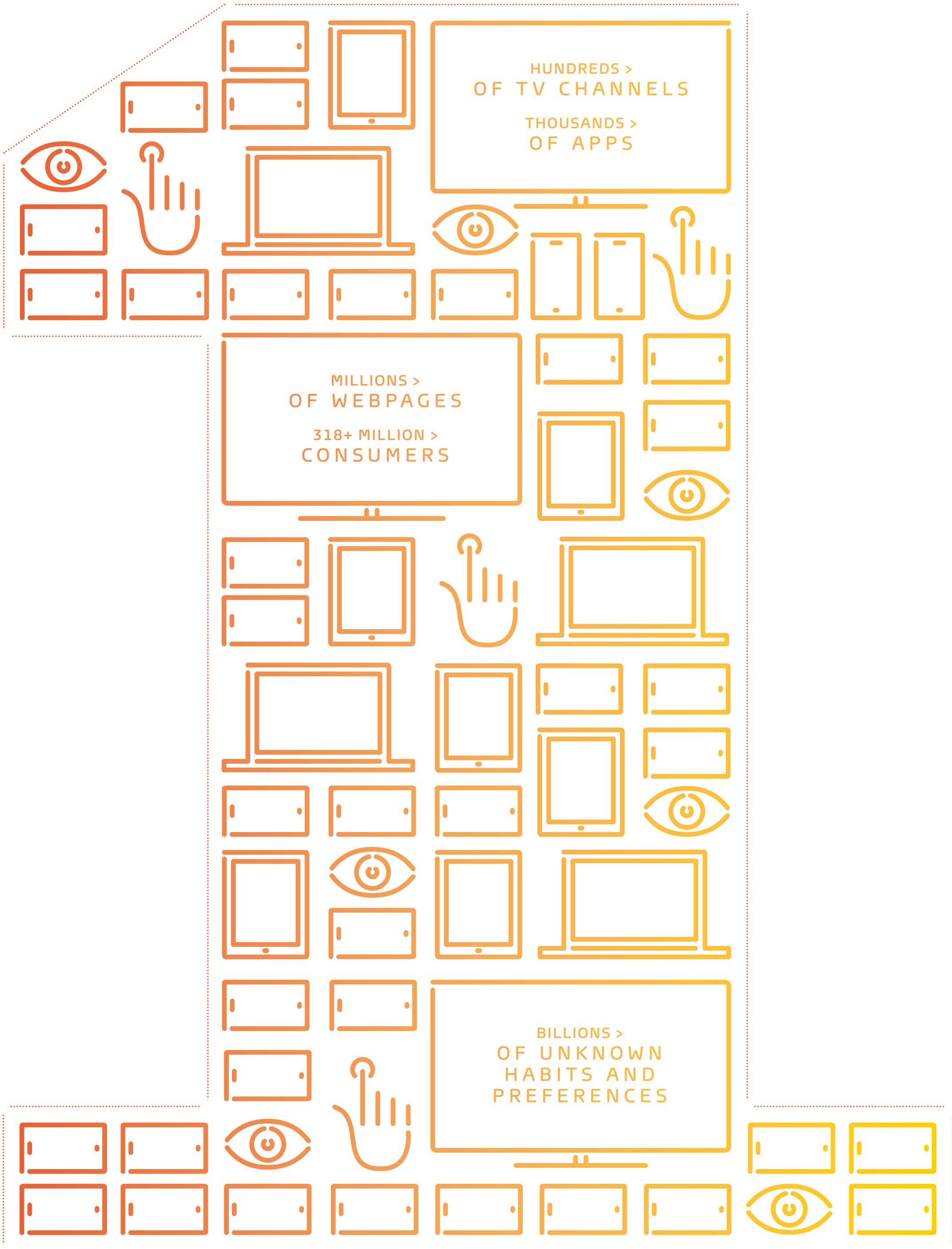
GfK's innovative digital self-reporting tools made this precise longitudinal study possible and are unique in the field. The participant toolkit allows accurate recording of the respondents' personal media consumption and provides for an engaging and enjoyable participant experience. **"In a longitudinal study like this, participant retention is always an issue,"** explains Heather Coffin, GfK's lead in this study. **"Some researchers lose more than half of their participants in the course of longitudinal studies. In our study, more than 80 percent of our participants have remained engaged with us for the past 16 months."**

TV CONTINUES TO BE THE MOST IMPORTANT SCREEN IN THE HOUSE

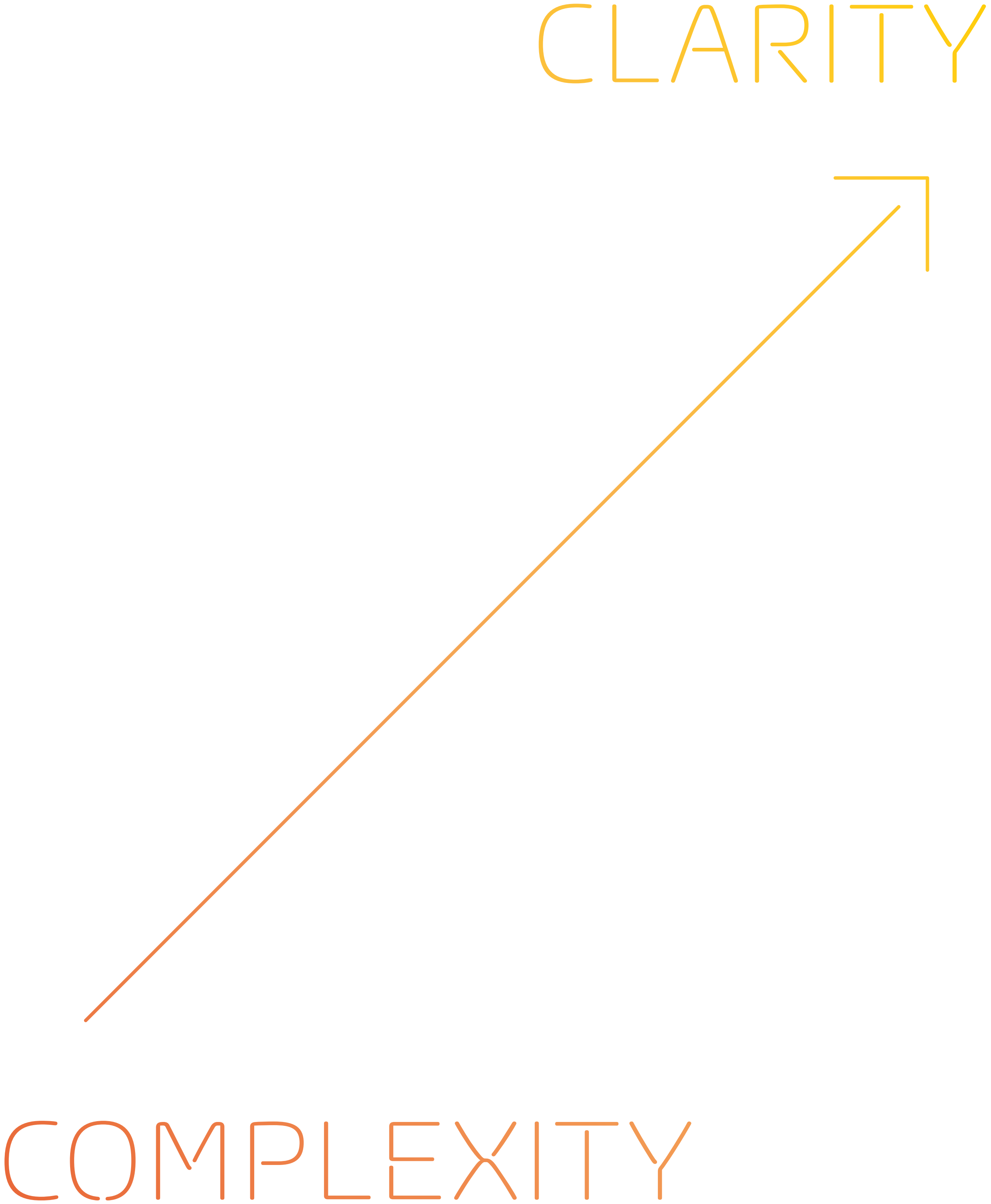
Although the study will not be concluded for several months, it is clear that the insights it delivers may change media companies' understanding of their consumers. One surprising discovery is that despite strong competition, the TV set continues to be the most important screen in the house. Richard Zackon: **"It appears that people are not spending less time with professionally produced video, but are just adding new forms of media."** Interestingly, this rule applies across all investigated age and user groups, adds GfK's Heather Coffin: **"We've observed that people prefer to see films and TV programming on a big screen and that it's rather an issue of negotiation whether they have access to this screen or not."** In many households, the parents still have priority screen access, which means that children more often turn to tablets and smartphones.

Many more such eye-opening results can be expected in late fall 2015, when the study will be evaluated and presented. The ways consumers use media is changing dynamically. GfK and CRE's joint study should have an equally transformative effect on the way the media industry views its customers.

SOLUTION > LONGITUDINAL USER EXPERIENCE STUDY

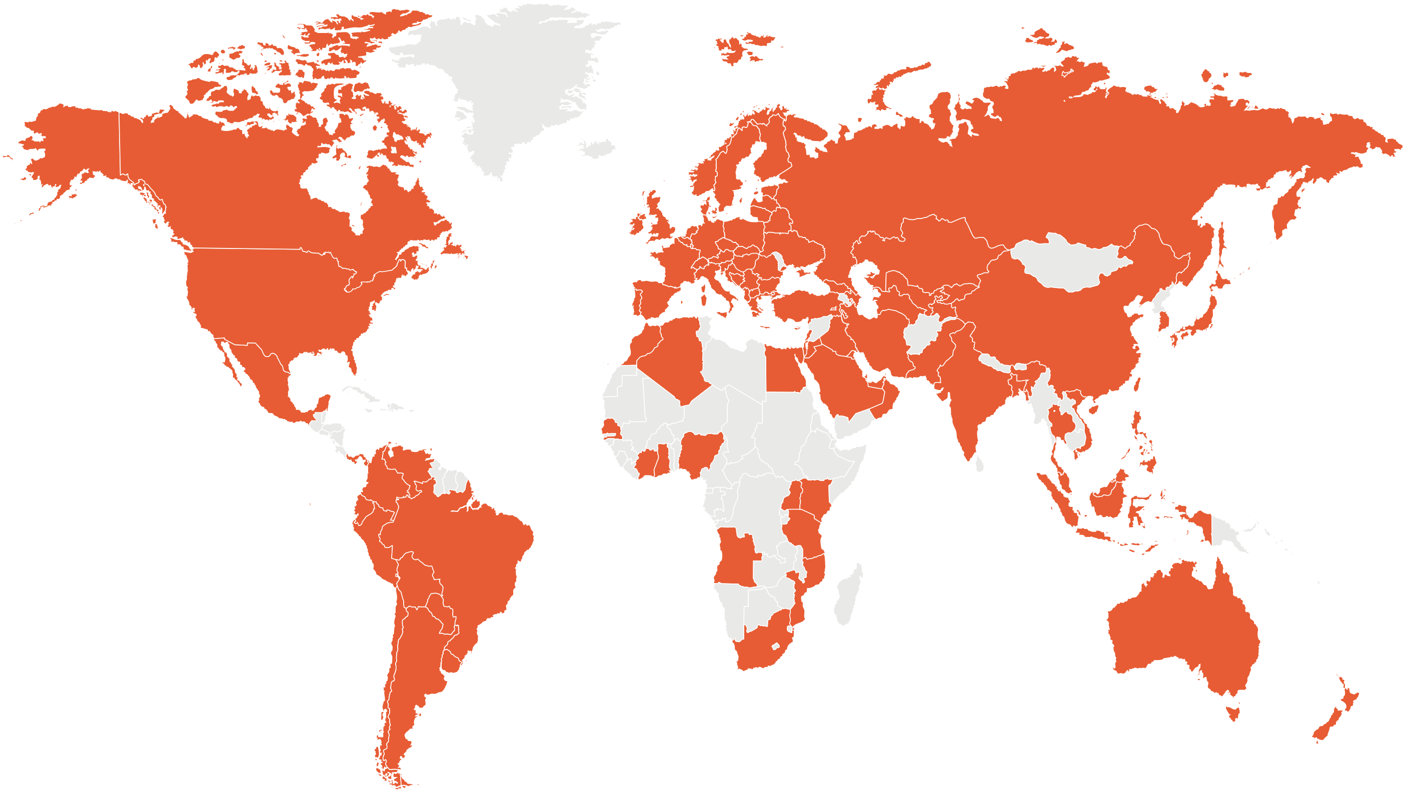


ONE STUDY


CLARITY
COMPLEXITY

PRESENCE >

GLOBAL



GLOBAL KNOWLEDGE AND LOCAL PRESENCE

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. We are more than 13,000 passionate experts with long-standing data science experience and German heritage. We deliver globally with vital insights into local markets in 100 countries. Our global matrix-based organizational model allows us to serve customers across all industries and regions.

Clarity in a complex world

In an increasingly complex and fast-paced world, it is harder than ever to make the right decisions. At the same time, they need to be taken ever more quickly to keep pace with evolving consumer preferences, markets and competitors.

This is where GfK provides clarity. We represent reliable market and consumer information across all industries, media, languages and markets. We cover the high street, mobile, digital and analog. Above all, we support our clients so they can translate these insights into the right decisions and successful strategies for innovation, product development, marketing and communications.

Knowledge brings clarity. Clarity brings success. The quest for clarity of course leads to GfK.

> INNOVATION

Delivering Smart Data through innovation
We deliver a unique combination of consumer, retail and media data. We connect them through innovative technologies and data sciences, converting real-time analytics into informed decision-making. We turn Big Data into Smart Data, enabling our clients to improve their competitive edge.

> EXPERTISE

Passion, creativity and expertise for our clients
Our clients and partners are at the heart of all that we do. Our experts combine passion and creativity with world-class industry knowledge, tools and processes, empowering our clients to make smart business decisions.

> WINNING STRATEGIES

Enabling our clients to create winning strategies
We turn research into business opportunities. We ask the right questions, and provide the right answers to enable the right actions for our clients.

www.gfk.com

CLARITY

GfK GROUP

NORDWESTRING 101
90419 NUREMBERG, GERMANY
T +49 911 395-0
EMAIL gfk@gfk.com

FOLLOW US!

www.gfk.com / facebook / twitter / linkedin / youtube / google+

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.

ANNUAL REPORT 2014

GROWTH FROM KNOWLEDGE

GfK GROUP
www.gfk.com

DESIGN VALUABLE EXPERIENCES

DEVELOP STRATEGIC OPPORTUNITIES

GROW PROFITABLE RELATIONSHIPS

OPTIMIZE IN-MARKET PERFORMANCE

SUSTAIN BUSINESS SUCCESS

YOUR CHALLENGES

OUR STRENGTHS

www.gfk.com/your-challenge

www.gfk.com/solutions

AUDIENCE MEASUREMENT & INSIGHTS

BRAND & CUSTOMER EXPERIENCE

CONSUMER PANELS

DISTRIBUTION

GEOMARKETING

DIGITAL MARKET INTELLIGENCE

INSTITUTIONAL INVESTMENT

MARKET OPPORTUNITIES & INNOVATION

MYSTERY SHOPPING

ONLINE PRICING INTELLIGENCE

PRODUCT CATALOGS

PROMOTION & CAUSAL RETAIL

RETAIL SALES TRACKING

SHOPPER & RETAIL STRATEGY

SUPPLY CHAIN MANAGEMENT INSIGHTS

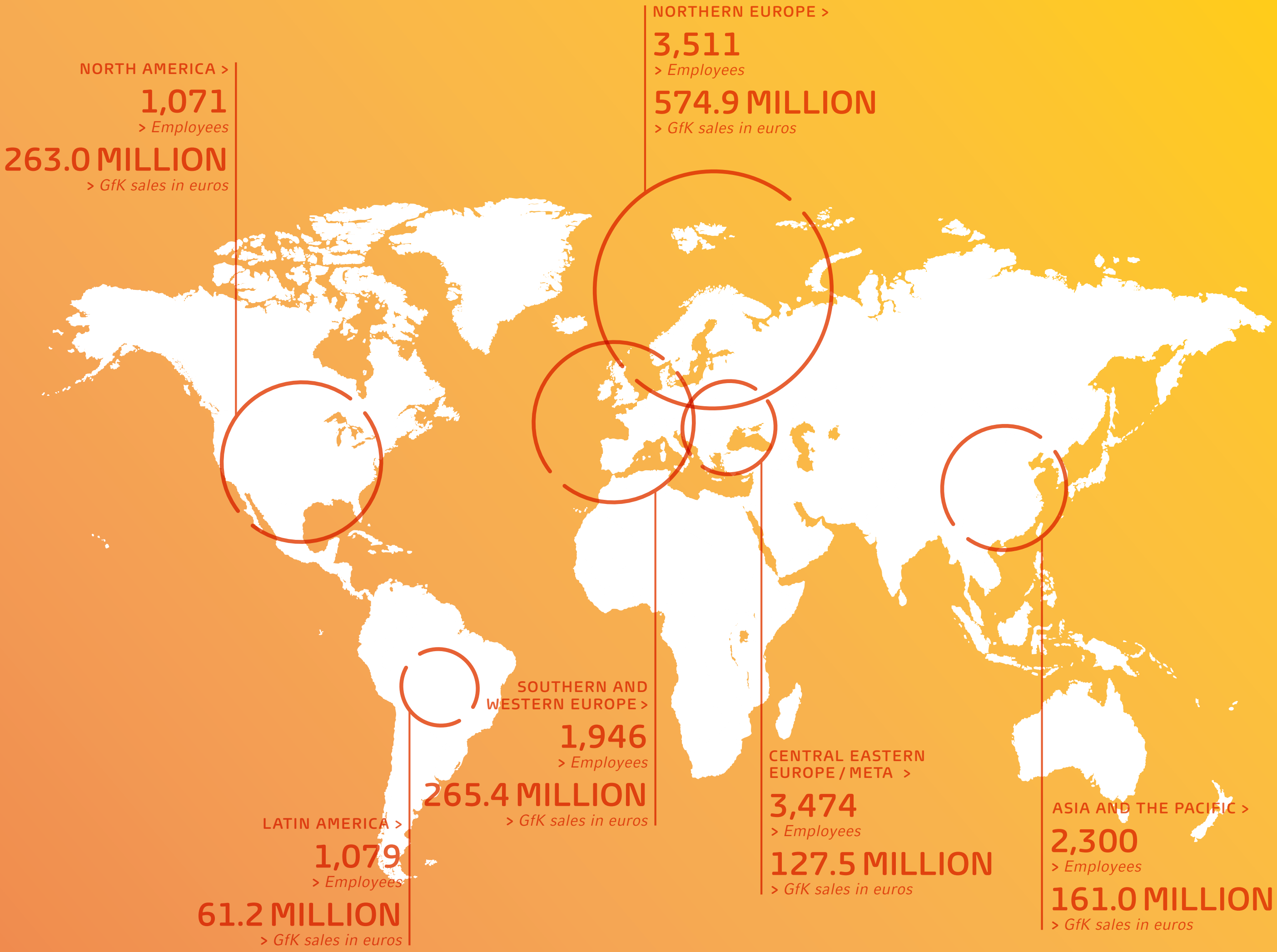
TRENDS & FORECASTING

USER EXPERIENCE (UX)

CLARITY

ANNUAL REPORT 2014

THE GfK GROUP
GROWTH FROM KNOWLEDGE



A detailed overview of global companies operating within the GfK Group can be found on

> Page 129

GfK GROUP 2014: IN FIGURES

		2013	2013 [1)]	2014	2014 [1)]	Change in percent [1)]
Sales	€ million	1,494.8	1,494.8	1,452.9	1,452.9	–2.8
EBITDA	€ million	225.4	225.4	202.2	202.2	–10.3
Adjusted operating income [2)]	€ million	190.4	190.4	178.8	178.8	–6.1
Margin [3)]	percent	12.7	12.7	12.3	12.3	–
Operating income	€ million	26.5	141.1	68.0	127.5	–9.7
Income from ongoing business activity	€ million	4.2	118.8	47.6	107.1	–9.8
Consolidated total income	€ million	–42.1	72.5	19.4	78.9	+8.7
Tax ratio	percent	1,111.5	38.9	59.3	26.3	–
Cash flow from operating activity	€ million	164.0	164.0	196.9	196.9	+20.0
Earnings per share	€	–1.48	1.66	0.16	1.79	+7.9
Dividend per share	€	0.65	0.65	0.65	0.65	+0.0
Total dividend	€ million	23.7	23.7	23.7	23.7	+0.0
Number of employees at year-end	Full-time positions	12,940	12,940	13,380	13,380	+3.4

1) Excluding goodwill impairments of € 114.6 million (2013) and € 59.5 million (2014)
2) Adjusted operating income is derived from operating income. The following income and expense items are excluded in the calculation: goodwill impairment, write-ups and write-downs of additional assets identified on acquisitions, income and expenses in connection with share and asset deals, income and expenses in connection with reorganization and improvement projects, personnel expenses for share-based incentive payments, currency conversion differences and income and expenses related to one-off effects and other exceptional circumstances
3) Adjusted operating income in relation to sales (in percent)

CLEAR STRATEGY
CLEAR TARGETS
CLEAR FUTURE

Clarity >

The GfK Group is on track for the future with innovative, global products and a clear client focus.

CONTENTS

A > TO THE SHAREHOLDERS OF THE GfK GROUP

B > GROUP MANAGEMENT REPORT

C > FINANCIAL STATEMENTS

D > ADDITIONAL INFORMATION

A

>

TO THE SHAREHOLDERS OF THE GfK GROUP

DR. ARNO MAHLERT
Chairman of the Supervisory Board, GfK SE

SUPERVISORY BOARD REPORT

Dear shareholders,

In GfK's transformation process, 2014 was year three. Our motto for the year was "Getting it done". The reorganization is progressing as planned, under rapidly changing market conditions. The company has largely completed all the essential projects of our "Own the Future" strategy. The Consumer Experiences sector rationalized its existing product range and optimized costs, boosting the margin, even though sales were down. The Supervisory Board continues to back the Management Board in accepting a temporary decrease in sales with the aim of completing the rationalization of our portfolio. In the Consumer Choices sector, the Supervisory Board oversaw the setting up of our new TV panels in Brazil and in the Kingdom of Saudi Arabia. "Own the Future" centered on issues that without doubt continue to be important, namely "One GfK", so how we interact as an effective company, digitization, global orientation and innovation.

We continued to make clear progress in our product portfolio, developing scalable products that can be used at international level and launching many different products. This unmistakably illustrates the path GfK has taken successfully over the past three years.

Our Consumer Experiences sector launched six new global products on the market in advertising research, marketing research and stakeholder measurement. Further innovative products are planned, so GfK can offer our clients a very much more global product portfolio, using the cost benefits of standardized platforms and increasing digitization to expedite the process of delivering results.

In the Consumer Choices sector, new metrology has been used to capitalize on new market opportunities. Other areas of focus included the further development of our fledgling business approaches AutoCat (product catalog in automotive segment) and Hospital Panel as well as mobile device usage measurement. The Supervisory Board is also intensively monitoring the rapid changes in these markets outside our regular meetings and supporting the Management Board in exploiting market opportunities decisively and quickly.

The Supervisory Board is particularly concerned that the Group's new direction is essentially endorsed by management and staff as well as external shareholders. To identify and rate progress, we closely examined our employee survey results as well as talking to our clients and shareholders. The Supervisory Board also continued to attend our Think Future managers' conferences. Monitoring how different parts of our company are working continues to confirm our view that both the Management Board within itself and the Management Board and executives are working together constructively as a team.

Given the challenges and pressures caused by the necessary restructuring and the high startup costs relating to new panels and investment in new products and systems, GfK developed satisfactorily in 2014. The Supervisory Board continues to regard our spending, which will lead to sales and margins growing in the mid to long-term, as reasonable, both in quantitative terms and in relation to business potential.

Everyone involved gave their best in fiscal year 2014, showing great strength and motivation in implementing the structural changes within our company and continuing to expand our client business with great commitment. The Supervisory Board would like to take this opportunity to thank our staff, employee representatives and the Management Board. Our thanks and acknowledgement also go to the GfK Group's clients and business partners, who placed their trust in our company and its services, contributing with many suggestions for the further improvement of our portfolio.

Both the Management and Supervisory Boards saw some change last year. In both cases, the Supervisory Board called on experienced external consultants, defining in-depth requirement profiles for each candidature. For the position of Chief Financial Officer (CFO), the Supervisory Board placed emphasis on long-term international experience with a service company that has reformed its business model from the ground up, as GfK is doing. For the

Supervisory Board appointments, it was important to increase knowledge of social media in the age of Big Data. Diversity was also a key consideration in choosing both positions.

After five years on the Management Board, Pamela Knapp asked the Supervisory Board for early release from her contract for personal reasons as she wished to dedicate more time to her various supervisory board appointments and private life. As Director Human Resources and CFO, Pamela Knapp has contributed decisively to formulating and implementing our "One GfK" strategy and therefore to the advancement of our company. The Supervisory Board would like to thank Pamela Knapp for her commitment and outstanding work and wishes her all the best for the future.

After a thorough search and selection process, the Supervisory Board recruited Christian Diedrich to GfK, appointing him as our new CFO on August 11, effective as of October 15, 2014. Christian Diedrich brings 30 years' experience in all main areas of finance in an international environment, and has already established and led international teams in highly competitive environments as CFO. He understands both service and technology-based business areas and will contribute not just his financial skills but a profound knowledge of change management and M&As. These are major capabilities when it comes to driving forward GfK's strategy to digitize and globalize based on sound financial management. The Supervisory Board looks forward to working with Christian Diedrich.

As part of these changes, the Supervisory Board has moved the duties of the Human Resources Director that were formerly within the CFO's remit to Matthias Hartmann, Management Board Chief Executive Officer (CEO).

On the Supervisory Board, Dr. Christoph Achenbach resigned as of May 27, 2014. Dr. Achenbach has been a Supervisory Board member since June 2003, and was also on our Audit Committee. With this change, we are continuing to internationalize the Supervisory Board and enhance the focus on the demands of digital media. The Supervisory Board would like to thank Dr. Achenbach for being ready to make this change, but above all for the great commitment and competent support he has provided to GfK for more than a decade.

To succeed Dr. Achenbach, the Supervisory Board proposed to the Annual General Assembly that Aliza Knox, Managing Director Online Sales, Asia Pacific at Twitter, be elected as its new member. Aliza Knox was approved by 99.99 percent of the shareholders, so we now have an expert on digital business models and the Asian market strengthening the Board. We look forward to working with Aliza Knox.

GfK once again achieved first place in the Women on Board index (WoB), an annual award given by the Association of Women on Supervisory Boards (Frauen in die Aufsichtsräte e.V.; FidAR) initiative. This distinction recognizes our sustained efforts to ensure that not only professional and personal suitability are taken into account when appointing members of management and supervisory committees, but also a balance in terms of diversity.

In financial year 2014, the Supervisory Board continued to discharge its obligations with due diligence according to the law, the Articles of Association, the German Corporate Governance Code and the internal regulations of the company. The Supervisory Board regularly advised the Management Board on management issues and monitored its activities. The Supervisory Board was involved in every decision of essential importance to the company.

The Management Board kept the Supervisory Board regularly and comprehensively informed of any matters relevant to its remit at the appropriate times in both written and oral form. The main issues were the implementation of the strategy, the Group's business development, its income and financial position, personnel situation, organizational development, business policy, corporate planning, investment program, compliance and risk management. Intended acquisitions and increased shareholdings were additional topics for review, detailed information on both of which was provided to the Supervisory Board by the Management Board, including on transactions that did not require consent. Investments made in recent years and the impact of political and economic developments were also assessed.

Between Board meetings, the CEO and his colleagues on the Management Board discussed every issue of importance to the company with the Chairman of the Supervisory Board. The Deputy Chairman of the Supervisory Board and the Chairman of both the Audit and Personnel Committees were also in constant contact with the Management Board.

SUPERVISORY BOARD AND COMMITTEE MEETINGS

The Supervisory Board held an extraordinary meeting dealing intensively with innovation, focusing on the innovation process, pipeline and funding as well as the environment which facilitates innovations. There was also a wide-ranging discussion on the topic of strategic partnerships in a changing market.

The Supervisory Board held five ordinary and one extraordinary meeting in fiscal year 2014. Two members were present at least 50 percent of the time and nine members at least 80 percent. They discussed the respective Management Board reports and the Group's development prospects in depth. As well as our 2013 financial statements, the issues discussed included the development of business in 2014, our 2015 budget, HR issues, the implementation of our "Own the Future" strategy and the explanation of investment and innovation measures to ensure sustainable growth, where we aim to outperform the sector on average.

The Supervisory Board's September meetings are generally held in different regions: In 2014, it was in New York City, New York, USA. These meetings aim to enhance understanding of local markets, clients and local management. Local managers gave reports and presentations, providing the Supervisory Board with a detailed picture of current business focal points, innovations, strengths and weaknesses and future development opportunities in the largest market research market in the world. In addition, a client event was held to discuss what people currently expect of market research in practice.

Consumer Experiences Task Force reporting was a major element of all meetings. This was created to introduce a consistent management system for the Consumer Experience sector and sustainably make it more profitable. The Task Force has completed this project successfully, as this system has now been introduced for 60 percent of sector sales, laying the foundations to extend it to the whole sector in 2015.

A third focal point was the strategy review and evaluation of the new organizational structures that are being implemented. After our meetings in New York, the Supervisory Board was confident that the transformation process would essentially be completed on schedule after three years, by the end of 2014. We welcome the improved margins in the Consumer Experiences sector and are confident about our new global products. We continue to support the path the Management Board is taking towards further expanding our digital products and maintaining high quality in all GfK's activities and offerings.

In 2014, the Supervisory Board once again deliberated on the provisions of the German Corporate Governance Code and issued the declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (AktG) in December. GfK is in compliance with the mandatory regulations, with the exception of one requirement and the rules that can be met voluntarily. The discrepancies are detailed and explained in the Corporate Governance Report, which is published at www.gfk.com.

Once again, the Supervisory Board called in outside consultants to review the effectiveness of its work. We review this every two years, the next being in 2015.

To ensure our own efficiency, the Supervisory Board is supported by four committees. The entire Supervisory Board was kept regularly and comprehensively informed of the work of the committees, with the minutes of each committee meeting available to every member of the Supervisory Board.

The Audit Committee met seven times in the period under review, in person on four occasions and by telephone conferencing on three occasions. Average attendance was 96 percent, with at least 85 percent in one case. The Audit Committee examines business performance, the income and financial position and the Group's upcoming investment projects. It also looked at financial issues, accounting and valuation, including interim reports, the internal control system, internal audits, risk management, corporate governance and integrity.

The Personnel Committee met four times, dealing intensively with the payment system for the members of the Management Board under the Management Board Remuneration Act and the continued development of the existing system. Details can be found in the remuneration report from Section 4.7 of the Group Management Report. The Personnel Committee also discussed the systems and progress of HR development work, including the detailed assessment of potential management candidates and young talent. Much time was dedicated to discussing the CFO appointment, with a number of candidates considered by the Personnel Committee in a multi-stage process. Attendance levels were 94 percent on average, with a minimum of 75 percent at meetings with lower attendance.

The Presidial Committee met twice in full (100 percent attendance), and beyond this, several discussions took place between its Chairman and individual committee members. This activity was aimed at preparatory work for the Supervisory Board meetings, primarily on the following issues: Implementation of the corporate strategy and further development of the management organization, monitoring and analysis of the efficiency audit, online and IT strategy, the budget for 2015 and compliance issues. Another focus was on the agreement of topics for the training of Supervisory Board members, which commenced in 2014. The training will include external advanced training courses. However, it will mainly comprise background information about specific business developments at GfK and in the relevant market environment. This also encompasses webcasts, used to inform the Supervisory Board at an early stage of any new products.

The Nominations Committee met once, with all members present, discussing the future composition of the Supervisory Board in detail. The discussion took place in view of fundamental changes in market research and new competitive conditions. The aim is to recruit outstanding representatives with industry experience in the digital world and social networks to GfK's Supervisory Board. A great deal of time was dedicated to selecting Dr. Achenbach's successor.

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements and management report of GfK SE for financial year 2014 prepared by the Management Board in accordance with the regulations of the German Commercial Code (HGB) and the International Financial Reporting Standards (IFRS) were audited and given unqualified approval by the auditor, KPMG Wirtschaftsprüfungsgesellschaft. Every member of the Supervisory Board received a copy of the audit reports at the appropriate time. The Supervisory Board assured itself of the impartiality of the auditor and the auditors' personnel. The Supervisory Board verified the financial statements and related documents as well as the audit reports in conformity with its duties.

In its meeting on March 5, 2015, the Audit Committee deliberated on the results of its audit and reported its findings to the plenary session of the Supervisory Board at the accounts meeting held on March 9, 2015. The signatory auditors of both the annual and consolidated financial statements were present at both meetings. They reported on the audit in general and on aspects specified as key elements of the audit as defined in the audit plan. 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 audit reports and, having examined the annual financial statements prepared by the Management Board, gave its approval to discharge the accounts. With this, the accounts were approved. In light of the current and anticipated financial position of the Group, the Supervisory Board deliberated on the proposal for appropriation of the profits put forward by the Management Board and, having found it to be appropriate, gave its approval.

Nuremberg, March 9, 2015

Arno Mahlert

DR. ARNO MAHLERT

SUPERVISORY BOARD

DR. ARNO MAHLERT

Chairman of the Supervisory Board, Non-Executive Director

DR. BERNHARD DÜTTMANN

Deputy Chairman of the Supervisory Board; Management Board member and Chief Financial Officer (CFO), Lanxess AG, Cologne, Germany

DR. CHRISTOPH ACHENBACH

Managing Partner, BfUN Beratung für Unternehmensführung und -nachfolge GmbH, Cologne, Germany *(until May 27, 2014)*

DR. WOLFGANG C. BERNDT

Non-Executive Director

HANS VAN BYLEN

Management Board member, Henkel Management AG & CO. KGaA, Dusseldorf, Germany

SANDRA HOFSTETTER

Independent Works' Council representative, GfK SE, Nuremberg, Germany; Chairperson, European GfK SE Works' Council

ALIZA KNOX

Managing Director, Online Sales, Asia Pacific, Twitter, Singapore, Singapore *(since May 27, 2014)*

STEPHAN LINDEMAN

Research Director, Intomart GfK B.V., Hilversum, Netherlands; Chairman of Works' Council, Intomart GfK B.V., Hilversum, Netherlands; Deputy Chairman, European GfK SE Works Council

SHANI ORCHARD

Human Resources and Facilities Director, GfK Retail and Technology UK Ltd., Woking, Surrey, UK; Member of Steering Committee, European GfK SE Works Council

HAUKE STARS

Management Board member, Deutsche Börse AG, Frankfurt am Main, Germany

DIETER WILBOIS

Independent Works' Council representative, GfK SE, Nuremberg, Germany; Chairman of GfK Group Works' Council, Deputy Chairman, European GfK SE Works' Council

AUDIT COMMITTEE

> Dr. Wolfgang C. Berndt *(Chairman)*
> Dr. Christoph Achenbach *(until May 27, 2014)*
> Dr. Bernhard Düttmann
> Sandra Hofstetter
> Dr. Arno Mahlert

PERSONNEL COMMITTEE

> Dr. Wolfgang C. Berndt *(Chairman)*
> Hans Van Bylen
> Dr. Arno Mahlert
> Shani Orchard

PRESIDIAL COMMITTEE

> Dr. Arno Mahlert *(Chairman)*
> Dr. Wolfgang C. Berndt
> Dr. Bernhard Düttmann
> Hauke Stars
> Dieter Wilbois

NOMINATIONS COMMITTEE

> Dr. Arno Mahlert *(Chairman)*
> Dr. Wolfgang C. Berndt
> Hauke Stars

MATTHIAS HARTMANN
Chief Executive Officer (CEO), GfK SE

LETTER TO THE SHAREHOLDERS

Ladies and Gentlemen,

The transformation of GfK has come a long way in 2014. We have completed many of our strategic projects under our motto of "Getting it done". Many aspects of our "Own the Future" strategy are now in place. We have come much closer to our aim of actually being an integrated business worldwide, "One GfK". Innovative, digital, global – those are often just buzzwords, but we have actually established our offering accordingly. With a global product range and clear set-up revolving around key clients, focus industries, products and regions, we can effectively meet our clients' needs for fast, relevant, global services.

The GfK of today is a different company to that of three years ago. I am convinced these far-reaching changes are both correct and necessary, and that GfK is in good shape for the future: We won't be standing still. After all, our industry is changing dramatically. At a time when our clients are confronted with increasing amounts of data and are required to take decisions more quickly than ever before, both new and existing providers are exploiting the opportunities offered by digitization and globalization. Industry boundaries are blurring. This is also creating a wealth of new opportunities, especially for us. In the automotive industry, for instance, we see vehicles becoming increasingly networked and autonomous. How can promising strategies be conceived in this global growth environment? Market research creates clarity, even in areas that appear to be blurred. It does this by adapting to the new environment. Better still: We shape that environment ourselves. From the many data sources and enormous volumes of data – Big Data – involved, we extract relevant insights, establish connections and communicate them to our clients. That is how we create relevance and Smart Data. And we need to act fast, because under great time pressure, many clients are constantly readjusting their balance of speed and precision. This is an opportunity for us: The reliability and precision of both our own and external data, combined with comprehensive analyses almost in real time, represents true added value by GfK. This is also the case for our reliable data handling and extensive industry expertise. Because data on its own is not enough, and not all correlations are meaningful.

Consumer behavior patterns are changing fast and driving trends. With their mobile devices, consumers are always "on" and encounter an increasing variety of touchpoints with brands, products and services. They utilize the transparency and speed of the market and adopt innovations quickly. For companies, this means increasingly complex customer relationships, a broader media spectrum, growing volumes of data and mounting competitive pressure. This is why they demand faster results from us, with relevant insights that meaningfully integrate data from various sources. And clients need market research to see whether their marketing spend or investment is effective. So we need to help them understand their customers and markets and support them as they develop truly winning strategies.

We are on the right track. Our GfK Crossmedia Link product, for example, allows clients to measure the success of their campaigns across different media via a single panel. GfK Brand Vivo helps to understand the relationships customers have with brands. GfK Customer Harmonics shows how quality of service and customer experience influence customer relationships. GfK FuturePath enables our clients to identify, measure and prioritize potential sales opportunities. GfK MarketBuilder supports the marketing and launch of products. GfK Supply Chain Management Insights helps companies manage their global value creation chains effectively. And with our GfK Online Pricing Intelligence solution, online businesses can determine the right price in their dynamic market environment. You will find an example of this for one of our clients in the first section of this Annual Report. This solution also illustrates our selective acquisition strategy: We acquired a small business with specialist technology and expand this area of business using our global presence and our standing as market leaders in retail tracking. By combining this offering with our other data sources and products, we have the unrivalled ability to create solutions only GfK can offer.

Our Consumer Experiences sector is particularly affected by the rapid changes on the market. We have therefore continued to consistently reform this sector, putting further focus on the launch of new products. In doing so, we consciously accepted a decline in sales. Margins in this sector are now up, which shows we are on the right track. The new global products are already generating 38 percent of the sector's sales.

The Consumer Choices sector continued to expand its high-margin business in 2014. Our media research contracts show our internationalization strategy is working. And building up the large audience measurement panels in Brazil and the Kingdom of Saudi Arabia as well as investments in additional panels has laid the foundations for further growth.

We have also been investing in our technology platforms. The creation of our new cross-sector Data & Technology unit means we can shape highly specialized, scientifically founded developments for both sectors, enabling us to better employ and develop our resources on products and projects across the board.

A range of economic trends were evident in different regions throughout 2014. Client consolidations impacted on their market research expenditure, particularly in Northern Europe. The loss of a major contract outside our core business also had an impact. We continued to expand organically in the growth regions of Central Eastern Europe, the Middle East, Turkey, Africa, Latin America as well as the Asia and the Pacific region. Sales growth fell short of expectations in Southern and Western Europe, where the economic crises are still leaving their mark, and in North America. The adverse influence of currency effects abated as the year progressed, but had a negative impact on organic growth. Providing there are no surprises, we anticipate that the general conditions will improve again in 2015. We continued to exploit and expand the benefits of our global setup in 2014. Our globally integrated coding centers now handle 65 percent of all our coding work, compared with just 25 percent in 2012. Consequently, we are using our capacities more effectively and increasing speed – around the world, and according to our high quality standards. As part of our clear strategy, we have pulled out of ad hoc research in regions such as Mozambique and Taiwan.

We always had our eyes on the prize in 2014: Strengthening GfK under demanding conditions in a rapidly changing market and securing its future, which is also to the benefit of our 13,000 employees. It is not always easy for our staff to support and effect such widespread change, which makes their continuing commitment all the more impressive. In our regular global engagement surveys, they have impressively confirmed their personal dedication to pursuing this path together, even in year three of the transformation. So on behalf of the Management Board, I would like to thank them wholeheartedly.

Our shareholders and Supervisory Board demonstrated ongoing unity with us in steadily implementing our strategy in 2014. Their critical, but always constructive, dialog with the company is a constant source of support: That is the only way an organization like GfK can transform itself this comprehensively, but also as quickly and consistently as is required.

In the year of GfK's 80th anniversary, we have created the conditions it needs to succeed. This year, our focus returns to growth. At the same time, we will continue to adapt the Group to market conditions and client needs with vigilance. On behalf of the Management Board and the whole GfK team, I would like to thank you for your confidence and support to date. We will continue to ask this of you in the future.

Yours

MATTHIAS HARTMANN

MANAGEMENT BOARD

MATTHIAS HARTMANN

born 1966

Chief Executive Officer (CEO), responsible for the corporate functions of Strategy and Innovation, IT (strategy, enterprise applications, infrastructure), Human Resources (including executives' development and compensation), Integrity, Compliance and Intellectual Property, Internal Audit, Investor Relations and Marketing and Communications

Professional career

> Since 2011
CEO of GfK SE, Nuremberg, appointed until 2019

> 2010 – 2011
Global Head of Strategy and Industries, IBM Global Business Services, New York City, New York, USA

> 2005 – 2009
General Manager and Managing Director IBM Deutschland GmbH and General Manager, IBM Global Business Services in Germany

> 2004 – 2005
Vice President, IBM Corporate Strategy, USA

> 2003 – 2004
Vice President, IBM Strategy & Change Consulting, responsible for Europe, Middle East and Africa (EMEA)

> 2002
Global responsibility for change management and communications during the integration of PricewaterhouseCoopers Consulting (PwCC)

> 2002 – 2004
Director of strategy and management consulting, IBM in Europe, Middle East and Africa

> 1993 – 2002
Various functions at IBM Unternehmensberatung GmbH (UBG), Frankfurt and Hamburg, Managing Director from 2000

> 1988 – 1993
Various functions at IBM in Belgium, Germany, Ireland and the USA

Education

> 1988
Graduated in Business Administration, specializing in Information Technology from the Berufsakademie (University of Cooperative Education) Stuttgart, Germany

CHRISTIAN DIEDRICH

born 1958

Chief Financial Officer (CFO), responsible for the corporate functions of Finance (accounting, controlling, finance, IT), Finance Administration (corporate shareholder management, investment controlling, risk management, mergers and acquisitions, tax), Treasury, Legal, Central Services, Procurement and Sector Finance

Professional career

> Since October 15, 2014
Member of the Management Board of GfK SE, appointed until 2017

> 2012 – 2014
IBM Corporation, Vice President International Corporate Development, Shanghai, China

> 2012
IBM Corporation, Vice President International M&A Strategy, Armonk, New York, USA

> 2009 – 2012
IBM Northeast Europe, Vice President Finance, CFO, Zurich, Switzerland

> 2005 – 2008
IBM Deutschland GmbH, Managing Director, Vice President Finance, CFO, Germany

> 2002 – 2005
IBM Europe, Middle East, Africa; Director of Financial Operations, Paris, France

> 1998 – 2002
IBM Deutschland GmbH, CFO IBM Global Services, Central Region, Germany

> 1996 – 1998
IBM Europe, Middle East, Africa, various financial responsibilities, Paris, France

> 1993 – 1996
IBM Deutschland Informationssysteme GmbH, various financial responsibilities, Germany

> 1984 – 1993
IBM Deutschland Entwicklung GmbH, various financial responsibilities, Böblingen, Germany

Education

> 1984
Graduated in Engineering (Business Engineering; focus: investment and financing, logistics) from the Technical University of Berlin, Germany

> 1983
Master of Science in Management (MBA) from the Sloan School of Management, MIT, Cambridge, Massachusetts, USA

DR. GERHARD HAUSRUCKINGER

born 1961

Management Board member (COO), responsible for the Consumer Choices sector

Professional career

> Since 2010
Member of the Management Board of GfK SE, appointed until 2018

> 2008 – 2010
Chief Executive Officer (CEO), Emnos GmbH, Munich, Germany

> 2006 – 2008
Managing Director of the Retail segment and responsible for Consulting in Products sector, Accenture, Kronberg, Germany

> 1994 – 2005
Consultant in Retail and Consumer Goods segment, Roland Berger Strategy Consultants,Partner from 2000, London, UK, and Munich, Germany

> 1992 – 1994
Project Manager for Corporate Development, Karstadt AG, Essen, Germany

Education

> 1992
Doctorate from the University of Regensburg, Germany

> 1988
Graduated in Business Administration from the University of Regensburg, Germany

DEBRA A. PRUENT

born 1961

Management Board member (COO), responsible for the Consumer Experiences sector

Professional career

> Since 2008
Member of the Management Board of GfK SE, appointed until 2015

> 2006 – 2007
Chief Operating Officer (COO), GfK Custom Research North America

> 2005 – 2006
President of GfK NOP Products & Services, USA

> 1992 – 2005
Employed by U.S. automotive market researcher Allison-Fisher International, most recently as CEO

> 1983 – 1992
Various analyst and management functions, General Motors Corporation, USA

> 1988 – 1990
Adjunct Professor of Statistics at Oakland University, USA

Education

> 1986
Graduated in Applied Statistics from Oakland University, USA

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

MANAGEMENT BOARD

DEBRA. A. PRUENT
Management Board member (COO)

MATTHIAS HARTMANN
Chief Executive Officer (CEO)

DR. GERHARD HAUSRUCKINGER
Management Board member (COO)

CHRISTIAN DIEDRICH
Chief Financial Officer (CFO)

HIGHLIGHTS 2014

Q1

01 > January

> **GfK has come a long way.** The company turns 80.

> **GfK signs contract with Saudi Media Measurement Company** to launch the first ever electronic television audience measurement service in the Kingdom of Saudi Arabia.

02 > February

> **The Supervisory Board of GfK SE extends the contract of CEO** Matthias Hartmann by five years.

03 > March

> **Facebook commissions GfK** for a study on multi-device usage.

> **PT Primera Indonesia is integrated into GfK's existing business in Retail Tracking media.** PT Primera Indonesia is a full service market research agency.

> **GfK wins "Best Paper"** at the CEE ESOMAR research forum in Bucharest, Romania.

> **Owing in part to research carried out by GfK, U.S. companies Walgreens and ESPN both receive honors at this year's Ogilvy Awards ceremony,** held during the annual ARF Re: Think conference in New York City, New York, USA.

Q2

05 > May

> GfK Entertainment, the German Publishers & Booksellers Association and MVB marketing and publishing service of the Buchhandels GmbH further **expand their cooperation** in the field of market research and statistics.

> **Aliza Knox, Managing Director Online Sales, Asia Pacific at Twitter Singapore, is elected to the Supervisory Board of GfK SE.** She replaces Dr. Christoph Achenbach, who is retiring from the Supervisory Board.

06 > June

> **GfK presents innovation management solution GfK MarketBuilder.** This actively supports clients in successfully launching and marketing new concepts, products and services.

Q3

07 > July

> **GfK introduces GfK Supply Chain Management Insights** to enable greater efficiencies and economies of scale.

> **GfK starts a series of webinars** concerning consumer behavior in Africa. For many clients, Africa offers tremendous potential, with its rich natural resources and favorable demographic outlook.

> **GfK unveils the UX Score,** a revolutionary tool that measures all factors of the user experience, at the User Experience Professionals Association conference in London, UK.

> **GfK donates € 20,000 to the Reutersbrunnenstraße home for children and young people** in Nuremberg, Germany.

> **GfK in Czech Republic and Slovakia further the collaboration with Molson Coors,** one of the world's leading brewing companies, by expanding a global brand tracking project.

08 > August

> **GfK China turns 20.**

09 > September

> **GfK acquires Cogenta,** a market leader in online pricing intelligence.

> **GfK wins with the "Power of Laughter",** authored jointly with Comedy Central, the best methodological paper at this year's ESOMAR "What Inspires?" conference in Nice, France.

> **SKO and GfK extend their existing television audience measurement contract** in the Netherlands until 2017. SKO is the television audience measurement service in the Netherlands.

> **GfK launches GfK Brand Vivo –** this new global product is a new brand tracking system that uses relational intelligence, a more valid and sensitive way to monitor how consumers experience, connect to and engage with brands.

> **GfK introduces GfK Target Setter,** a sales forecast that includes all the major technology product categories, forecasting what units will sell in what numbers, at what price, by region.

Q4

10 > October

> **New CFO, Christian Diedrich, takes up his position** on the Management Board on October 15, 2014.

> **Advertising and media agencies cite GfK USA** as a leading syndicated source of **data for planning digital-based advertising.**

11 > November

> **Star Radio Group picks GfK** to carry out its radio audience measurement. Star Radio Group is one of Malaysia's fastest growing radio networks.

> **GfK launches GfK FutureWave,** a global product that identifies innovation spaces by harnessing cultural shifts and new market activity that will influence tomorrow's market.

> **GfK introduces GfK Customer Harmonics, which is a new global approach** that bridges the gap between customer satisfaction and customer loyalty.

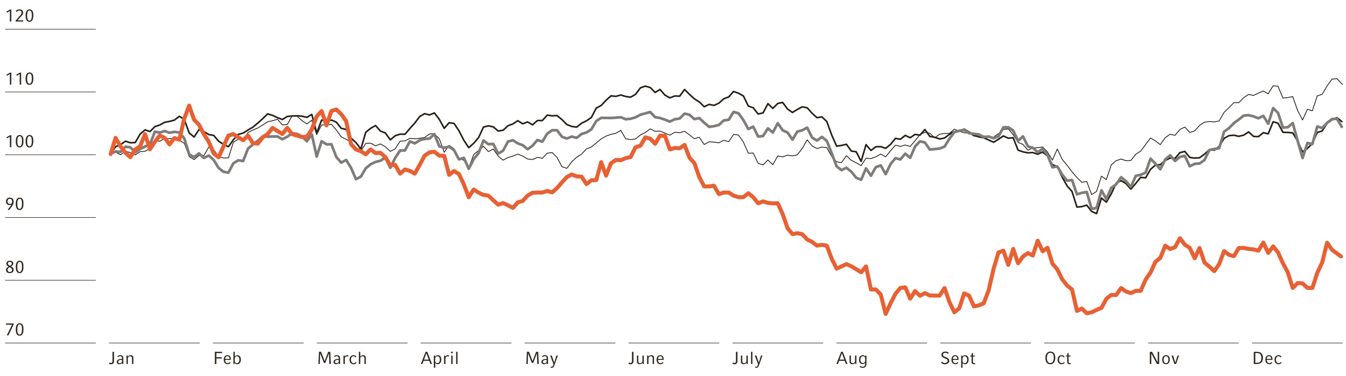
12 > December

> **GfK is awarded the contract** to continue radio audience research in Switzerland beyond 2017.

Q1 / Q2

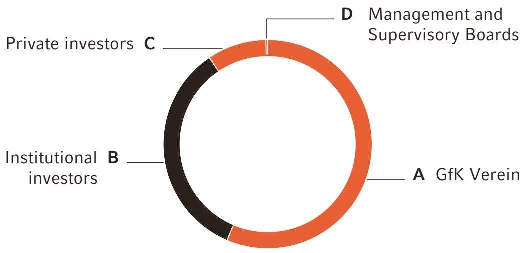
Q3 / Q4

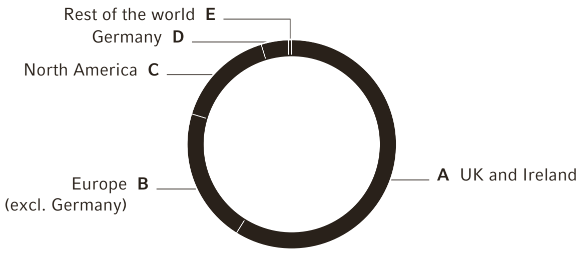
GfK SHARE PRICE PERFORMANCE COMPARED WITH THE INDICES IN FULL-YEAR 2014 [1)]



1) All values are indexed to the GfK share price, closing prices, in €
— GfK (Xetra) — DAX 30 Performance — SDAX Performance — DJ Euro Stoxx Media

SHAREHOLDER STRUCTURE OF GfK SE





SHAREHOLDER STRUCTURE IN PERCENT

A	56.40	GfK Verein
B	34.35	Institutional investors
C	9.23	Private investors
D	0.02	Management and Supervisory Boards

INSTITUTIONAL INVESTORS IN PERCENT

A	20.23	UK and Ireland
B	7.19	Europe (excl. Germany)
C	5.33	North America
D	1.48	Germany
E	0.12	Rest of the world

Private investors in Germany only. Figures based on total outstanding number of shares: 36,503,896
Source: NASDAQ OMX Data as at January 31, 2015

GfK SHARES

GfK shares started the year 2014 trading at € 40.70. By the end of January, they had already reached a high for the reporting period of € 43.86. The stock could not maintain this level in March and April, although in the summer the shares temporarily rallied again in line with the index. The share price began to fall toward the middle of the year, slumping to its annual low of € 30.31 on August 18. When equity markets were buffeted towards the end of Q3, GfK shares bucked the trend, rising to € 34.38 towards the end of September, and finally ending the year on a price of € 34.00. This equates to a fall in the share price of 16.5 percent over the year 2014. As such, GfK's price performance lagged behind that of its reference index, the SDAX, which gained 5.1 percent during the reporting period.

INVESTOR RELATIONS ACTIVITIES

In 2014, the Investor Relations team focused its global capital market communications on the company's transformation and its implementation. The company's traditional Capital Market Day, now in its seventh year, took place in Frankfurt am Main, Germany, in January. Once again, over 30 analysts and institutional investors from Germany, France and the UK took the opportunity to gain a detailed insight into GfK and the steady internationalization of its Audience Measurement business unit.

In 2014, the Investor Relations team conducted 334 (2013: 337) one-on-one meetings with investors and analysts some of which were also attended by members of the Management Board. Many discussions took place during the course of 11 roadshows (2013: 11) conducted in nine countries. In addition, GfK was represented at 13 capital market conferences in France, Germany, Spain, the UK and the USA (2013: 15).

GfK's investor relations work was awarded Germany's Investor Relations Prize in 2014. GfK came first in the SDAX category and was therefore rewarded for its outstanding investor relations work.

DECLINE IN MARKET CAPITALIZATION

At the end of financial year 2014, GfK's market capitalization stood at around € 1.24 billion (2013: € 1.47 billion) and was based on 36,503,896 shares, an unchanged number compared with the previous year. In view of the fact that other SDAX companies achieved a stronger share price gain, GfK's ranking based on market capitalization fell from fourth (2013) to tenth place. At around 8,000 shares (2013: 9,900), the average trading volume in GfK shares on German stock exchanges in 2014 was down on the previous year. However, strong trading days, turnover in GfK shares exceeded 128,000 shares.

As in 2013, GfK mostly traded outside German stock exchanges. The share of trading via the Xetra stood at 13 percent in 2014, which was a further decline compared with the previous year (15 percent). According to Bloomberg and information provided by brokers, over 82 percent of GfK share trading therefore took place outside the stock exchange via OTC trading. However, Deutsche Börse's ranking only considers share turnover traded via Xetra. Consequently, based on trading volume, GfK's position deteriorated from 37th place (2013) to 44th (2014).

In order to reduce the volatility of its shares, GfK has two designated sponsors. At the end of 2014, volatility stood at 23.2 percent which was again down on the previous year's level, when it was still 25.1 percent. The margin of fluctuation therefore continued to advance toward the SDAX reference value, which was 11.8 percent in 2014 (2013: 12.5 percent).

COVERAGE REMAINS ABOVE AVERAGE

The coverage of GfK shares by 11 analysts (previous year: 13) remains at a good level. On average, SDAX companies are covered by nine analysts (DIRK study). This means that GfK considerably exceeds the benchmark. GfK's activities are therefore aimed at supporting international and global securities analyses and a wide range of research services. At the end of 2014, six analysts gave a "buy" recommendation for GfK shares, three a "hold" recommendation and two had a "neutral" opinion.

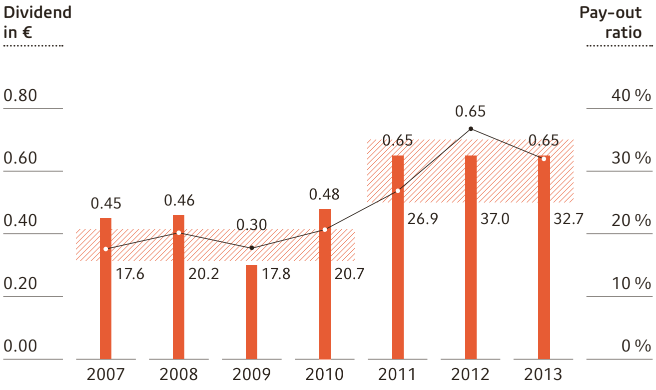
INTERNATIONAL SHAREHOLDER STRUCTURE

At year-end 2014, the proportion of GfK shares in free float stood at 43.6 percent, and therefore marginally below the level in 2014. At that point in time, GfK's Management and Supervisory Boards held 0.02 percent of the shares. Overall, institutional investors held 34.35 percent of the shares and private investors 9.23 percent. The major shareholder, the GfK Verein, owns a 56.4 percent stake (source: NASDAQ OMX). Compared with the previous year, the proportion of shares held by Anglo-Saxon institutional investors has declined in relation to investors from other countries.

ATTENDANCE OF WELL OVER 80 PERCENT AT THE ANNUAL GENERAL ASSEMBLY

Over 200 GfK shareholders and shareholders' representatives (attendance: 88.4 percent) voted at GfK SE's sixth Annual General Assembly on May 27, 2014. Attendance was therefore up 7.0 percentage points on the previous year, the highest level since the IPO. Resolutions were approved by at least 99.76 percent. Aliza Knox, Managing Director Online Sales, Asia Pacific at Twitter Singapore, was elected as a new member of the Supervisory Board and the proposal of the Supervisory and Management Boards to pay a dividend of € 0.65 per share was approved by a clear majority. The pay-out ratio measured in relation to consolidated total income is just under 33 percent.

DIVIDEND



Dividend per share ○ Pay-out ratio[1] Range of pay-out ratio

1) Pay-out ratio as share of consolidated total income

B

>
GROUP MANAGEMENT REPORT

GROUP MANAGEMENT REPORT

-> 1. ECONOMIC BASIS FOR THE GROUP

1.1 OVERALL ECONOMIC DEVELOPMENT IN 2014: SLIGHTLY ACCELERATED GROWTH

After a weak first half of the year, the rate of global economic growth started to accelerate in the third quarter of 2014. This applied to many industrialized countries and emerging markets. Economic growth of an average of 3.3 percent was recorded for the year.

Particularly in the industrialized countries, the better labor market situation was reflected in higher wages and salaries. In combination with lower global rates of inflation and low energy prices, this boosted purchasing power. The resultant upward trend in consumption was the key driver of economic growth in many countries and regions. Monetary policy remained expansionary at global level. Along with the European Central Bank (ECB), China and Japan also attempted to add impetus for their domestic economies.

However, economic growth was adversely affected by political uncertainties. In **Russia**, sanctions as a result of the Ukraine crisis and the Russian import ban on some food products, in addition to falling oil prices, impacted noticeably on economic output. Provided that political conflict remains limited, purchasing power high and energy prices and inflation rates low, the International Monetary Fund (IMF) expects a rise in global GDP to 3.5 percent in 2015.

The overview below shows the development in the regions and countries that are important to GfK's operations:

GDP GROWTH IN PERCENT [1)]

Country / region	2012	2013	2014 [2)]	2015 [3)]
Germany [4)]	0.9	0.2	1.5	1.3
France [4)]	0.0	0.3	0.4	0.9
UK	0.1	1.7	3.0	2.5
Italy	–2.6	–1.9	–0.4	0.0
Spain	–1.6	–1.2	1.3	1.8
Eurozone	–0.6	–0.4	0.8	0.9
EU [4)]	–0.3	0.2	1.4	1.8
Russia	3.3	1.4	0.1	0.3
Central Eastern Europe	1.3	2.5	3.0	2.7
USA	2.8	2.2	2.3	3.1
Latin America and Caribbean [4)]	3.0	2.8	1.2	1.3
China	7.8	7.7	7.4	7.2
India	3.7	4.7	5.9	6.4
Japan	1.4	1.6	0.3	1.3
Asia and the Pacific [4)]	5.1	5.5	5.5	5.6
World [4)]	3.1	3.3	3.3	3.5

Sources:
1) DIW: Winter baselines 2014
2) Estimates
3) Forecast for economic development in 2014/15
4) International Monetary Fund

The Consumer Climate Europe survey, conducted by GfK on behalf of the European Commission, showed a split picture for 2014. In the first half of the year, the economic trend recorded was markedly positive in almost all European countries. Consumers were hopeful that the financial and economic crises would finally be overcome within the next few months. In the period from April to June, the indicators for economic and income expectations as well as willingness to buy climbed to record highs almost everywhere. At 9.1 points in June 2014, the consumer climate index for the EU-28 was at the highest level since April 2008. Uncertainty then spread among consumers in the wake of the various crises in Ukraine and the Middle East. The rate of growth in GDP fell far short of forecasts in many countries, and in some countries actually decreased temporarily. In the fourth quarter of 2014, optimism regained the upper hand in most countries. Although many economic indicators remained in the negative range, the trend was almost consistently upward.

WILLINGNESS TO BUY / CONSUMER CLIMATE

	Willingness to buy			Consumer climate		
	IV/13	IV/14	Change	IV/13	IV/14	Change
Germany	45.4	47.4	2.0	7.2	8.5	1.3
France	–32.7	–21.2	11.5	–0.7	1.7	2.4
UK	–22.0	–3.8	18.2	3.6	7.0	3.4
Italy	–19.7	–11.9	7.8	0.3	1.0	0.7
Spain	–14.9	–11.3	3.6	1.4	5.3	3.9
EU-28	–10.2	2.9	13.1	5.6	6.0	0.4

Sources: GfK SE, European Commission

> GDP in **Germany** was up by 1.5 percent in 2014, which represented a significant upward trend. It was boosted by export-driven demand that in turn provided impetus for investment in the course of the year. Growth in private consumption was particularly sharp. Although the consumer mood in Germany suffered a decline in late summer and fall in view of the ongoing crises, the trend was reversed again in November. The strong labor market, wage and salary increases and a rise in social benefits as well as decreasing energy prices all contributed to the positive trend reversal. The consumer climate index, which is calculated on the basis of economic expectations, income expectations and willingness to buy, was up 1.3 points in Germany.

> Unemployment remained high in **France**. There was no momentum for the economy, and the growth rate at the previous year's very low level. Consequently, France's population continued to anticipate a sharp decline in income last year. However, pessimism eventually waned somewhat. Nevertheless, the French had no spare cash for major purchases, partly owing to weak income expectations.

> The **UK's** strong economy had little impact on the general consumer mood. Although the willingness to buy saw a significant recovery during 2014, it remained in the negative range in the fourth quarter of the year.
> In the first half of 2014, consumers in **Italy** hoped that the economy would gradually recover. Accordingly, the indicators climbed considerably. However, when the positive economic forecast failed to materialize and Italy recorded a decline in GDP in both the second and third quarters of 2014, the optimistic mood of its citizens faded away.
> In light of the economic recovery in **Spain**, the country's consumers expected a slight rise in income for the first time in a while. This cautious optimism did not yet benefit the willingness to buy, which is a lagging indicator. The Spanish are still far from being in a position to spend money on major acquisitions. The lowest indicator value last year was recorded at –20.7 points in February and the highest in June at –4.4 points. In the fourth quarter, the indicator stood at –11.3 points.
> The mood in the national economies of **Central Eastern Europe** deteriorated substantially in view of the Ukraine crisis. However, growth rates in the region were significantly higher than the EU average over the year as a whole. A decrease in the rates of unemployment and inflation resulted in higher incomes in real terms for this region. Here too, private consumption was the key driver of economic growth.
> National economic growth in the **USA** amounted to 2.3 percent in 2014. In addition to a higher level of private investment and consumer spending, increased government spending in the defense industry contributed to growth. Despite this extraordinary effect not being included in 2015, the German Institute for Economic Research (Deutsches Institut für Wirtschaftsforschung, DIW) forecasts 3.1 percent growth for the year. This trend is mainly driven by the recovery of the labor market. As part of this recovery, there is a minor upward trend in disposable income in real terms, which is boosting private consumption. Housing construction in the USA is also gradually recovering, and it is likely that companies will invest more in this favorable economic environment.
> The growth rate in **Latin America** was once again lower than in the previous year. Among the major national economies, Mexico, in particular, benefited from the upturn in the USA. Mexico's GDP rose by 2.1 percent. Conversely, economic growth in Brazil amounted to only 0.1 percent in 2014. The country's economy is curbed by lacking competitiveness, high financing costs and declining private consumption.
> As in the previous two years, **Asia** was the world region which recorded the fastest growth. China's economic growth was the most dynamic once again. Consumer spending and investment primarily accounted for the 7.4 percent growth. According to the DIW's assessment, consumer spending and investment may decrease slightly in 2015, which would mean that the rate of economic growth in China is expected to slow down somewhat in the coming quarters. In India, the rise in exports and investment was mainly responsible for accelerated growth in 2014, and this is set to continue in 2015. In view of the increase in the general tax on consumption, implemented in April 2014, Japan's economy hardly grew, at 0.3 percent. However, the country's expansionary monetary policy is likely to contribute to a recovery of the consumer climate, as a result of which GDP in Japan may be up by 1.3 percent in 2015.

1.2 MARKET RESEARCH INDUSTRY: GROWTH REMAINED WEAK IN 2013

Industry association ESOMAR publishes the previous year's sales figures of market research companies every September. The current "Global Market Research 2014" report provides information about developments in 2013. According to the report, global industry sales were up by 0.7 percent, adjusted for inflation, totaling a volume of US$ 40,287 million.

At 0.7 percent, growth was weak for the third year running (2012: 0.7 percent and 2011: 0.4 percent). This is an average figure across 89 countries and regions, with very disparate general economic conditions. Market research sales rose in 49 countries and regions, but declined in 40 other countries and regions.

Developments varied widely, especially in **Europe**. Pre-existing and new crises adversely impacted on growth in this region. With regard to non-EU countries, Ukraine and Russia recorded sound sales growth in 2013, which means they have weathered the financial crisis relatively well. However, in view of political uncertainties and economic sanctions, they probably recorded a downturn for 2014. The countries of southern Europe continued to provide negative impetus. The impact of the financial crisis above all remained substantial in Cyprus, the smallest market on the continent, where a decline of 36.9 percent was recorded, followed by Portugal with a sales decrease of 22.4 percent. Conversely, the recession in Greece seemed to be close to bottoming out, with the industry sales volume down by only 1.3 percent.

In the UK, the business trend at market research companies was positive – calculated in pound sterling. However, after currency translation into US$ and adjustment for inflation, there was a sales decrease of 1.4 percent.

German industry sales, which to date were practically a guarantee for European stability, decreased slightly as a result of growing competition from non-sector services supplied in the country (–0.5 percent).

Overall, industry sales in European market research were down by 1.4 percent. Growth rates were therefore in the negative range for the third time running (–1.2 percent in 2012 and –1.3 percent in 2011, after a brief phase of recovery in 2010).

SALES AND GROWTH BY REGION

	2012 sales US$ (million) 1)	2013 sales US$ (million) 1)	2012/2013 net growth in percent 2)	2012/2013 absolute growth in percent 3)
Europe	**15,711**	**16,005**	**–1.4**	**0.4**
EU-15	13,978	14,177	–1.9	–0.2
EU accession countries	654	686	0.4	2.0
Rest of Europe	1,079	1,143	3.4	8.1
America 4)	**17,046**	**17,625**	**2.5**	**–**
North America	15,067	15,705	2.9	4.4
Latin America	1,979	1,920	–0.1	6.6
Asia and the Pacific	**6,237**	**5,998**	**1.6**	**3.9**
Africa	**401**	**382**	**–1.2**	**5.0**
Middle East	**265**	**277**	**–1.2**	**4.2**
TOTAL	**39,660**	**40,287**	**0.7**	**2.8**

1) Local sales converted into US$ at average exchange rate for the year
2) Growth adjusted by inflation in US$
3) Growth in national currency, without growth adjustment
4) GfK calculations
Source: ESOMAR "Global Market Research 2014" industry report

A sales rise of 2.9 percent made **North America** the driving force of growth worldwide. The USA, which is the most important market research market, benefited from a comprehensive economic recovery, with industry sales up by 2.7 percent. In absolute terms, growth in the USA was 4.2 percent, which equates to US$ 630 million. Canada's market research volume totaled US$ 714 million and, with growth of 7.4 percent, therefore developed very positively. For the first time since 2000, the role of growth driver returned to North America. This provides hope that other established markets will also recover from the crisis, facilitating more rapid growth for the industry in the future.

Asia and the Pacific, the third largest market research market, recorded growth for the fourth consecutive year. However, the sales increase of 1.6 percent was the lowest growth rate for the region since 2010. Rising food prices and the strong US dollar are the main reasons for the muted development. Excluding these factors, regional growth was up 3.9 percent. In Japan, the volume of the market research market increased slightly by 0.5 percent. However, in view of the weak yen, sales reported in US dollars were down. China's growth rate decelerated from 11.2 percent in the previous year to 4.4 percent. This decline was largely attributable to conversion and inflation effects. Excluding these effects, the Chinese market recorded growth of 7.2 percent and achieved a market volume which almost matched that of Japan. Consequently, growth in China was mainly responsible for the region's positive sales trend. In Australia, slightly negative growth of –0.4 percent was exclusively attributable to inflation adjustment and US dollar currency conversion.

Latin America, the region for which the highest growth rate was recorded in the last report, saw a minor decrease of 0.1 percent this time. Although growth rates in absolute terms were mainly positive, they were subject to a substantial downward revision after inflation adjustment, especially for the major markets such as Brazil and Mexico. In absolute terms, the Latin America region recorded 6.6 percent growth. The same applied for the countries analyzed in **Africa** and the **Middle East,** where industry sales decreased in net terms by 1.2 percent in each case, but increased by 5.0 percent and 4.2 percent respectively in absolute terms.

TOP 10 NATIONAL MARKET RESEARCH MARKETS: SALES, GROWTH AND SHARE OF INDUSTRY SALES

	2012 sales US$ (million) 1)	2013 sales US$ (million) 1)	2012/2013 net growth in percent 2)	2012/2013 absolute growth in percent 3)	2013 share of industry sales in percent
USA	14,388	14,991	2.7	4.2	37.2
UK	5,076	5,065	–1.4	1.1	12.6
Germany	3,321	3,468	–0.5	1.1	8.6
France	2,568	2,679	0.1	1.1	6.6
Japan	2,234	1,843	0.5	0.9	4.6
China	1,544	1,686	4.4	7.2	4.2
Brazil	823	724	–2.8	3.2	1.8
Italy	749	717	–8.4	–7.2	1.8
Canada	679	714	7.4	8.4	1.8
Australia	733	699	–0.4	2.0	1.7
Total for top 10	**32,115**	**32,586**	**–**	**–**	**80.88**
WORLD	**39,660**	**40,287**	**0.7**	**2.8**	**–**

1) Local sales converted into US$ at average exchange rate for the year
2) Growth adjusted for inflation in US$
3) Growth in national currency, without growth adjustment
Source: ESOMAR "Global Market Research 2014" industry report

The ranking of the top 10 market research markets remained relatively constant. The USA led the way by far, followed by the UK and Germany. France, Japan, China, Brazil and Italy remained in places four, five, six, seven and eight. Following sharp growth in Canada, it swapped places with Australia. With growth in China continuing, ESOMAR anticipates that the volume of the Chinese market will start to catch up with that of Japan.

The distribution of sales by market research subject highlights the following key areas for the market research industry and their possible further development.

MARKET RESEARCH SUBJECTS

Share of total sales in percent	2012*	2013*
1 Market surveys (panels)	18	22
2 Qualitative studies	14	13
3 Media and reach research	8	13
4 Innovation research, product development	7	9
5 Customer satisfaction research, including CRM	7	7
6 Advertising and brand tracking	7	7
7 Market modeling	3	6
8 Business-to-business studies	13	6
9 Usage and attitude	4	5
10 Opinion and election polling	3	2
11 Advertising pretesting	2	2
12 Omnibus studies, participation investigations	2	2
Other	7	6

* Consulting services included for 2012, excluded for 2013
Source: ESOMAR "Global Market Research 2014" industry report

For 2012, ESOMAR integrated the estimated distribution of the market research budgets of consulting companies, whereas this was not included in the figures for 2013. As a result, business-to-business studies dropped from third place in the ranking to eighth place. Demand for long-term projects such as panels, media and audience research increased in the USA, in particular. They remained the cornerstones of a steady development at market research companies.

The market could be expanded by including digital methods and analysis. ESOMAR estimated the growth potential offered by these at 50 percent. However, this estimate does not take into account medium and long-term substitution effects, which are now already becoming evident in online research. The share of surveys conducted online in relation to the total market research volume has steadily increased in recent years. However, in 2013, this share decreased to 28 percent after 29 percent in the previous year. According to ESOMAR, this decrease is partly attributable to a continued decline in prices. Although the number of online surveys conducted is not decreasing, they are charged at a lower price. Another reason for the temporary deceleration of the rise of online research is the increased use of digital measurements. Following an increase of 4 percentage points, these now account for 19 percent of the total market research volume.

TOP 10 OF THE MARKET RESEARCH INDUSTRY

2013 ranking	Company	2012 sales US$ (million) 3)	2013 sales US$ (million) 4)	Growth in percent 1)
1	Nielsen Holdings, USA	5,429.0	6,045.0	15.0
2	Kantar, UK 2)	3,338.6	3,389.2	8.4
3	IMS Health, USA	775.0	2,544.0	6.3
4	Ipsos, France	2,301.1	2,274.2	5.6
5	GfK, Germany	1,947.8	1,985.2	4.9
6	Information Resources, USA	763.8	845.1	2.1
7	Westat, USA	495.9	582.5	1.4
8	dunnhumby, UK	–	453.7	1.1
9	INTAGE , Japan 2)	500.3	435.5	1.1
10	The NPD Group, USA	272.0	287.7	0.7

1) GfK calculations
2) Estimated sales
3) Source: ESOMAR Global Market Research 2013
4) Source: ESOMAR Global Market Research 2014

As a result of a change in reporting, IMS Health is named as the third largest company after Nielsen and Kantar in the current ESOMAR report. Up to 2012, sales achieved by IMS Health were estimated. However, figures were published starting from 2013, ahead of the company's IPO in April 2014. This change also had a knock-on effect on GfK's place, which moved from fourth to fifth. Nielsen further consolidated its No. 1 placement following the acquisition of Arbitron and Harris Interactive.

-> 2. ECONOMIC REPORT

2.1 INTRODUCTION

GfK has a matrix organization consisting of two globally responsible sectors with product responsibility and six regions tasked with managing local business. This structure facilitates the rollout of global products and consequently improves the services offered to globally active clients. Beyond this, it also enables both sectors to exploit the potential offered by regional markets.

For internal management of both sectors, GfK applies the financial key performance indicators of sales and adjusted operating income/margin.

The GfK Group prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). The financial data for the sectors and regions originate from the Management Information System.

As its key performance indicators, GfK uses sales and adjusted operating income/margin, which is also used as an indicator of income by some of its competitors. GfK is confident that the explanations regarding business performance using adjusted operating income will facilitate the interpretation of the GfK Group's business development and enhance the informative value in comparison with other major companies operating in the market research industry. Consequently, where income is mentioned below, this is the adjusted operating income. The margin is the ratio of adjusted operating income to sales.

In addition, the development of the order position in relation to the expected annual sales for the current financial year is important. This statistic, referred to as the level of sales coverage, is determined on a monthly basis and closely monitored by GfK management. In general, around half the planned annual sales are already reported as assured contracts in the first quarter.

The picture varies between sectors. In the panel-based Consumer Choices sector, contracts are largely renewed during the first three months of the fiscal year. However, in some case, contracts may provide for multi-year surveying on a continuous basis. As a result of the greater weighting of ad hoc studies in the Consumer Experiences sector and the lower proportion of continuous data collection, incoming orders for this sector tend to be more evenly spread over the year as a whole. The adjusted operating income is calculated as follows:

RECONCILIATION OF ADJUSTED OPERATING INCOME [1)]

in € million	2013	2014	Change in percent
Operating income	26.5	68.0	+156.4
Goodwill impairment	114.6	59.5	–48.1
Write-ups/write-downs of additional assets identified on acquisitions			
Scheduled amortization/depreciation	10.5	7.4	–29.4
Impairments/reversals	15.7	4.0	–74.7
Income and expenses in connection with share and asset deals	0.8	1.0	+21.2
Income and expenses in connection with reorganization and improvement projects	12.7	17.1	+34.6
Personnel expenses for share-based incentive payments	0.8	1.0	+20.9
Currency conversion differences	0.3	1.1	+253.6
Income and expenses related to one-off effects and other exceptional circumstances	8.4	19.7	+135.5
Total highlighted items	**163.9**	**110.9**	**–32.4**
ADJUSTED OPERATING INCOME	**190.4**	**178.8**	**–6.1**

1) Rounding differences may occur

Where statements below refer to the number of employees, in principle, this represents the total number of full-time posts. For this purpose, part-time posts have been converted to equate to full-time employment.

The figures on the business development of the GfK Group and any percentage changes are based on figures in € thousand. Accordingly, rounding differences may occur.

As part of its global strategy, GfK has increasingly pooled overlapping administrative functional areas of the Other category. In order to ensure comparability, the number of employees for 2013 has been restated based on the new structure.

The companies mentioned in the Group Management Report are referred to by their abbreviated names. The Additional Information section of the Annual Report includes a list of all companies in the GfK Group.

2.2 GfK GROUP: PROGRESS IN EXPANSION OF HIGH-MARGIN BUSINESS

Sales of the GfK Group in 2014 were down 2.8 percent year-on-year to € 1,452.9 million. This development stemmed partly from negative currency effects (–0.9 percent), while the organic decline stood at 2.0 percent. The positive impact from acquisitions amounted to just 0.1 percent.

DEVELOPMENT OF EARNINGS [1)]

in € million	2013	2013 excluding goodwill impairment	2014	2014 excluding goodwill impairment	Change (excl. goodwill impairment) in percent
Sales	1,494.8	1,494.8	1,452.9	1,452.9	–2.8
Cost of sales	–1,008.0	–1,008.0	–990.6	–990.6	–1.7
Gross income from sales	**486.8**	**486.8**	**462.3**	**462.3**	**–5.0**
Selling and general administrative expenses	–328.2	–328.2	–301.0	–301.0	–8.3
Other operating income	5.2	5.2	7.8	7.8	+51.2
Other operating expenses	–137.3	–22.7	–101.2	–41.7	+83.6
EBITDA	**225.4**	**225.4**	**202.2**	**202.2**	**–10.3**
as a percentage of sales	15.1	15.1	13.9	13.9	–
Adjusted operating income	**190.4**	**190.4**	**178.8**	**178.8**	**–6.1**
as a percentage of sales	12.7	12.7	12.3	12.3	–
Highlighted items	–163.9	–49.3	–110.9	–51.4	+4.2
Operating income	**26.5**	**141.1**	**68.0**	**127.5**	**–9.7**
as a percentage of sales	1.8	9.4	4.7	8.8	–
Income from participations	2.4	2.4	4.0	4.0	+65.7
EBIT	**28.9**	**143.5**	**71.9**	**131.4**	**–8.4**
as a percentage of sales	1.9	9.6	5.0	9.0	–
Financial income	17.5	17.5	10.1	10.1	–42.7
Financial expenses	–42.3	–42.3	–34.4	–34.4	–18.6
Other financial income	**–24.8**	**–24.8**	**–24.4**	**–24.4**	**–1.6**
Income from ongoing business activity	**4.2**	**118.8**	**47.6**	**107.1**	**–9.8**
Tax on income from ongoing business activity	–46.2	–46.2	–28.2	–28.2	–39.0
Tax ratio in percent	1,111.5	38.9	59.3	26.3	–
Consolidated total income	**–42.1**	**72.5**	**19.4**	**78.9**	**+8.7**
Attributable to equity holders of the parent	–54.0	60.5	5.9	65.4	+7.9
Attributable to minority interests	11.9	12.0	13.5	13.5	+13.1
Consolidated total income	**–42.1**	**72.5**	**19.4**	**78.9**	**+8.7**
Earnings per share (undiluted) in €	–1.48	1.66	0.16	1.79	+7.9

1) Rounding differences may occur

The decrease in the **cost of sales** of € 17.4 million, or 1.7 percent, was somewhat smaller than the downturn in sales in percentage terms. This produces a **gross income from sales** of € 462.3 million as against € 486.8 million in the previous year, which equates to a decline of 5.0 percent. Personnel costs make up the largest component in cost of sales and cannot be simultaneously adjusted in line with changes in economic development.

Selling and general administrative expenses were significantly reduced in 2014, dropping by € 27.2 million, or 8.3 percent, to € 301.0 million. This was attributable in large part to amortization and depreciation, impairments and reversals of impairment losses on intangible assets resulting from the purchase price allocation, especially client relationships and panels, which amounted to only € –4.1 million compared with € –15.5 million in the previous year. However, this item has no impact on adjusted operating income since it is included in highlighted items.

A major component of the cost of sales as well as selling and general administrative costs are **personnel expenses**. In 2014, these amounted to € 705.4 million and were therefore € 27.8 million higher than in the previous year. Personnel expenses in 2013 had been positively influenced by non-recurring income amounting to € 10.1 million resulting from GfK Switzerland converting its pension scheme. Without this exceptional item, personnel expenses would have risen by € 17.8 million, or 2.6 percent. In relative terms, the increase in the number of employees was stronger than in personnel costs, with the number of employees up by 440, or 3.4 percent, to 13,380 as at year-end. This is a reflection of the integration of subsidiaries which were consolidated for the first time in 2014, the conversion of temporary freelance contracts into employment contracts and the expansion of the Coding Competence Centers in the course of establishing centralized services. The **personnel cost ratio**, which reflects the relationship of personnel costs to sales, stood at 48.5 percent, as against a ratio (adjusted for the exceptional item in Switzerland) of 46.0 percent in the previous year. One reason for the increase in the personnel cost ratio is the decline in sales.

Adjusted operating income fell by € 11.6 million, or 6.1 percent, to € 178.8 million. The margin, which expresses the relationship of income to sales, stood at 12.3 percent compared with 12.7 percent in the previous year. Adjusted for the exceptional item in Switzerland, the previous year's margin would have been 12.1 percent, which means the margin rose on a like-for-like basis. This reflects the expansion of high-margin business and adopted cost-saving measures in line with GfK's strategy.

Other operating income increased by € 2.6 million to € 7.8 million. Almost half of this rise was attributable to reversals of impairment losses on brands identified as part of the purchase price allocation. At € 3.0 million, currency gains exactly matched the previous year's level.

In contrast, currency losses in **other operating expenses** went up by € 0.8 million to € 4.1 million. In net terms, currency losses totaled € 1.1 million and stemmed from operating activity in foreign currency. Overall, other operating expenses fell by € 36.1 million to € 101.2 million. This is primarily due to lower goodwill impairment, which stood at € 59.5 million, compared with € 114.6 million in the previous year. This led to a substantial effect on all the following key financial ratios in the income statement. The impairment results from adjusted growth prospects in the Consumer Experiences sector and concerns the regions Central Eastern Europe / META, Southern and Western Europe, Latin America as well as Asia and the Pacific.

Excluding the goodwill impairment, other operating expenses would have risen by € 19.0 million year-on-year to € 41.7 million. In addition to the higher currency losses referred to above, this figure includes expenses of € 12.1 million (2013: € 5.6 million) incurred in connection with the irregularities discovered at the Turkish subsidiary in 2012, which mainly comprise retrospective tax payments including penalties, as well as legal and consulting costs. Redundancy settlements, which relate primarily to restructuring projects and are therefore posted under other operating expenses, increased from € 7.1 million to € 10.8 million in the year under review. Expenses of € 5.9 million (2013: € 1.4 million) were incurred for various ongoing court proceedings and risks arising from apparent self-employment and also include the recognition of provisions.

Highlighted items totaled € 110.9 million and include the goodwill impairment of € 59.5 million. The figure adjusted for this impairment of € 51.4 million compares with € 49.3 million in the previous year, corresponding to an increase of € 2.1 million.

In highlighted items, a significant decrease was reported for write-ups and write-downs of additional assets identified on acquisitions, which fell from € 26.2 million in the previous year to € 11.4 million. This sum includes reversals of impairment losses amounting to € 4.4 million in relation to panels, brands and client relationships. Furthermore, there was a fall in both scheduled write-downs on additional assets identified on acquisitions (down € 3.1 million to € 7.4 million) and impairments (down € 7.3 million to € 8.4 million).

Net expenses from reorganization and improvement projects increased by € 4.4 million to € 17.1 million. This includes redundancy settlements, which rose by € 3.7 million to € 10.8 million. Expenses connected with optimizing the rental situation of various subsidiaries amounted to € 1.8 million, compared with the respective figure for the previous year of just € 0.2 million as a result of income from releasing a rent provision of € 2.6 million. The remaining reorganization expenses decreased by € 1.0 million to € 4.4 million. These include expenses for the global standardization project REACH (formerly SCOPE) in the amount of € 4.0 million (2013: € 5.3 million).

The balance of income and expenses relating to non-recurring effects and other exceptional circumstances amounted to € –19.7 million, after € –8.4 million in the previous year. It includes expenses of € 12.1 million for the irregularities in Turkey, especially retrospective tax payments and penalties, as well as legal and consulting costs (2013: € 5.6 million). In addition, costs connected with various other court cases and for risks relating to the problem of apparent self-employment amounting to € 5.9 million are posted under this item (2013: € 1.4 million).

Finally, highlighted items also include income and expenses relating to share and asset deals of € –1.0 million, which stood at € –0.8 million in the previous year, as well as personnel expenses in connection with share-based remuneration, which remained virtually unchanged at € –1.0 million (2013: € –0.8 million) and currency conversion gains and losses, which amounted to € –1.1 million compared with € –0.3 million in 2013.

Operating income increased by € 41.5 million to € 68.0 million. Without the expenses related to the goodwill impairment, it would have amounted to € 127.5 million compared with the adjusted respective figure for the previous year of € 141.1 million. This would equate to a decline of 9.7 percent. It should be noted here that the previous year's figure includes the non-recurring income of € 10.1 million referred to above.

Amortization and depreciation reduced by € 66.2 million to € 130.3 million. Standing at € 59.5 million in the year under review, lower goodwill impairment accounts for € 55.1 million of this decrease. Write-downs of additional assets identified on acquisitions fell from € 26.2 million in the previous year to € 11.4 million. These include impairments amounting to € 8.4 million (2013: € 15.7 million) as well as regular amortization and depreciation of € 7.4 million (2013: € 10.5 million). There were also reversals of impairment losses on these assets amounting to € 4.4 million, which did not apply in the previous year. Other amortization and depreciation increased from € 55.6 million to € 59.4 million. This increase of € 3.8 million comprises a decline in impairments of

€ 5.0 million and an increase in scheduled amortization and depreciation of € 8.8 million. It relates directly to the increased investment activities in recent years aimed at supporting the GfK Group's strategic focus with the latest technology and software.

Income from participations climbed by € 1.6 million to € 4.0 million, primarily as a result of improved income from associated companies.

The € 43.0 million rise in **EBIT** to € 71.9 million is due to the impact of goodwill impairments. After eliminating the goodwill impairment in both the year under review and the previous year, EBIT would have dropped from € 143.5 million to € 131.4 million, which in turn reflects the non-recurring income in the previous year of € 10.1 million. The drop in **EBITDA**, which is unaffected by the goodwill impairment, was bigger than in the adjusted EBIT, falling by € 23.2 million, or 10.3 percent, to € 202.2 million. The amortization and depreciation included in EBIT and added in to calculate EBITDA was down year-on-year as described above.

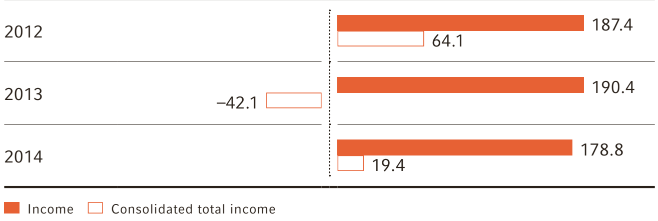
There was a slender improvement in **other financial income** which amounted to € –24.4 million compared with € –24.8 million in 2013. It includes net interest income, which was also almost on a par with the previous year, at € –19.4 million (2013: € –20.1 million).

Income from ongoing business activity climbed from € 4.2 million to € 47.6 million. Adjusted for the goodwill impairment, it would have amounted to € 107.1 million and would therefore have been 9.8 percent, or € 11.7 million, lower than the previous year's result, which was positively influenced by non-recurring income as mentioned above.

The actual **income tax ratio** stands at 59.3 percent and just as with the previous year's tax ratio of 1,111.5 percent is also affected by the goodwill amortization. This is because it leads to a considerable reduction in the pre-tax result without any corresponding positive effect on tax expenditure. Adjusted for this effect, the tax ratio for 2014 would amount to 26.3 percent and that for the previous year to 38.9 percent. The tax ratio for the year under review is positively influenced by the reassessment of the utilization of tax loss carryforwards at a U.S. subsidiary due to an improvement in forecast tax results. This reduced tax expenses by € 11.1 million, corresponding to an improvement in the adjusted tax ratio of 10.4 percentage points. In addition, a tax entity was established in France with retrospective effect from 2011, leading to a reduction in tax expenses of € 5.1 million and an improvement in the adjusted tax ratio of 4.7 percentage points.

The **consolidated total income** of the GfK Group amounts to € 19.4 million. In the previous year it stood at € –42.1 million. Excluding the impact of the goodwill impairment in both years, consolidated total income would have increased by 8.7 percent to € 78.9 million.

THE GfK GROUP: INCOME AND CONSOLIDATED TOTAL INCOME
in € million



2.3 ASSETS AND CAPITAL POSITION

Compared with the previous year, the **total assets** of the GfK Group rose by € 71.1 million, or 4.2 percent, to € 1,767.4 million, primarily as a result of the euro's weakness against other currencies that are important for the GfK Group, such as the US dollar and pound sterling. This is also reflected in goodwill, which fell by only € 6.3 million to € 772.7 million, despite an impairment of € 62.5 million. The impairment is almost fully offset by a currency-related increase. Impairment of € 59.5 million, converted at the mean rate, is reported in the income statement for the impairment of goodwill in foreign currency. The currency effect is posted in other reserves. Other intangible assets increased by € 20.4 million to € 266.7 million, essentially due to the increase for software (€ +16.2 million), followed by a rise in capitalized panels (€ +10.4 million). As a result of newly acquired measuring equipment worth € 15.6 million for a major TV audience research contract in Brazil, tangible assets also increased by a total of € 12.3 million to € 115.9 million. Overall, non-current assets were up by € 36.8 million to € 1,231.4 million.

Current assets rose by a similar amount, recording a rise of € 34.3 million to € 536.1 million at the year-end. This was predominantly related to an increase in trade receivables of € 11.4 million to € 384.7 million and a rise in cash and cash equivalents of € 23.5 million to € 93.2 million.

DEVELOPMENT OF BALANCE SHEET [1]

in € million	Dec. 31, 2013	Dec. 31, 2014	Change	Share of total assets in percent
ASSETS				
Non-current assets	1,194.6	1,231.4	+36.8	69.7
Current assets	501.8	536.1	+34.3	30.3
LIABILITIES				
Equity	663.7	705.3	+41.6	39,9
Non-current liabilities	559.9	523.8	–36.1	29.6
Current liabilities	472.7	538.3	+65.6	30.5
TOTAL ASSETS	**1,696.4**	**1,767.4**	**+71.1**	**100.0**

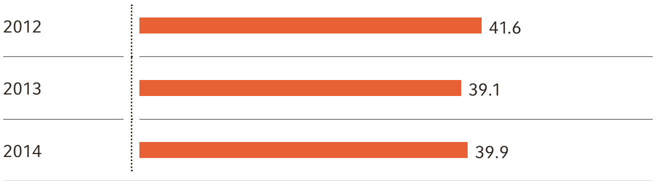
1) Rounding differences may occur

On the liabilities side of the balance sheet, equity rose by € 41.6 million to € 705.3 million. Retained earnings decreased by € 18.4 million, primarily as a result of dividend distributions, while the € 51.0 million increase in other reserves was mainly attributable to changes in the exchange rate for the euro against the US dollar and pound sterling. The **equity ratio** improved from 39.1 percent in the previous year to 39.9 percent at the end of the year under review.

Non-current interest-bearing financial liabilities fell by € 49.9 million to € 359.2 million. This was primarily the result of a reclassification of loans falling due in 2015 as current financial liabilities, which increased by € 22.7 million to € 63.7 million. The rise in non-current provisions of € 12.3 million to € 79.3 million is mainly due to movements in pension provisions, which rose by € 14.9 million to € 64.3 million because of the sharp drop in the actuarial interest rate. As a result of the said effects, total non-current liabilities fell by € 36.1 million to € 523.8 million.

Current liabilities were up € 65.6 million on the previous year at € 538.3 million. In addition to the rise in current financial liabilities, liabilities on orders in progress, which include services to clients billed in advance, increased by € 15.0 million to € 152.6 million. Short-term provisions amounted to € 36.6 million and were therefore up € 14.2 million on the previous year. This increase is mainly attributable to a rise in provisions of € 11.5 million to € 19.9 million in relation to irregularities at the Turkish subsidiary. Current other liabilities climbed by € 11.1 million to € 174.3 million.

DEVELOPMENT OF EQUITY RATIO
in percent



2.4
INVESTMENT AND FINANCE

For an innovative market research company such as GfK, ongoing investment in the establishment and expansion of panels, new measuring technologies, advanced technology and the necessary new market research methods for these, as well as the expansion of production and analysis systems, is vital. These measures make a decisive contribution to securing the company's future success, and considerably raise the barrier to market entry for potential competitors. The range of this capital expenditure regularly runs at between 4 percent and 5 percent of total sales.

In the year under review, **investments** by the GfK Group totaled € 99.7 million and were therefore € 18.7 million down on the prior year's figure. This decrease is mainly due to the lower acquisition activity in 2014. Spending on the acquisition of consolidated companies and other business units had amounted to € 35.9 million in the previous year, whereas the amount spent in 2014 was € 6.5 million. Conversely, investments in tangible assets increased considerably, standing at € 37.1 million, after € 23.2 million in the previous year. This increase related predominantly to technical equipment for the new TV audience research contract in Brazil.

Cash flow from operating activity improved year-on-year by € 32.9 million to € 196.9 million. The reason for this is the upturn in consolidated total income of € 61.4 million, which goes along with a decline in amortization and depreciation of € 65.0 million, as well as the positive development in working capital (reduction of € 6.5 million, 2013: Reduction of € 2.9 million) and currency effects within other non-cash income and expenses.

Taking account of investments in tangible and intangible assets of € 89.2 million (2013: € 80.4 million), the **free cash flow** amounted to € 107.7 million (2013: € 83.7 million). As a result, acquisitions and other financial investments were fully covered.

DEVELOPMENT OF FREE CASH FLOW AND CASH FLOW FROM FINANCING ACTIVITY [1)]

in € million	2013	2014	Change
Cash flow from operating activity	164.0	196.9	+32.9
Investments in tangible and intangible assets	–80.4	–89.2	–8.8
Free cash flow before acquisitions, other financial investments and asset disposals	83.7	107.7	+24.0
Acquisitions	–36.9	–8.1	+28.8
Other financial investments	–1.2	–2.4	–1.3
Asset disposals	0.9	0.8	–0.1
Free cash flow after acquisitions, other financial investments and asset disposals	46.6	98.0	+51.4
Changes in equity	–31.0	–29.7	+1.3
Net borrowing via loans	18.3	–28.6	–46.9
Interest paid minus interest received	–18.8	–17.3	+1.5
Cash flow from financing activity	–31.5	–75.5	–44.1
CHANGES IN CASH AND CASH EQUIVALENTS	15.1	22.4	+7.3

1) Rounding differences may occur

Net debt, defined as the balance of cash, cash equivalents and short-term securities less interest-bearing liabilities and pension obligations, fell by € 34.3 million to € 393.1 million. The interest rate-related rise in pension obligations of € 14.9 million contrasted with a decline in liabilities to banks of € 30.3 million. Cash and cash equivalents increased by € 23.5 million.

DEVELOPMENT OF NET DEBT [1)]

in € million	Dec. 31, 2013	Dec. 31, 2014	Change
Cash and cash equivalents	69.7	93.2	+23.5
Short-term securities and fixed-term deposits	2.3	0.9	–1.4
Liquid funds and short-term securities	72.0	94.1	+22.1
Liabilities to banks	218.6	188.3	–30.3
Pension obligations	49.5	64.3	+14.9
Liabilities from finance leases	0.5	0.2	–0.3
Other interest-bearing liabilities	231.0	234.5	+3.5
Interest-bearing liabilities	499.5	487.3	–12.2
NET DEBT	–427.5	–393.1	+34.3

1) Rounding differences may occur

The decrease in net debt is reflected in the development of ratios of net debt to key balance sheet and financial ratios.

GEARING AND RATIO OF NET DEBT TO EBIT, EBITDA AND FREE CASH FLOW

	2013	2014
Gearing (net debt/equity) in percent	64.4	55.7
Net debt/EBIT	14.79	5.46
Net debt/EBITDA	1.90	1.94
Net debt/free cash flow	5.11	3.65

2.5 BUSINESS PERFORMANCE FORECAST

"Getting it done" was the motto of the year at GfK in 2014, with a focus on concluding the main elements of the transformation and implementing the "Own the Future" strategy. One aim of the strategy is to expand Audience Measurement business in the area of monitoring TV, radio and cross-media audiences. In winning long-term contracts for radio and TV audience measurement, the Group successfully fulfilled this aim. However, measuring media usage requires the relevant consumer panels which first need to be set up. Only then does data delivery start, with the resultant revenue stream. The forecast within the scope of Group reporting in 2013 with regard to organic growth in financial year 2014 (1 percent to 2 percent) was based on the assumption that the Consumer Choices sector would consistently exploit any new growth opportunities and would therefore expand more rapidly than the second business sector, Consumer Experiences. This situation has materialized. The plan was for the Consumer Experiences sector to continue its transformation and focus on more profitable digital business. In this respect above all, six new and global products were launched on the market in the second half of the year, although these did not produce any significant sales. Furthermore, local activities with low profitability were scaled back, with the result that the expected higher profitability in Consumer Experiences was achieved, but the decline in sales was greater than anticipated.

In August, GfK therefore adjusted the sales target for 2014 from plus 1 percent to plus 2 percent to a range between 0 percent and –1.5 percent. At year-end, the decline in sales was 2 percent.

FORECAST AND ACTUAL BUSINESS PERFORMANCE

Key performance indicator	Forecast of the Group Management Report 2013	Mid-year change on Aug. 11, 2014	As at Dec. 31, 2014
Organic sales growth	1% to 2%	0% to −1.5%	−2.0%
Organic sales growth of the sectors	Consumer Experiences: No material contribution to growth Consumer Choices: Exploit new growth and margin potential		Consumer Experiences: Sales decline of 5.4% Consumer Choices: Sales growth of 3.2%
Margin (adjusted operating income in relation to sales)	12.0% to 12.5%		12.3%

2.6 MANDATORY INFORMATION UNDER COMPANY LAW (SECTION 315 (4) OF THE GERMAN COMMERCIAL CODE; HGB)

The share capital of GfK SE (hereinafter also referred to as the company) amounted to € 153,316,363.20 in total as at December 31, 2014, divided into 36,503,896 no-par value bearer shares. There are no restrictions in the Articles of Association relating to voting rights or the assignment of shares. All shares carry the same rights.

The GfK-Nürnberg Gesellschaft für Konsum-, Markt- und Absatzforschung e.V., Nuremberg, has a direct holding of 56.4 percent of the voting rights in GfK SE. The company has not received notification of any other shareholders with a stake of 10 percent or more of the capital.

Employees with an interest in the capital exercise their voting rights directly.

Pursuant to Article 5 of the Articles of Association of GfK SE, the Supervisory Board is responsible for determining the number of members of the Management Board. The Supervisory Board appoints each member of the Management Board for a maximum term of five years. Appointment for one term or several reappointments each for a maximum of five years are permitted. The Supervisory Board may appoint a member of the Management Board as CEO and one or more deputy CEOs. In addition, the legal regulations on appointing and removing members of the Management Board apply (Sections 84 and 85 of the German Stock Corporation Act (AktG)).

Pursuant to Article 20 of the Articles of Association of GfK SE, unless otherwise stipulated by mandatory legal regulations, resolutions to amend the Articles of Association require a majority of two thirds of the valid votes cast or where at least half of the share capital is represented, a simple majority of votes cast. In cases where the law additionally requires the majority of the share capital to be represented when the resolution is adopted, the simple majority of the share capital represented will suffice, unless legal provisions stipulate a different majority as mandatory. The Articles of Association do not contain any regulations that exceed the statutory requirements of Sections 133 and 179 of the German Stock Corporation Act (AktG).

AUTHORIZED CAPITAL

On the basis of a resolution by the Annual General Assembly on May 26, 2011, the Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the company by a total of € 55,000,000.00 up to May 25, 2016 by means of one or more issues of new no-par shares to be subscribed for cash or contributions in kind (authorized capital). In the case of cash subscriptions, the new shares may be transferred to a specific bank or banking consortium determined by the Management Board, on condition that such shares are offered to shareholders for subscription (indirect subscription right). With the consent of the Supervisory Board, the Management Board may exclude statutory subscription rights of shareholders (a) if the capital increase is by means of cash subscription and the issuing price of the new shares is not significantly below the stock exchange price; the total number of shares issued in accordance with this authorization which excludes subscription rights may not exceed 10 percent of the share capital, either at the time of the authorization coming into effect, or at the time of its exercise; (b) for the acquisition of contributions in kind, in particular of companies, company shareholdings, parts of companies, receivables and other assets acquired by means of granting shares in the company; (c) for the purpose of issuing new shares to employees of the company or affiliated companies as employee shares in the context of Article 9 (1) c) ii) of the SE Regulation and Sections 15 ff. of the German Stock Corporation Act (AktG); (d) in order to grant holders of conversion and / or option rights and obligations in relation to convertible bonds or bonds with warrants to be issued by GfK SE or Group companies in future an option to acquire new shares at the time of utilization of the authorized capital, in line with their entitlement as shareholders on exercising the conversion and / or option rights or fulfillment of an obligation in relation to convertible bonds or bonds with warrants; (e) for the purposes of adjusting fractional amounts in order to ensure a workable subscription ratio. The totality of all shares issued on the basis of this authorization under exclusion of subscription rights for contributions in cash or in kind may not exceed 20 percent in total of the share capital existing at the time of this authorization coming into effect or, if lower, the amount of the share capital existing at the time of exercising the authorization, irrespective of which of the above a) to e) was used as the basis for excluding the statutory subscription rights of shareholders. The Management Board is authorized, with the consent of the Supervisory Board, to determine the further content of the share subscription rights and the terms and conditions for issuing shares. The Supervisory Board is authorized to amend the wording of the Articles of Association in line with the particular utilization of authorized capital or on expiry of the term of the authorization.

ACQUISITION OF OWN SHARES

On May 19, 2010, the Annual General Assembly of GfK SE authorized the company to acquire own shares up to May 18, 2015 (statutory maximum period of validity of the authorization of 60 months). This authorization was not used. In view of the possible expiry of the authorization before the Annual General Assembly on May 28, 2015, the Annual General Assembly on May 27, 2014 resolved to revoke the authorization to acquire the company's own shares dated May 19, 2010 for the period starting on the date when the new authorization below came into effect.

By resolution of the Annual General Assembly on May 27, 2014, the company was authorized, pursuant to Section 71 (1) Clause 8 of the German Stock Corporation Act (AktG), to acquire own shares up to a maximum of 10 percent of the share capital in place at the time when the resolution was passed or, if this figure is lower, the share capital in place at the time when the authorization is exercised. Together with other shares held by the company or attributable to it pursuant to Sections 71a ff. of the German Stock Corporation Act (AktG), the shares acquired may not account for more than 10 percent of the share capital at any time. The authorization may not be used by the company for the purposes of trading its own shares. This authorization is valid until May 26, 2019.

The authorization may be exercised in one or more installments, on one or several occasions, in the pursuit of one or more purposes, by the company or by entities controlled by the company or companies in which the company holds a majority interest, or by third parties acting for the account of the company or such other companies.

At the Management Board's discretion, the acquisition of own shares takes place either via the stock exchange or through a public offer to all shareholders or by means of a public invitation for such offer to be made.

If the shares are acquired on the stock exchange, the consideration paid by the company (excluding ancillary purchase costs) must not be 10 percent higher or lower than the share price in the closing auction in Xetra trading (or a comparable successor system) on the last trading day prior to the reference day. The reference day shall be the date on which the Management Board decides on the formal offer. In case of an adjustment of the offer, the date on which the Management Board finally decides on the adjustment shall be the reference day.

If the acquisition is made by way of a public offer to purchase and/or public invitation to make a purchase offer, the purchase price offered or the thresholds of the price range per share (excluding ancillary purchase costs) may not be more than 10 percent above or 10 percent below the closing price of the shares in Xetra trading (or a comparable successor system) on the last trading day prior to the reference day. If there are significant variations in the relevant price after the publication of a public offer to purchase or public invitation to make a purchase offer, the offer or the invitation to make a purchase offer may be adjusted. In this case, the price is based on the closing price in Xetra trading (or a comparable successor system) on the trading day prior to the date of publication of such adjustment. The public offer to purchase or the public invitation to make a purchase offer may stipulate further conditions. If the public offer is oversubscribed or if, in the case of an invitation to offer, not all of several equal offers can be accepted, acceptance may be on the basis of quotas and, to this extent, subject to partial exclusion of any shareholders' pre-emptive tender right. Preferential acceptance of small lots of up to 100 shares per shareholder may be stipulated for acquisition of the shares offered and to this extent, subject to partial exclusion of any shareholders' pre-emptive tender right. Rounding may also be stipulated in accordance with commercial principles to avoid fractions of shares. The Management Board determines the details of any offer and/or invitation to shareholders to submit any offers to sell.

The Management Board is authorized to dispose of the company's own shares acquired under this or a previous authorization on the stock exchange or via an offering to all shareholders. Furthermore, the Management Board is authorized to use the shares acquired under this or a previous authorization, or by other means pursuant to Sections 71 ff. of the German Stock Corporation Act (AktG) for any and all legally admissible purposes, in particular, for the following purposes:

(1) The shares may also be sold by means other than via the stock exchange or by way of an offer to all shareholders, provided the cash price paid for the shares at the time of the disposal is not substantially below the stock exchange price for similar shares in the company, whereby the relevant stock market price within the meaning of the above regulation is the mean of the closing prices for shares in the company in Xetra trading (or a comparable successor system) during the last five trading days prior to the sale of the shares. In this case, the total number of shares to be sold may not exceed 10 percent of the share capital of the company at the time when this authorization comes into effect or, if lower, 10 percent of the registered share capital of the company at the time of selling the shares. This limit of 10 percent of the share capital shall include all shares issued or sold during the term of this authorization in direct application of Section 186 (3) Clause 4 of the German Stock Corporation Act (AktG) or if applied mutatis mutandis under simplified exclusion of shareholder subscription rights. In addition, this limit of 10 percent of the share capital shall also include such shares issued or to be issued to service bonds with conversion rights and/or option rights, where the bonds are issued

during the term of this authorization in applying Section 186 (3) Clause 4 of the German Stock Corporation Act (AktG) mutatis mutandis under exclusion of shareholder subscription rights.

(2) The shares may be offered and transferred against payment in kind, particularly in connection with corporate mergers, or acquisition of companies or parts of companies or participations in companies, or in connection with acquiring other assets.

(3) The shares may be used to meet conversion and/or option rights and obligations arising from or in relation to convertible bonds and/or bonds with warrants issued by the company or Group companies. Furthermore, the shares may also be transferred for securities lending purposes.

(4) The shares may be redeemed without the redemption or its execution requiring a further resolution by the Annual General Assembly. The redemption may be limited to parts of the shares acquired. The redemption will lead to a reduction of the share capital. In deviation of the above, the Management Board may determine that the share capital should remain unchanged following the redemption and that the interest of the other shares in the share capital shall instead increase as a result of the redemption pursuant to Section 8 (3) of the German Stock Corporation Act (AktG). In this case, the Management Board shall be authorized to adjust the number of shares stated in the Articles of Association.

The above-mentioned authorizations may be exercised on one or more occasions, individually or jointly, comprehensively or for partial quantities of the acquired shares. The authorizations specified under (1), (2) and (3) above may also be used by entities controlled by the company, companies in which the company holds a majority interest or by third parties acting on their account or for account of the company. The shareholder´s subscription right for these shares is excluded to the extent that those shares are used in accordance with the authorization specified under (1) to (3) above.

CONDITIONAL CAPITAL

The Management Board is authorized by resolution of the Annual General Assembly on May 16, 2012 and with the consent of the Supervisory Board to issue bearer bonds and/or convertible bonds for a total nominal amount of up to € 250,000,000.00 with or without maturity cap ("bonds"), on one or more occasions, up to May 15, 2016 and grant options or conversion rights to holders of bonds on a total of up to 5,000,000 no-par bearer shares in the company, subject to the terms and conditions of the bonds in each case. The bonds may be issued by either GfK SE or companies in which the company has a direct or indirect majority stake ("subordinated Group companies"), with registered offices in Germany or abroad. GfK SE may act as guarantor for bonds issued by subordinated Group companies. Bonds may be issued in return for cash or, in accordance with the details of the authorization, for contributions in kind, in particular for the purpose of acquiring companies, parts of companies and company shareholdings. Shareholders generally have subscription rights to bonds issued by GfK SE. This gives them the opportunity to invest their capital in the company and, at the same time, maintain the percentage of shares they hold. In a very limited number of specific cases, the Management Board is authorized, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders. This applies where bonds are issued for cash contributions and the issue price is not significantly below the theoretical market price of the bonds calculated in accordance with recognized time-adjusted methods (Article 9 (1) c) ii) of the SE Regulation and Section 221 (4) Clause 2 in conjunction with Section 186 (3) Clause 4 of the German Stock Corporation Act (AktG). In accordance with the details of the authorization, this only applies to bonds with rights to shares representing a maximum of 10 percent of the share capital. Moreover, shareholders' subscription rights to the bonds issued may be excluded in accordance with the details of the authorization to (1) avoid fractional amounts which occur as a result of the subscription ratio in order to simplify the procedure, (2) protect any existing option rights or convertible bonds from dilution and (3) simplify the issuance of bonds in return for contributions in kind. In all cases, the Management Board will carefully check whether it should make use of the authorization to issue bonds excluding shareholders' subscription rights and will only proceed if, having weighed up all aspects, this is in the interests of the company and its shareholders. For the purpose of granting shares to bondholders, the share capital pursuant to Article 3 (9) of the Articles of Association is conditionally increased by up to € 21,000,000.00, divided into up to 5,000,000 new no-par bearer shares carrying profit-sharing entitlement from the beginning of the financial year in which they are issued (conditional capital III). New shares are issued subject to the option and/or conversion price to be specified on the basis of the above-mentioned authorization. The conditional capital increase is only to be implemented insofar as option and/or conversion rights relating to bonds are used and/or conversion obligations relating to bonds are fulfilled, and provided that no cash settlement is granted or own shares or shares issued on the basis of another conditional or another authorized capital item are used to service such bonds. The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details relating to the implementation of the conditional capital increase.

In the event of a change in the controlling interest as part of a takeover bid, the corporate bonds issued in 2011, the revolving credit facility renegotiated in 2014 (amend to extend), the loan note from March 2013 and various bilateral bank loans may fall due. A change of controlling interest is defined as a party other than the GfK-Nürnberg Gesellschaft für Konsum-, Markt- und Absatzforschung e.V. alone or together with others acquiring the right to exercise more than 50 percent of the voting rights, either directly or indirectly, or to hold more than 50 percent of the company's capital. A public offering for acquiring shares in the company is governed exclusively by the law and Articles of Association as well as the provisions of the German Securities Acquisition and Takeover Act (WpÜG).

No compensation agreements are in place between members of the Management Board or employees of GfK SE for the event of a takeover bid.

2.7 SECTORS: A GLOBAL FOCUS ON CONSUMERS AND MARKETS

The GfK Group offers its clients worldwide a comprehensive range of information and advisory services in the two complementary sectors, Consumer Experiences and Consumer Choices.

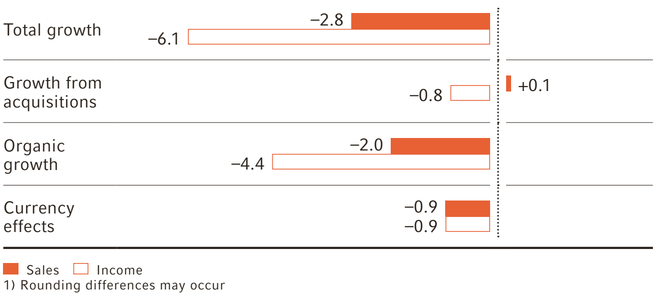
The **Consumer Experiences (CE)** sector deals with consumer behavior, perceptions and attitudes and answers the who, why and how of consumption. The research methods are creative, robust and flexible. GfK is developing pioneering and complex new procedures to deliver a profound understanding of how consumers experiences brands and services.

The **Consumer Choices (CC)** sector investigates what is bought by consumers, when and where. The main focus here is on the continuous measurement of market volumes and trends. All the significant sales and information channels as well as media are included in the analytical process.

For internal management of both sectors, GfK applies the financial key performance indicators of margin and sales.

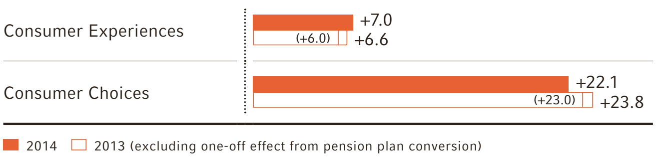
Complementary to these two sectors is the **Other** category. This unites the central services that GfK provides for its subsidiaries and other less important services unrelated to market research.

STRUCTURE OF TOTAL GROWTH
in percent 1)

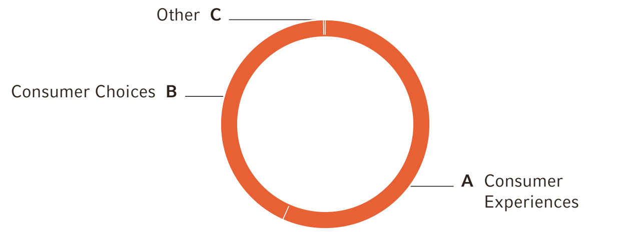


1) Rounding differences may occur

MARGIN BY SECTOR
in percent



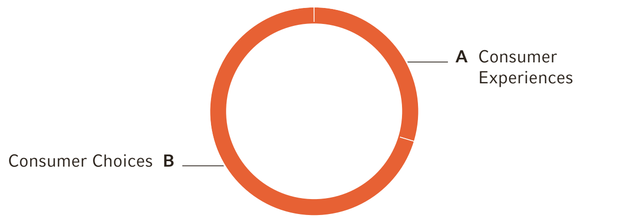
PROPORTION OF SECTOR SALES TO TOTAL SALES
in percent 1)



A — **56.9** Consumer Experiences
B — **42.9** Consumer Choices
C — **0.2** Other 2)

1) Rounding differences may occur
2) Segment

PROPORTION OF SECTOR INCOME TO TOTAL INCOME
in percent 1)



A — **32.2** Consumer Experiences
B — **77.0** Consumer Choices
C — **−9.2** Other 2)

1) Rounding differences may occur
2) Other −9.2 percent not included in the chart

ECONOMIC DEVELOPMENT OF THE SECTORS

Consumer Experiences: The sector's realignment with increasing focus on innovative and global services and solutions has made significant progress. This is allowing the GfK Group to conduct a growing part of its business in this manner. Global, standardized products already account for around 38 percent of the Consumer Experiences business worldwide.

In the last financial year, sales in the Consumer Experiences sector fell by 6.3 percent to € 826.0 million. Negative organic growth accounted for 5.4 percentage points of the decline in sales and currency exchange effects for 0.9 percentage points. The decline in sales was partly attributable to the shake-up of the product portfolio. The sales performance was slowed down by a reduction in order volume from individual manufacturers in the Consumer Electronics segment, especially in the Northern Europe region. The fact that the recovery in markets of Southern and Western Europe remained weak meant that sales figures from this region lagged behind expectations. In contrast, the Central Eastern Europe/META region performed well with strong sales growth, especially through the continued expansion of the consumer panel business.

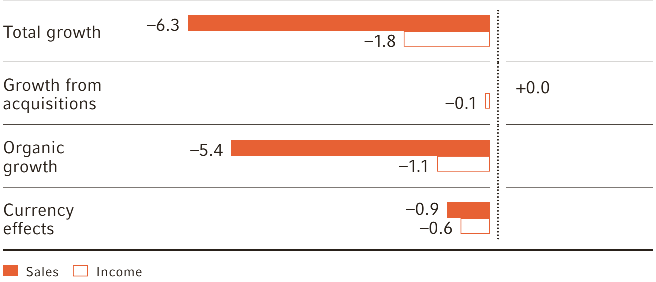
In spite of a restrained sales trend, income remained virtually stable at € 57.6 million. This is all the more remarkable since the previous year's figure included a substantial one-off effect. The figure achieved is down 1.8 percent against the previous year's, of which 1.1 percentage points is attributable to negative organic growth and 0.6 percentage points to negative currency effects. However, adjusted for the one-off effect mentioned, income rose by 8.7 percent in the last financial year. The operating margin rose from 6.6 percent (6.0 percent excluding one-off effect) in 2013 to 7.0 percent. Apart from greater concentration on higher-margin products and projects, contributory factors to this positive trend also included further optimization in processes and cost structures as well as strict cost management.

CONSUMER EXPERIENCES: KEY INDICATORS [1]

in € million	2013	2014	Change in percent
Sales	881.3	826.0	–6.3
Income	58.6	57.6	–1.8
Margin in percent	6.6 [3]	7.0	+0.4 [2]
Employees	6,382	6,229	–2.4

1) Rounding differences may occur
2) Percentage points
3) 6.0 percent excluding one-off effect from conversion of a pension plan

CONSUMER EXPERIENCES: STRUCTURE OF SALES AND INCOME GROWTH in percent [1]



1) Rounding differences may occur

Consumer Choices: There was further sales growth in 2014 with an increase of € 15.8 million to € 623.6 million. At 3.2 percent, organic sales growth was down on the previous year's level of 3.7 percent. Currency exchange effects reduced sales in the sector by 0.8 percent. Acquisitions in the UK contributed 0.2 percentage points to growth.

The increase in sales against the previous year was mainly driven by the regions of Southern and Western Europe, where France especially benefited from signing a number of international contracts. Developments in the Asia and the Pacific region were also positive. Above all, Australia reported a sharp increase in sales, reflecting the first sales generated from the contract to measure radio audiences. Another major contributory factor to growth was a still pleasing business performance in China.

At product level, the sector generated robust sales growth in Retail Tracking, especially in the telecommunications and medium and small domestic appliances (MDA/SDA) segments. The GfK Mobile Insights product for the analysis of mobile internet traffic has now been introduced in the first countries. UK customers have initially come from a very wide variety of industries, which is a good illustration of the potential of this product. GfK has continued to work on the internationalization of the Audience Measurement business. In Brazil, the company started setting up a television panel in 2014. Delivery of the first data is scheduled to commence in the second half of 2015. First sales from the television research contract won in Saudi Arabia at the beginning of 2014 are also expected in the second half of 2015. Another success was scored in November 2014 in the internationalization of the Audience Measurement business: Star Radio Group, one of the fastest-growing broadcasting groups in Malaysia, has picked GfK to carry out radio audience measurement research.

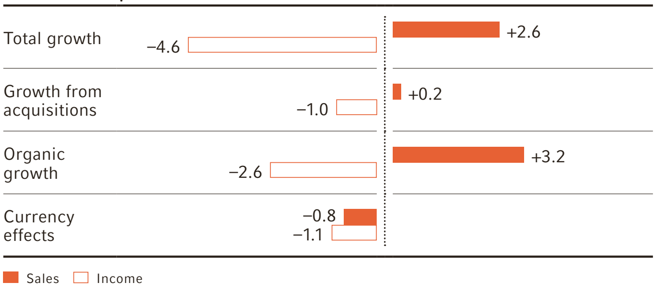
At € 137.7 million, income for the Consumer Choices sector was down € 6.7 million on the previous year's figure (2013: € 144.4 million). The margin declined from 23.8 percent in 2013 (23.0 percent excluding one-off effect from conversion of a pension plan) to 22.1 percent in the current financial year. Income in 2014 was dampened not only by currency effects and acquisitions but above all through higher scheduled amortization and depreciation, the set up of new panels, further development of technical platforms and start-up of new business. The number of employees increased through the expansion of the global Coding Competence Center, which is used in panel business. Additional staff were also recruited to establish TV panels in Brazil and Saudi Arabia.

CONSUMER CHOICES: KEY INDICATORS [1)]

in € million	2013	2014	Change in percent
Sales	607.8	623.6	+2.6
Income	144.4	137.7	–4.6
Margin in percent	23.8 [3)]	22.1	–1.7 [2)]
Employees	4,790	5,327	+11.2

1) Rounding differences may occur
2) Percentage points
3) 23.0 percent excluding one-off effect from a conversion of a pension plan

CONSUMER CHOICES: STRUCTURE OF SALES AND INCOME GROWTH in percent [1)]



1) Rounding differences may occur

Other: The sales recorded by the Other category during the reporting period totaled € 3.3 million, which is down by € 2.4 million on the previous year's figure (2013: € 5.7 million). The reason for the decline is that earnings from non-operating business activities in the Other category of € 2.1 million are now reported as other operating income. The loss for the year in this category amounted to € 16.4 million in 2014 (2013: € –12.6 million).

As part of its global strategy, GfK is increasingly centralizing the expenses for general administrative functions (Corporate Functions) in the Other category. Investments have been made in particular in IT hardware and software as well as process optimization to be able to manage business more effectively and efficiently. In view of stewardship expenses in this context, it is likely that the Other category will continue to report a loss in future.

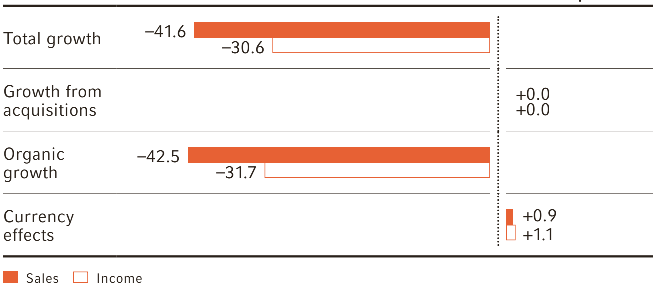
In 2014, the number of employees in the Other category increased by 56 to 1,825 (2013: Originally 528 employees, but under the new definition of the Other category to include the corporate functions of all Group companies, the number of employees in 2013 amounted to 1,769). The increase is predominantly due to the expansion of the Group's central functions in Germany in the areas of Finance, IT, Marketing and Procurement.

OTHER: KEY INDICATORS [1)]

in € million	2013	2014	Change in percent
Sales	5.7	3.3	–41.6
Income	–12.6	–16.4	–30.6
Employees	1,769	1,825	+3.2

1) Rounding differences may occur

OTHER: STRUCTURE OF SALES AND INCOME GROWTH in percent [1)]



1) Rounding differences may occur

2.8 REGIONS: CLIENT PROXIMITY WORLDWIDE

Worldwide, the GfK Group network of companies extends to more than 100 countries. The Group's operations are divided geographically into six regions: Northern Europe, Southern and Western Europe, Central Eastern Europe / META (Middle East, Turkey, Africa), North America, Latin America and Asia and the Pacific. The importance of the growth regions of Asia and the Pacific, Central Eastern Europe / META and Latin America continues to grow. These regions already account for 24 percent of global sales. Nonetheless, GfK's focus in these regions is on the countries that promise the greatest growth potential. There was strong organic growth in all three regions but this was offset by significant adverse currency effects. As a result, the Group only generated total growth of 4.3 percent in the Asia and the Pacific region.

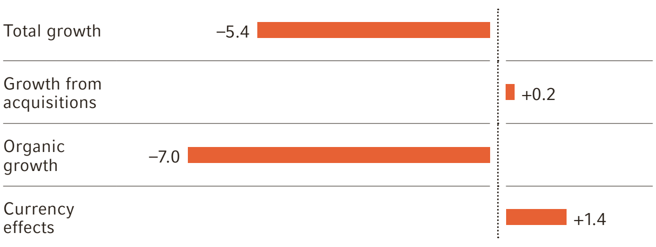
Northern Europe: In 2014, the region still accounted for the largest share of sales at 40 percent of total sales. However, sales fell 5.4 percent to € 574.9 million, of which almost half was owing to a reduction in the order volume from a single manufacturer. Negative organic growth of 7.0 percent was partly offset by acquisitions (0.2 percent) and currency effects (1.4 percent).

NORTHERN EUROPE: KEY INDICATORS [1]

in € million	2013	2014	Change in percent
Sales	607.8	574.9	−5.4
Employees	3,463	3,511	+1.4

1) Rounding differences may occur

NORTHERN EUROPE: BREAKDOWN OF SALES GROWTH in percent [1]



1) Rounding differences may occur

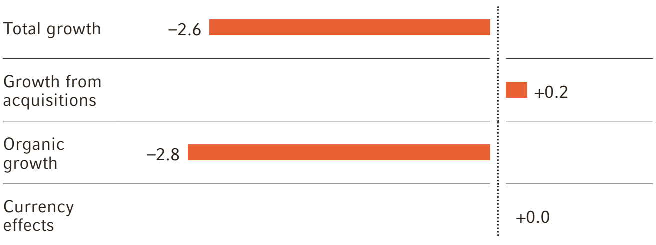
Southern and Western Europe: GfK generated sales of € 265.4 million in Southern and Western Europe in 2014. Sales showed negative organic growth of 2.8 percent against the previous year. This performance was influenced to a large extent by a difficult business climate in many countries of the region, such as Greece and Italy. In contrast, business development has been positive in France.

SOUTHERN AND WESTERN EUROPE: KEY INDICATORS [1]

in € million	2013	2014	Change in percent
Sales	272.6	265.4	−2.6
Employees	2,058	1,946	−5.5

1) Rounding differences may occur

SOUTHERN AND WESTERN EUROPE: BREAKDOWN OF SALES GROWTH in percent [1]



1) Rounding differences may occur

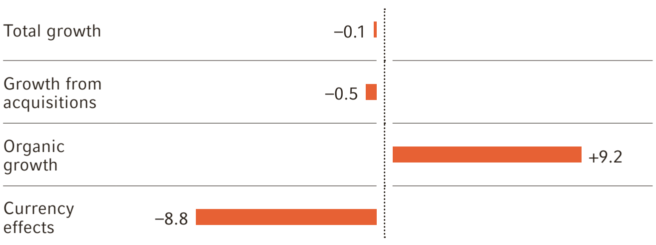
Central Eastern Europe / META: GfK once again achieved very good organic sales growth in this region in financial year 2014. At € 127.5 million, organic sales growth amounted to 9.2 percent against the previous year, despite the difficult market conditions, especially in Russia. However, this sound performance was offset by a strong negative currency effect, which is why the sales figure is virtually on a par with the previous year.

CENTRAL EASTERN EUROPE / META: KEY INDICATORS [1]

in € million	2013	2014	Change in percent
Sales	127.7	127.5	−0.1
Employees	3,093	3,474	+12.3

1) Rounding differences may occur

CENTRAL EASTERN EUROPE / META: BREAKDOWN OF GROWTH OF SALES in percent [1]



1) Rounding differences may occur

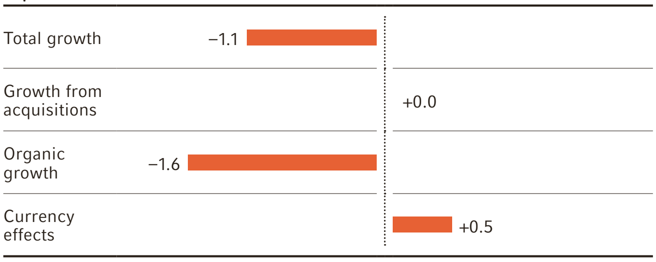
North America: GfK generated sales of € 263.0 million in this region in 2014, which equates to a decrease of 1.6 percent in organic sales. This decline was partly offset by a positive currency effect of 0.5 percent. In particular, the introduction of a matrix organization to increase efficiency has improved the ratio between personnel strength and sales development in the Consumer Experiences sector, which has resulted in a better margin in the region.

NORTH AMERICA: KEY INDICATORS [1]

in € million	2013	2014	Change in percent
Sales	265.9	263.0	–1.1
Employees	1,130	1,071	–5.2

1) Rounding differences may occur

NORTHERN AMERICA: BREAKDOWN OF SALES GROWTH
in percent [1]



1) Rounding differences may occur

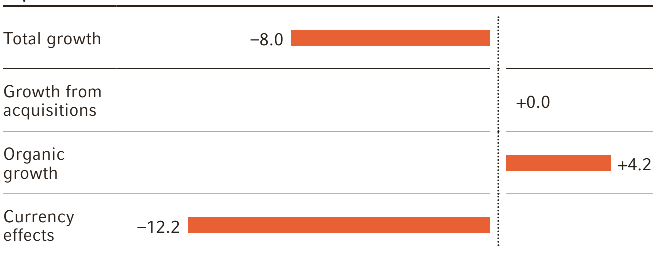
Latin America: GfK companies again achieved pleasing organic sales growth of 4.2 percent in Latin America, one of the Group's most important growth regions, with sales of € 61.2 million. Sales growth was above all achieved in Argentina and Brazil. However, total growth was dampened to –8.0 percent through negative currency effects.

LATIN AMERICA: KEY INDICATORS [1]

in € million	2013	2014	Change in percent
Sales	66.5	61.2	–8.0
Employees	991	1,079	+8.9

1) Rounding differences may occur

LATIN AMERICA: BREAKDOWN OF SALES GROWTH
in percent [1]



1) Rounding differences may occur

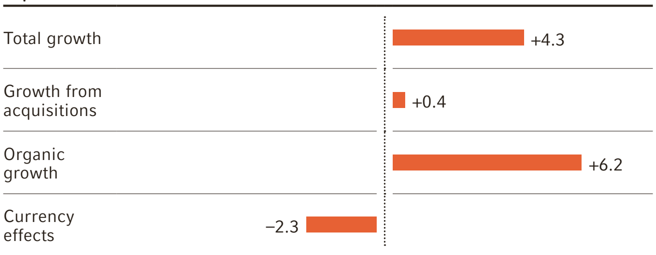
Asia and the Pacific: GfK's sales in the Asia and the Pacific region rose by 4.3 percent to € 161.0 million. The significant sales growth in Australia and China are particularly notable. Pleasing organic growth of 6.2 percent was dampened by negative currency effects of 2.3 percent.

ASIA AND THE PACIFIC: KEY INDICATORS [1]

in € million	2013	2014	Change in percent
Sales	154.4	161.0	+4.3
Employees	2,206	2,300	+4.3

1) Rounding differences may occur

ASIA AND THE PACIFIC: BREAKDOWN OF SALES GROWTH
in percent [1]



1) Rounding differences may occur

MAJOR CHANGES IN THE GfK GROUP

Company	Investment activity	Stake change in percent	Sector	Region
TerrEtude	Acquisition	From 0 to 100	Consumer Choices	Southern and Western Europe
Cogenta	Acquisition	From 0 to 100	Consumer Choices	Northern Europe
IFR South America	Increase in stake	From 70 to 100	Consumer Choices	Latin America
Genius Digital	Increase in stake	From 0 to 75	Consumer Choices/ Consumer Experiences	Northern Europe
PT Primera Indonesia	Acquisition	Asset deal	Consumer Experiences	Asia and the Pacific
PanelVet	Acquisition	Asset deal	Consumer Choices	Southern and Western Europe
Intercampus Mozambique	Divestment	From 100 to 0	Consumer Experiences	Central Eastern Europe/META

-> 3. RESEARCH AND DEVELOPMENT

FROM BIG TO SMART DATA

Big Data was last year's most debated technology and marketing buzzword. While "Big Data" certainly deserves to receive substantial attention, it has to be noted that the public discussion is at times superficial. The amount of digital data being created is still increasing rapidly. In fact, it is doubling every two years. Big Data acts as an umbrella term for various areas: It can be understood as traces people leave in their "natural" habitat, often as an immanent by-product of a given ecosystem. Traces populating Big Data may be Facebook "likes", purchases, mobility patterns, smartphone usage including GPS location or more generally the "Internet of Things", an interconnection of uniquely identifiable networked devices. Many companies collect data without asking for permission, which is entirely possible, but damages the trust consumers place in companies. It is imperative to guarantee anonymity and data privacy. For instance, Big Data can be accessed by monitoring publicly accessible postings and comments on social media, sensors in cars or logs of website visits. However, the biggest challenge is creating actionable insights from Big Data. Granular reference data like surveys, panel data, classifications and third party data sources can provide support by establishing ties, understanding the context, identifying the bias and making the "why" tangible. This creates Smart Data from Big Data.

As a market research company, GfK has experience and competence in creating Smart Data. To leverage and accelerate these benefits, GfK has both continued existing and launched several new initiatives during the past year:

DATA & TECHNOLOGY: NEW GLOBAL ORGANIZATION

A unified cross-sector Data & Technology organization was established at the start of 2014. The focus and responsibility of this group is the development and management of GfK's business applications and digital solutions for GfK products. The mission for GfK Data & Technology is to enable business growth with digital market research products that provide superior value to GfK clients. A main goal of Data & Technology is to take software engineering, quality assurance, and application management processes of all business application components and services to new levels. GfK Data & Technology is bringing together global technology and science talent under one roof in order to foster collaborative innovation and to bundle strengths in delivering the required ingredients for GfK's global businesses. The overarching objective is to implement a powerful and innovative common Big Data and application platform stack across both sectors.

In this context Marketing Sciences, as an integral part of the D&T organization, has been advanced to Marketing & Data Sciences. Over the past few years, the increasing need to develop tools at the interface between more traditional statistical methods and large scale computing has already led to an evolution that comprised the field of Data Science. With the founding of Data & Technology, this development has now been systematically extended. Gaps in GfK's skill set were thoroughly identified, with suitable strategies to fill these gaps then developed. The improved connection to experts in the fields of computer sciences facilitates even more effective support of projects such as Mobile Insights and GfK Crossmedia Link as well as new applications like the automated coding of products by means of machine learning algorithms.

PREDICTIVE ANALYTICS ARE UTILIZED TO CREATE SUPERIOR VALUE FROM BIG DATA

Clients want to see how their marketing, customer experience and brand management actions impact business outcomes. Fueled by a focus on data integration and the organization of our Global Marketing & Data Science team, GfK is accelerating the development of predictive analytics capabilities across a wide range of use cases. GfK is bringing together cutting edge modeling tools from computer science and informatics, econometrics and advanced mathematics to help clients maximize the value of data in their marketing portfolio as well as other Big Data sources. GfK's predictive analytics models use both traditional consumer data (survey, CRM, shopping and sales tracking) in addition to emerging consumer signals (social media and other passive measures) to provide unparalleled insights into what drives business outcomes to clients.

GfK CROSSMEDIA LINK – SINGLE SOURCE DATA AS REFERENCE DATA

GfK Crossmedia Link is a cross-sector digital innovation initiative launched in late 2013. Experience from Consumer Choices' Audience Measurement practice as well as Consumer Experiences' Consumer Panel group is being combined to create a scalable, global platform as a backbone for worldwide single source panels. Over the course of 2014, panels were set up in several major markets, collecting digital consumer data passively from smartphones, tablets and desktop PCs, with the consent of the users, and the other media via surveys. In selected markets, passive television measurement will be added. On top of this, these panels are also used to register purchases in certain categories, for example Fast Moving Consumer Goods. This enables GfK to have a cross-media view on consumers and to track the effects of media on purchase.

GfK Crossmedia Link panels were initially established in Germany, the Netherlands and Poland. During 2014, rollout was initiated in Russia, Turkey and the UK. During 2015, further countries will be added.

GfK Crossmedia Link is designed for two main client groups, advertisers and media companies. Due to the addition of survey capabilities, the panels will generate business insights for a wide range of clients from different industries. Finally, the data from GfK Crossmedia Link can function as reference data to calibrate, verify and augment Big Data sources owned by GfK, clients or third parties. GfK Crossmedia Link opens up media data silos and provides correlations between existing data sets.

The unique single source data set includes demographics, lifestyle attributes, digital and media usage. This allows clients to understand today's complex media behavior and create links between the separate impressions and segmentation data they have today.

As part of GfK's strategic investment into GfK Crossmedia Link the technology platform Hyperlane was developed. Hyperlane aims to be a unified foundation for an effective collaboration between Big Data engineers and data scientists. Guaranteeing easier access to disparate data sources, Hyperlane now enables GfK's Marketing & Data Sciences experts to create additional value with increased efficiency. While this technology unlocks extra power, it also enables better data governance, with the aim of creating sustainable solutions. Improved discoverability and tighter quality control are therefore key capabilities of Hyperlane. Beyond broad data access, Hyperlane brings scalable data processing capabilities to the table that allow the incorporation of advanced data science toolkits into fully managed production pipelines.

MOBILE & LOCATION INSIGHTS

Mobile & Location Insights represents another innovative GfK Big Data product for delivering unique insights on mobile internet usage. Mobile Insights was successfully launched in the United Kingdom in 2014. The panel has grown to almost half a million opt-in users and in 2015 there are plans to launch enhanced services and to roll-out Mobile Insights to further countries.

EXPLORATION OF NEW INCENTIVE MODELS TO DRIVE ENGAGEMENT FOR PARTICIPATION IN MARKET RESEARCH

As changes in consumers' attitudes towards their data have influenced the general conditions for data collection, GfK launched the project Value Exchange to secure the future recruitment of consumers for market research. As panels continue to be a key pillar in the value chain of GfK's business and economic success, it has become imperative to develop incentive models that are based on mutual benefit and trust with consumers. The initiative explores innovative ways of engaging consumers and actively managing GfK's relationship with them. With this new strategic project in place, GfK will not only continue to deliver insights to its clients, but will also start implementing new ways for rewarding the consumers' participation in market research from mid-2015 onward.

-> 4. HUMAN RESOURCES

Human Resources provides the framework for People Excellence, lending considerable support to the transformation process as an HR business partner.

At the same time, global systems were introduced to support and provide a further forward-looking and sustainable work in HR.

The focus in 2014 was on "One GfK" with respect to the organization's future direction. The Group concentrated on setting up the corporate functions of Finance, Human Resources and Information Technology. Numerous, previously legally independent business units and different functional areas were also integrated and merged in 2014. Alongside increasing efficiency by pooling resources across the two sectors, the aim of this initiative was to make the best possible use of the skills and expertise available within the Group.

Furthermore, the functional areas of software development and market research methodology were merged, as described above, to form one new organizational unit: Data & Technology.

The increased use of GfK offshore centers has led to a boost and further development of central data processing and production entities. At the same time, GfK has continued to invest in the development of key market research skills within the digital field.

To ensure a consistent application of the HR processes that have already been introduced, Human Resources started to develop and gradually introduce a global HR information system back in 2013. The introduction of the HR information system People@GfK, which enables the consistent implementation of the Performance Management Process (PMP), career and compensation planning, was initially planned in ten selected pilot countries. Given the great demand from numerous other countries that could benefit from a prompt introduction of the system, the number of countries in the first wave was increased to 25. The worldwide roll-out has been complete since January 1, 2015. This guarantees that People@GfK will be available in all countries as from financial year 2015. This is a key step, which makes it possible to systematically illustrate and maintain the annual targets and their achievement. The system supports the process, but it needs to be ensured that it does not substitute the dialog between the employee and the executive. It is intended to simplify the administration of the process worldwide.

4.1 GLOBAL EMPLOYEE SURVEY (GES)

The sustained monitoring of staff retention has been particularly important for the transformation process. To monitor the transformation the Global Employee Survey (GES) has already been carried out for a number of years.

The results of the survey are analyzed at local, regional and global level with appropriate measures derived from the analysis. External benchmarks are also provided, enabling a comparison between Group units.

In addition to the GES in fall 2014, GfK carried out a "pulse check" survey based on a random sample in spring 2014. The aim was to verify the effectiveness of measures implemented as a result of the employee survey 2013. It was identified that employees continue to feel the provision of staff information at a local, regional and global level is important.

The full GES in fall 2014 showed that the relevant value for staff retention, the Employee Engagement Index, has only changed slightly since the start of the new strategy in 2011. For example, the 2014 index continued at a very high level, one point down compared with the previous year. This is the same level as in the year in which the "Own the Future" strategy started in 2011. Employee participation in 2014 stood at 86 percent compared with 85 percent in the previous year.

The GES results show that the transformation process is moving in the right direction. Those employees who perceive a significant change in their day-to-day work as a result of the change in the organizational structure evaluate the transformation process and their working environment as high.

It is of special importance that staff feel fewer barriers in the way of change compared to 2013.

Compared with other companies that have undergone a similar change process, GfK continues to achieve good to very good results in the Employee Engagement Index and in the way the transformation process is perceived.

Overall, it is possible to conclude from the results that the majority of staff will continue to support the transformation process for the future new direction of the Group. The aim is to focus on more communication of successes that were possible because of the new structures and products. Following the presentation of the GES results, measures are being identified for increasing staff commitment at local level. Implementation of these measures is being monitored.

4.2 THINK PEOPLE – STRATEGIC MANAGEMENT REVIEW

The Strategic Management Review carried out as part of the Think PEOPLE event took place for the third time in 2014 and is now a well-established process. First of all it was checked whether the organizational setup provides sufficient support to meet the requirements of the business. As a further step, necessary and existing skills at the level of the organization and staff were compared to ensure that the organization and staff are equipped for the future. It also allows GfK to derive strategic and structural measures in good time. The priority is on staff development alongside filling management functions for the long term.

Corporate functions were also included in the analysis of the strategic management review in 2014 as part of "One GfK".

4.3 RECRUITMENT AND GLOBAL STAFF PLANNING

Being perceived as the "employer of choice" in the market as well as attracting and integrating the best internal and external talent continues to be regarded as an additional priority.

Ensuring a recruiting standard, such as candidate shortlist, where diversity and inclusion are also promoted alongside technical qualifications, the "4-eyes-principle" and behavior-based interviewing techniques guarantee the selection of the most suitable talent. A new global tool was also introduced for the recruitment process. Additionally, a stronger presence and sourcing in social networks were seen as a further priority.

The introduction of a global approval process that also includes the responsible global heads together with the direct executives has ensured that employees are developed in line with the strategic direction.

4.4 GLOBAL TRAINING INITIATIVES

Numerous training initiatives on global products and processes were also carried out in 2014, the third year following the introduction of the new strategy.

In 2014, the global training initiatives focused on customer negotiations and strategic selling to ensure the further development of the relevant skills. A globally available training program for project management based on PMI standard was started.

To form one global training organization the consolidation of local training initiatives was also started in 2014. The aim of the global GfK learning organization is to provide an even more structured link between professional development in the various roles and effective training in the area of methods and management expertise.

4.5 DIVERSITY AND INCLUSION

With a 50 percent share of women on the Management Board, GfK has for many years led the way with regard to gender equality among listed companies in Germany. The appointment of Christian Diedrich as the new CFO at GfK has seen the proportion of women on the Management Board fall to 25 percent. Women make up for around one third of executives below Management Board level. The proportion of women in the Group stands at approximately 50 percent. The figures show that the diversity principle is actively being put into practice, although technical suitability is the primary criterion when filling any post. At GfK, diversity is more than simply filling a women's quota or the inclusion of different nationalities. In fact, diversity encompasses the acceptance of different ways of thinking and lifestyles, experience, levels of knowledge and careers throughout all the Group's business units and at all levels of the organization. This approach is also adopted as part of a balanced selection of candidates for development programs and in preselecting candidates to fill new positions.

4.6 PERSONNEL

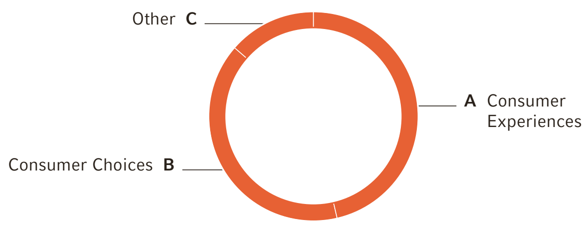
A total of 13,380 staff were employed by the GfK Group at the end of financial year 2014. Staff numbers grew by 440, or 3.4 percent, compared with the previous year. This increase is due, in part, to acquisitions and new consolidations, which account for 137 employees in the GfK Group.

Foreign GfK companies employed 11,141, which equates to an increase of 386 against the previous year. Overall, 83.3 percent of GfK's workforce is based outside Germany.

The regions Central Eastern Europe/META, Asia and the Pacific, and Latin America saw the greatest rise in staffing levels over the previous year. The development of the Coding Competence Center in Eastern Europe was given a further boost following the establishment of centralized services. Staff were also hired to create the TV panels in Brazil and Saudi Arabia. In the growth region of Asia and the Pacific, staff numbers were increased primarily in India, Indonesia and Malaysia. By contrast, employee levels fell in the regions Southern and Western Europe and in North America. The rise in employee numbers at the GfK Group was entirely attributable to the Consumer Choices sector.

EMPLOYEES BY SECTOR

in percent [1)]

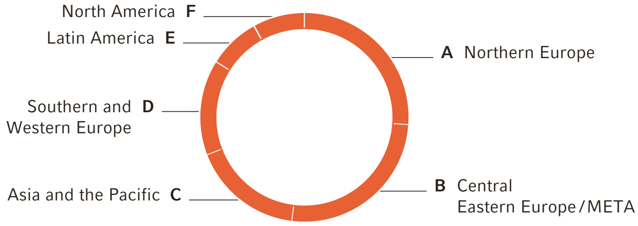


A	46.6	Consumer Experiences
B	39.8	Consumer Choices
C	13.6	Other

1) Rounding differences may occur

EMPLOYEES BY REGION

in percent [1)]



A	26.2	Northern Europe
B	26.0	Central Eastern Europe/META
C	17.2	Asia and the Pacific
D	14.5	Southern and Western Europe
E	8.1	Latin America
F	8.0	North America

1) Rounding differences may occur

4.7 TOTAL REMUNERATION AND SHARES OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

The remuneration report is part of the Group Management Report and in terms of reporting is based on the recommendations and proposals of the German Corporate Governance Code (GCGC) and the requirements of German Accounting Standard No. 17 (GAS 17), the German Commercial Code (HGB) and the International Financial Reporting Standards (IFRS).

REMUNERATION OF THE MANAGEMENT BOARD

The remuneration of the Management Board members comprises five components, namely basic remuneration, fringe benefits, variable short-term remuneration (Short-Term Incentive – STI), variable long-term remuneration (Long-Term Incentive – LTI) and the pension commitment.

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 the Management Board members, their personal performance and that of the full Management Board. The basic remuneration, fringe benefits and pension commitment form the non-performance-related remuneration components. Fringe benefits include the use of company cars as well as accident and D&O insurance. In accordance with Section 93 (2) Clause 3 of the German Stock Corporation Act (AktG), the agreed deductible for the D&O insurance corresponds to 10 percent of the respective damage, but a maximum of one-and-a-half times the basic remuneration. The pecuniary benefit arising from private use of the company car must be declared for tax purposes by members of the Management Board. The performance-related remuneration component comprises remuneration dependent upon the attainment of predefined annual targets (STI) and predefined long-term targets (LTI). The remuneration structure is geared to sustainable corporate development.

STRUCTURE OF VARIABLE REMUNERATION ELEMENTS

The variable, short-term remuneration (STI) is based on the attainment of financial key indicators as well as the attainment of non-financial qualitative goals.

To ensure the continued profitable growth of the GfK Group, the first part of the STI is linked to the attainment of the key indicators margin and sales growth, the measurement of which is at Group and sector level. When assessing the attainment of targets, the two key indicators are viewed in reference to each other. Incentives are based on predefined combinations of the two indicators. The payment of bonus elements arising from the achievement of financial targets is also tied to compliance with a debt limit defined by the Supervisory Board.

In addition to the financial key indicators, the Supervisory Board defines non-financial qualitative targets which support the Group's sustainable development. These qualitative targets are partly the responsibility of the Management Board as a whole and partly the individual responsibility of the respective members of the Management Board. The qualitative targets for 2014 related to the aspects commercial and people excellence as well as integrity and compliance.

The Supervisory Board has the right to reduce the amount calculated on the basis of the achievement of financial and non-financial key indicators by up to 20 percent or increase it by up to 20 percent at its discretion to reflect unusual developments at the company compared with the market overall and ensure that variable short-term remuneration is proportional to individual performance. The maximum payment for the variable, short-term remuneration components is 300 percent of the target bonus, although the transfer of amounts which exceed 150 percent of the target bonus to the variable long-term remuneration is mandatory and such amounts are therefore tied to the company's long-term development (deferral).

The long-term variable remuneration comprises two components. The first element (Performance Cash Plan) is linked to the development of the return on capital employed (ROCE) over a period of four years. Here, the bonus is based on the weighted average cost of capital (WACC) and the ROCE performance of the best competitor companies. It is paid at the end of the term based on the average ROCE performance of the preceding four years.

The second element of the long-term remuneration is invested in virtual shares. These shares are held for at least four years, whereby the impact of the dividends distributed to shareholders is simulated in addition to the share price performance (total shareholder return (TSR) concept). At the end of the holding period, the option on the virtual shares may be exercised within a further two years. The countervalue of the virtual shares is paid in cash upon exercise of the option.

The maximum payout for both of the long-term remuneration components is limited to 300 percent of the target bonus.

With regard to variable remuneration, no discretion is permitted when assessing target attainment beyond the discretion described above relating to variable short-term remuneration.

An external market comparison was carried out in financial year 2014 as part of the annual income review. Management Board remuneration in relation to the remuneration of upper management levels and the overall workforce of the Group as well as development of time was taken into account.

A decision was made to increase the remuneration of the CEO and COOs effective from April 1, 2015 as a result of this review. The split into fixed and variable payment elements usual in the market was verified, and a decision made to increase the long-term variable remuneration elements component of the COOs, effective from January 1, 2015. These measures reflect the income structure usual in the market.

In financial year 2014, total remuneration in accordance with Section 314 (1) Clause 1 No. 6a of the German Commercial Code (HGB) in conjunction DRS 17 was as follows:

TOTAL REMUNERATION TABLE IN ACCORDANCE WITH DRS 17

Members of the Management Board in office: Financial year 2014		Matthias Hartmann		Christian Diedrich		Dr. Gerhard Hausruckinger		Pamela Knapp		Debra A. Pruent		Total	
Function		Chief Executive Officer (CEO)		Chief Financial Officer (CFO) from October 15, 2014		Member of the Management Board (COO)		Human Resources Director and Chief Financial Officer (CFO) up to October 14, 2014		Member of the Management Board (COO)			
		2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Non-performance-related components (in € '000)													
Basic remuneration		591	591		89	438	438	438	343	479	485	1,946	1,946
Fringe benefits		16	16		380 [2]	10	18	23	24	45	47	94	485
Total non-performance-related remuneration		607	607		469	448	456	461	367	524	531	2,040	2,431
Performance-related components (in € '000)													
One-year variable remuneration (STI plan)		512	604		52	294	394	321	247	263	248	1,390	1,545
Total one-year variable remuneration		512	604		52	294	394	321	247	263	248	1,390	1,545
Remuneration from long-term ROCE component, LTI plan (not share-based)		0	0		0	0	0	0	166	0	166	0	332
Value of multi-year variable remuneration, LTI plan (share-based incl. deferral)	Number	7,969	7,101		835	4,725	4,962 [3]	4,725	4,211	4,725	4,211	22,144	21,319
	Value [1]	38.50	40.70		38.20	38.50	40.70	38.50	40.70	38.50	40.70		
	Total/ fair value	307	289		32	182	202	182	171	182	171	853	866
Total multi-year variable remuneration		307	289		32	182	202	182	337	182	337	853	1,198
TOTAL REMUNERATION		**1,426**	**1,500**		**553**	**924**	**1,052**	**964**	**952**	**969**	**1,116**	**4,283**	**5,173**

1) Share price at the time of allocation
2) Includes compensation payments to Christian Diedrich for bonus entitlements and IBM share allocations which were forfeited as a result of the move from IBM to GfK SE
Expenses in connection with the reintegration from the China to Germany are also included
3) Includes deferral from STI target achievement 2013

GfK has been using the structure of the new specimen tables since financial year 2013 for the publication of total remuneration in accordance with the German Corporate Governance Code.

The remuneration for the 2014 reporting year as well as the achievable minimum and maximum remuneration was as follows:

TOTAL REMUNERATION TABLE: CONTRIBUTIONS GRANTED

Members of the Management Board in office: Financial year 2014		**Matthias Hartmann**				**Christian Diedrich**			
Function		**Chief Executive Officer (CEO)**				**Chief Financial Officer (CFO) from October 15, 2014**			
		2013	**2014**			**2013**	**2014**		
			Target value	**Minimum**	**Maximum**		**Target value**	**Minimum**	**Maximum**
Non-performance-related components (in € '000)									
Basic remuneration		591	591	591	591		89	89	89
Fringe benefits		16	16	16	16		380 [4]	380 [4]	380 [4]
Total non-performance-related remuneration		607	607	607	607		469	469	469
Performance-related components (in € '000)									
One-year variable remuneration (STI plan) [1]		473	473	0	709		53	0	80
Total one-year variable remuneration		473	473	0	709		53	0	80
Schedule for multi-year remuneration		2013–2016	2014–2017	2014–2017	2014–2017		2014–2017	2014–2017	2014–2017
Remuneration from long-term ROCE component, LTI plan (not share-based) [2]		295	295	0	886		36	0	107
Value of multi-year variable remuneration, LTI plan (share-based incl. deferral)	Fair value	307	289	0	886		32	0	107
Total multi-year variable remuneration		602	585	0	1,773		68	0	214
Total non-performance-related and performance-related remuneration		1,682	1,665	607	3,089		590	469	763
Pension expense [3]		142	146	146	146		24	24	24
TOTAL REMUNERATION		**1,824**	**1,811**	**754**	**3,236**		**614**	**492**	**787**

1) The STI plan provides for a minimum payment of 0 percent and a maximum payment of 150 percent of the target bonus
2) The LTI plan provides for a minimum payment of 0 percent and a maximum payment of 300 percent of the target bonus
3) Remuneration for Debra A. Pruent relates to a pension agreement. For the remaining active Management Board members, expenses relate to a defined pension contribution model
4) Includes compensation payments to Christian Diedrich for bonus entitlements and IBM share allocations which were forfeited as a result of the move from IBM to GfK SE
Expenses in connection with the reintegration from the China to Germany are also included

Dr. Gerhard Hausruckinger				Pamela Knapp				Debra A. Pruent				Total			
Member of the Management Board (COO)				Human Resources Director and Chief Financial Officer (CFO) up to October 14, 2014				Member of the Management Board (COO)							
2013	2014			2013	2014			2013	2014			2013	2014		
	Target value	Minimum	Maximum		Target value	Minimum	Maximum		Target value	Minimum	Maximum		Target value	Minimum	Maximum
438	438	438	438	438	343	343	343	479	485	485	485	**1,946**	**1,946**	**1,946**	**1,946**
10	18	18	18	23	24	24	24	45	47	47	47	**93**	**485**	**485**	**485**
448	456	456	456	461	367	367	367	523	531	531	531	**2,039**	**2,431**	**2,431**	**2,431**
263	263	0	394	263	206	0	309	263	263	0	394	**1,261**	**1,258**	**0**	**1,887**
263	263	0	394	263	206	0	309	263	263	0	394	**1,261**	**1,258**	**0**	**1,887**
2013–2016	2014–2017	2014–2017	2014–2017	2013–2016	2014–2017	2014–2017	2014–2017	2013–2016	2014–2017	2014–2017	2014–2017	**2013–2016**	**2014–2017**	**2014–2017**	**2014–2017**
175	175	0	526	175	175	0	526	175	175	0	526	**821**	**857**	**0**	**2,570**
182	202	0	619	182	171	0	526	182	171	0	526	**853**	**866**	**0**	**2,664**
357	377	0	1,145	357	347	0	1,051	357	347	0	1,051	**1,674**	**1,722**	**0**	**5,234**
1,068	1,096	456	1,995	1,080	920	367	1,728	1,143	1,141	531	1,977	**4,974**	**5,411**	**2,431**	**9,552**
183	188	188	188	194	200	200	200	118	1,376	1,376	1,376	**637**	**1,934**	**1,934**	**1,934**
1,251	**1,284**	**644**	**2,183**	**1,274**	**1,120**	**567**	**1,928**	**1,261**	**2,517**	**1,907**	**3,353**	**5,611**	**7,345**	**4,365**	**11,486**

In contrast with the remuneration table above, this table includes the actual values of remuneration elements already received and paid out for the financial year 2014.

TOTAL REMUNERATION TABLE: CONTRIBUTIONS RECEIVED

Members of the Management Board in office: Financial year 2014		Matthias Hartmann		Christian Diedrich		Dr. Gerhard Hausruckinger		Pamela Knapp		Debra A. Pruent		Total	
Function		Chief Executive Officer (CEO)		Chief Financial Officer (CFO) from October 15, 2014		Member of the Management Board (COO)		Human Resources Director and Chief Financial Officer (CFO) up to October 14, 2014		Member of the Management Board (COO)			
		2013	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**
Non-performance-related components (in € '000)													
Basic remuneration		591	591		89	438	438	438	343	479	485	1,946	1,946
Fringe benefits		162 [3]	182 [3]		47 [3]	10	18	23	24	45	47	239	317
Total non-performance-related remuneration		753	773		136	448	456	461	367	523	531	2,185	2,264
Performance-related components (in € '000)													
One-year variable remuneration (STI plan)		604	604		52	394	309	315	257	248	355	1,561	1,576
Total one-year variable remuneration		604	604		52	394	309	315	257	248	355	1,561	1,576
Schedule for multi-year remuneration							2011–2014	2010–2013	2011–2014	2010–2013	2011–2014	2010–2013	2011–2014
Paid remuneration from long-term ROCE component, LTI plan (not share-based)		0	0		0	0	142	166	142	166	142	332	426
Paid multi-year variable remuneration, LTI plan (share-based incl. deferral) [1]	Payment amount	0	0		0	0	0	0	0	0	0	0	0
Total multi-year variable remuneration		0	0		0	0	142	166	142	166	142	332	426
Total non-performance-related and performance-related remuneration		1,357	1,377		188	842	907	941	766	937	1,028	4,078	4,266
Pension expense [2]		142	146		24	183	188	194	200	118	1,376	637	1,934
TOTAL REMUNERATION		**1,499**	**1,523**		**212**	**1,025**	**1,095**	**1,136**	**966**	**1,055**	**2,405**	**4,715**	**6,200**

1) In the reporting year 2014, no virtual share options from LTI plans were exercised
2) Remuneration for Debra A. Pruent relates to a pension agreement. For the remaining active Management Board members, expenses relate to a defined pension contribution model
3) Includes compensation payments for bonus entitlements and IBM share allocations which were forfeited as a result of the move from IBM, USA, to GfK SE

PAYMENTS LINKED TO THE END OF ACTIVITY ON THE MANAGEMENT BOARD

With respect to Pamela Knapp's position on the Management Board, mutual agreement was reached on October 14, 2014 to terminate the contract effective December 31, 2014. The contractual payments were continued up to this point. As part of the early termination of her Management Board position by mutual consent, Pamela Knapp receives a compensatory payment of € 1,709,842 that will become due when the original employment contract ends on March 31, 2018. The target amounts of the LTI plan for the years 2011, 2012, 2013 and 2014 already committed in the past remain, as set out in the plan conditions, and will be settled on the relevant payment date based on the targets actually achieved.

STRUCTURE OF PENSION COMMITMENTS

In 2011, the Supervisory Board agreed the structure of a contribution-based pension model for the Management Board, which will apply to the Management Board members most recently appointed to the GfK Management Board, Pamela Knapp, Dr. Gerhard Hausruckinger, Matthias Hartmann and Christian Diedrich, as well as for any new appointments in the future.

Within the scope of this model, the company makes annual contributions to an individual pension account during the term of employment up to a maximum age of 62. A contribution of 25 percent of the contractually agreed annual fixed remuneration is granted for the term of the initial appointment period. If the person is reappointed to the Management Board, the annual contribution is calculated at 15 percent of the contractually agreed target direct remuneration (annual fixed remuneration plus the sum of short and long-term incentive provided 100 percent of the targets are achieved). The contributions for the first appointment period are increased retroactively following successful reappointment, and the difference with the actual contributions granted is credited during the second appointment period. The retroactive equal treatment of the contribution calculation for the first period of appointment is also designed to promote loyalty to the company. The insurance covers old age and survivors' benefits and the company also makes a contribution for supplementary occupational disability insurance. The extent and amount of pension benefits are equal to the insurance benefits paid out as a result of the contributions made to a reinsurance policy with a life assurance company.

Pension rights remain if employment ends before any pension payments are made. In this case, the pension benefits are reduced to the non-contributory insurance benefits. Upon commencement of benefit payments, i.e. after reaching retirement age at 62 or qualifying for early retirement from the age of 60 (the latter only applies to commitments made up until December 31, 2011), and in the event of death or invalidity, beneficiaries receive a pension payment equivalent to the current status of the insurance benefits at this time. Insurance benefits are always paid out as a lifelong, monthly pension, which are increased annually from the start of the pension, in each case based on the insurance rate and the adjustments provided for in the insurance policy terms (at least 1 percent per annum). At the request of the Management Board member, the pension benefit may be paid out as a lump sum or in 12 annual installments, subject to the company's consent.

The existing pension contract of Debra A. Pruent is structured as a defined benefit plan. After three years' service as a member of the Management Board, the company grants a retirement pension, an early retirement pension, a disability pension and a widows' or widowers' and orphans' pension. The fixed annual remuneration agreed in the employment contract is deemed to be the pensionable income. Debra A. Pruent will receive a retirement pension when she leaves the service of the company on reaching the set retirement age. After three years' service as a member of the Management Board, the annual pension entitlement amounts to 30 percent of the pensionable income. This increases by 3 percent for each additional full year of service. The retirement pension is limited to 60 percent 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 from the age of 60.

If Debra A. Pruent leaves the service of the company before reaching the age of 62, due to a reduction in earning capacity, she will receive a disability pension for the duration of the reduction in earning capacity. The disability pension is calculated in the same way as the retirement pension, although only the service years until the beneficiary leaves the company are included in the calculation.

The widows' or widowers' pension amounts to 60 percent of the retirement pension or disability pension last paid; the orphans' pension amounts to 30 percent for full orphans and 15 percent for half orphans. After the commencement of the pension, the current pension is increased annually by 2 percent. The company may grant higher adjustments if the consumer price index shows a higher increase in prices.

Allocations of € 1,376,147 to pension provisions were made for Debra A. Pruent in financial year 2014. The cash value of the pension provision was € 4,698,759 as at December 31, 2014.

No member of the Management Board made a share transaction subject to mandatory reporting in the financial year ended. The Management Board holds a total of 6,000 GfK shares and no GfK stock options on the reporting date of December 31, 2014.

No loans or advances were granted to Management Board members.

If membership of the Management Board ends prematurely, the current Management Board contracts of GfK SE provide an arrangement regarding the size of the compensation corresponding to the provisions of the German Corporate Governance Code. There is no provision governing a change of control.

Former members of the management of GfK GmbH, Nuremberg, the Management Board of GfK Aktiengesschaft, Nuremberg, and GfK SE, Nuremberg, together with their surviving dependents received pension benefits totaling € 3.6 million. A provision of € 42 million has been made for pension commitments to former Management Board members and senior management and their surviving dependents.

REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the Supervisory Board is specified in Article 16 of GfK SE's Articles of Association as follows:

> In addition to expenses, members of the Supervisory Board receive fixed remuneration of € 30,000.00 payable at the end of the financial year.
> Members receive a sum of € 1,500.00 per meeting for attendance at Supervisory Board meetings and meetings of one of its committees.
> The Chairman of the Supervisory Board receives four times and the Deputy Chairman one and a half times the amount stipulated in the first point of the listing.
> Remuneration increases by € 10,000.00 for each membership of a committee. The Chairman of the Audit Committee receives € 50,000.00, the Chairmen of the Personnel and Presidial Committees each receive € 30,000.00 and the Chairman of the Nomination Committee receives € 20,000.00. Committee remuneration is exclusively calculated on the basis of the respective function on the relevant committee (simple membership or chair), whichever receives the highest remuneration.
> The company compensates every Supervisory Board member for reasonable expenses against submission of proof and any VAT applying to their remuneration and the reimbursement of their expenses.
> Supervisory Board members who have only held their position on the Supervisory Board and/or one of its committees for part of the financial year are compensated on a pro rata basis, with parts of months rounded up to full months.

REMUNERATION OF THE SUPERVISORY BOARD 2014

	€ '000
Dr. Arno Mahlert (Chairman)	220.0
Dr. Bernhard Düttmann (Deputy Chairman)	86.0
Dr. Christoph Achenbach (until May 27, 2014)	22.5
Dr. Wolfgang C. Berndt	160.0
Hans van Bylen	49.0
Sandra Hofstetter	59.5
Aliza Knox (from May 27, 2014)	24.6
Stephan Lindeman	39.0
Shani Orchard	55.0
Hauke Stars	62.0
Dieter Wilbois	50.5
Remuneration 2014	**828.1**
Remuneration 2013	**909.5**

As at December 31, 2014, the Supervisory Board held a total of 2,581 shares and no options on GfK shares. Details of individual transactions by members of the Supervisory Board and the Management Board are published on the website in accordance with the German Corporate Governance Code.

–> 5. ORGANIZATION AND ADMINISTRATION

The GfK Group has a matrix organization consisting of two globally responsible sectors, Consumer Experiences and Consumer Choices, with product responsibility and six regions.

GfK SE functions as both the holding company and an operating unit. In Germany, the GfK Group's network comprises the parent company as well as ten consolidated subsidiaries and one associated company, plus five non-consolidated subsidiaries. Worldwide, GfK has 137 consolidated subsidiaries and 13 associated companies, 3 minority interests and 31 non-consolidated subsidiaries. The Group headquarters are in Nuremberg, Germany. In 2014, GfK further optimized its structure and reduced the number of companies.

5.1 MANAGEMENT BOARD

The Management Board of GfK SE currently consists of four members. The Chief Executive Officer (CEO), Matthias Hartmann, is responsible for the corporate functions Strategy and Innovation, IT (Strategy, Enterprise Applications, Infrastructure), Integrity, Compliance and Intellectual Property, Internal Audit, Investor Relations and Marketing and Communications. Following Pamela Knapp's resignation with effect from October 15, 2014, the CEO has also been responsible for the corporate function Human Resources (including Executives Development and Compensation, which was already a previous CEO responsibility). Previous Human Resources Director and Chief Financial Officer (CFO) Pamela Knapp was responsible for the corporate functions Finance (Accounting, Controlling, Finance IT), Finance Administration (Corporate Shareholder Management, Investment Controlling, Risk Management, Mergers and Acquisitions, Tax), Treasury, Legal, Human Resources, Central Services and Procurement up to her resignation with effect from October 14, 2014. The new Chief Financial Officer (CFO) Christian Diedrich is responsible for the corporate functions Finance (Accounting, Controlling, Finance IT), Finance Administration (Corporate Shareholder Management, Investment Controlling, Risk Management, Mergers and Acquisitions, Tax), Treasury, Legal, Central Services, Procurement and Sector Finance.

Strategic and operational management of the two sectors is the responsibility of the Management Board members (Chief Operating Officers, COOs) Debra A. Pruent for the Consumer Experiences sector and Dr. Gerhard Hausruckinger for the Consumer Choices sector.

5.2 ADMINISTRATION

The corporate functions Finance, Finance Administration, Legal, Treasury, Integrity, Compliance and Intellectual Property, Human Resources, Central Services, Procurement, Marketing and Communications as well as Investor Relations are responsible for deciding on policy across the Group in their respective fields of work.

-> 6. DECLARATION ON CORPORATE GOVERNANCE IN ACCORDANCE WITH SECTION 289A OF THE GERMAN COMMERCIAL CODE (HGB)

GfK's corporate governance is based on transparency and trustful cooperation.

By adopting the German Corporate Governance Code, GfK SE is dedicated to good corporate governance and corporate supervision while providing transparency for national and international investors.

The declaration on corporate governance, which includes the declaration of compliance 2014, provides details on Corporate Governance and information about management practices, a description of the operating procedures and composition of the Management Board and Supervisory Board as well as a description of the composition and operating procedure of the committees of the Supervisory Board, is published online at:

> *http://www.gfk.com/declaration-on-corporate-governance*

The corporate governance report is part of the declaration on corporate governance and is also published at:

> *http://www.gfk.com/corporate-governance*

-> 7. PURCHASING

In line with the schedule for implementing a purchasing organization, "One GfK" Procurement, further progress was made in the following areas:

- Completion of the set-up of a global purchasing organization
- Implementation of a purchasing function in major regions and countries
- New division of process responsibility and roles in purchasing
- Implementation of the standardized ordering system (SRM/R3) in further important countries

These measures will ensure more efficient order processing in operational purchasing, guarantee more comprehensive fulfillment of compliance requirements and create the basis for pooling processes through transparency regarding the goods and services purchased and to be purchased. In the area of indirect cost categories, cost savings were achieved in close cooperation with Central Services.

In Switzerland, Germany as well as the USA and Canada, the ordering system (SRM/R3) was implemented and standard use at operational level has started.

Preparations for implementation in further countries are under way.

Based on the above-mentioned activities, the purchasing function achieved an improved cost basis for GfK in additional purchasing categories through global and/or regional coordination of requirements and agreement on future preferred suppliers.

-> 8. ENVIRONMENT

GfK ensures the prudent and responsible management of natural resources. Our internal guidelines and recommendations encourage all employees worldwide to always consider the environmental aspects of their business activities and use of work equipment and to limit their use of resources to the necessary minimum. Energy efficient facilities management and the required purchasing processes relating to buying energy as well as proper disposal of waste materials is the responsibility of Central Services department in Germany. Abroad, this responsibility lies with the individual GfK subsidiaries.

-> 9. MARKETING AND COMMUNICATION

In financial year 2014, the Marketing and Communications department further aligned its activities with client accounts, the corporate strategy and a uniform brand presence. The department is responsible for all marketing and communications activities around the world and coordinates the content and organization of such activities, taking into account regional circumstances. In the reporting year, the global team continued to synchronize and intensify cooperation amongst its members. A particularly important aspect was the further integration of the Marketing and Communications team in global sales activities and ensuring a more consistent branding. This department was also responsible for the external client portal in financial year 2014.

ORGANIZATION CONSOLIDATED

In the interests of presenting a uniform corporate image, the Marketing and Communications department is set up according to target groups, topics and communication channels. Its responsibilities are divided on the basis of the following key areas: Branding, communications, digital marketing, industry and product marketing.

In financial year 2014, the newly established brand team took on the lead in positioning GfK on the basis of uniform branding. The team supported M&A-related activities as well as events by providing multimedia and graphics services.

The Communications unit controls internal communication (aimed at staff and executives) and external communication (aimed at the media and the general public).

The Marketing unit deals with a uniform appearance of the brand and is organized according to industries and product groups.

The global online activities are developed by the Digital Marketing team, which also manages the Group's overall presence on the internet, intranet and social media.

Local marketing and communications experts are responsible for regional and local requirements. Another focus in financial year 2014 was the further integration of these expert colleagues into the centralized structure of the Marketing and Communications department.

NEW PRODUCTS – NEW CAMPAIGN MANAGEMENT

It is important to choose the right time for launching a new product or solution. GfK implemented strategic campaign management in 2014, enabling the company to enhance the way it presents its portfolio of services to clients. The new solutions are specifically geared to our clients' requirements. They make it possible for us to better respond to client challenges along the customer journey. Ahead of its launch, the new product portfolio was conveyed to marketing colleagues worldwide as part of in-house training.

Since mid-2014, the Marketing team has principally focused on measures to promote sales. Together with the account teams from operating business, the Marketing unit developed material that reflects client wishes and requirements. This client-centered approach will also form a key element of the marketing strategy in 2015.

CLEAR POSITIONING AND CLOSER INTEGRATION WITH SALES CHANNELS

In financial year 2014, the Marketing and Communications department supported operations with a standardized approach to launching new products in the marketplace. When GfK Echo and GfK Innovation Roadmap were introduced, for example, the team implemented integrated and coordinated marketing plans in the relevant regional markets across all disciplines.

To make the communication of the GfK Group as a whole more uniform and to convey the added value of the brand to the internal and external target groups, the department carried out a positioning project in the last financial year. The core messages with their supporting sub-messages were initially communicated internally worldwide and then implemented externally over the course of 2014. To ensure the successful implementation of this project, all Marketing and Communications colleagues worldwide consistently integrated the core messages in all internal and external media.

EXTERNAL COMMUNICATIONS

In line with the positioning, the team communicated GfK's successes and service offerings, with a view to further underline the Group's image as an innovative trailblazer in its industry. In particular, interviews and press conferences with the top management as well as meetings with media representatives and the placement of articles by GfK experts in target group-related trade media served this purpose.

INTERNAL COMMUNICATIONS

Clear and stringent global internal communications play a big part in the transformation process. Existing tools and channels, including newsletters, letters from the Management Board, videos, internal meetings and town hall events, were developed further and became more specific in content. The "gNet" intranet forms the online community for employees and the management team. The internal communication team regularly informs staff about changes in the organization and about the successes and challenges in the market. gNet is also GfK's central collaboration platform. The global experts are allocated according to subject-specific and regional communities and therefore promote the exchange of information in real time.

-> 10. INTERNAL CONTROL SYSTEM FOR ACCOUNTING

The GfK Group's internal control system comprises the principles, structures, processes and measures introduced by the company management, which are set to ensure the commercial success of the GfK Group, the correctness and reliability of internal and external financial reporting as well as compliance with the appropriate laws and standards.

It is based on the concept of the Three Lines of Defense, developed in the financial industry. The first line comprises the operational management, which has to establish risk management, controls and compliance in day-to-day business. The second line is support organized by the Management Board for the operational management by experts in integrity and compliance, risk management and controlling, who uniformly organize these matters across the Group in a professional manner. The third line is formed through the appointment of internal and external auditors by the Management Board and the Audit Committee to check the effectiveness of the internal control system.

CONTROL ENVIRONMENT AND CONTROL ACTIVITIES

The control environment of the GfK Group is essentially characterized by the existing code of conduct and the resultant attitudes and actions of each employee. The principles on which this conduct is based are derived from the company guidelines, with which every employee undertakes to comply (Code of Conduct and Corporate Values). These guidelines are continually developed by Integrity, Compliance and Intellectual Property. In 2013, a global compliance e-learning program was introduced. This will be repeated in 2015 and expanded to include a test for all employees. The e-learning module supplements existing training measures in the area of compliance. Participation in the e-learning program is compulsory for the workforce worldwide. An additional key GfK guideline (F2 Authorization Guidelines) was added to the program for a specific target group within GfK. The technical platform is the GfK intranet (gNet), which guarantees close integration with the GfK guidelines published worldwide.

Extensive guidelines represent another essential element of the internal control environment. These GfK guidelines define and standardize key processes in the GfK Group to ensure consistent high quality of working results.

Data protection is a sensitive area for the market research industry. The relevant internal guidelines have been significantly extended. Mandatory training measures were subsequently implemented worldwide to further minimize the associated risks.

In the area of quality management, activities were also standardized worldwide and across all sectors. These measures are used to highlight competitive advantages in communications with our clients.

By implementing these GfK guidelines, responsible company management and key ethical and moral values in the workplace are ensured. These guidelines are continually updated, as required.

Risk management is carried out at GfK on a continuous basis. Each employee is responsible for monitoring risk in their task area. For each new or already identified risk, risk owners are in place. These individuals assess, monitor and control the actual risk, using specific early warning indicators and defined criteria according to the type of risk. If a change in the risk position is evident, countermeasures can be taken in good time. In relation to this, the Risk Management department is responsible for uniformly defining and organizing the risk management process and for reporting to the Management Board.

Risk monitoring at GfK is carried out via a check and balance system as well as documented controls. Pre-defined business transactions must be approved by both operational and financial management. This ensures compliance with guidelines and internal processes and, at the same time, that the decisions taken are practical from both an operational and financial point of view. Business processes which are necessary for proper accounting, as well as all payment transactions, are subject to controls that must be documented.

Internal Audit plays an important role in this regard. In addition to regular auditing of compliance with laws as well as internal GfK guidelines and internal controls, audits also include the documentation and risk analysis of financial and operational processes. Audit results, risks, effects of audit findings and recommendations for improvement are outlined in the audit reports. The timely implementation and progress of audit recommendations is checked on a quarterly basis by the Internal Audit department. This is additionally verified on site at the subsidiaries with the assistance of external advisors.

Additional specialized audits are carried out as necessary. In some cases, such audits are conducted with the assistance of external and internal specialists. Similar to the previous year, data quality audits were also performed in 2014, with the aim of guaranteeing compliance with external and internal quality standards.

A Control Self-Assessment (CSA) was developed and introduced a few years ago. It is based on 99 questions covering the key business areas and their risks. The CSA is completed by the subsidiaries and evaluated and, if applicable, followed up by the Internal Audit department. It is carried out annually both in writing and on site at selected Group subsidiaries as part of an internal audit. Selection for 2014 was based on pre-defined criteria. The internal audit plan for 2015 takes into account the results of the previous CSA and is proposed by the Management Board for approval by the Audit Committee. In addition, the Audit Committee stipulates its own key audit points, which the auditor takes into consideration during the audit. These key points include verification of the documented controls by means of spot checks.

MAIN FEATURES OF THE GROUP'S ACCOUNTING-RELATED INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

GfK's accounting-related internal control system serves to ensure the correctness of financial reporting through compliance with all the appropriate regulations when preparing the consolidated financial statements and the Group Management Report.

The individual financial statements of all the consolidated subsidiaries in the GfK Group prepared in accordance with the International Financial Reporting Standards (IFRS) and generally audited by auditors provide the baseline data for preparing the consolidated financial statements.

When preparing the information for these individual financial statements, IFRS compliance is supported conceptually by the centrally managed and regularly updated IFRS accounting manual and by other guidelines on individual accounting issues, such as revenue recognition. In addition, the Group's standard chart of accounts helps to ensure that the individual financial statements of all the subsidiaries are prepared in an IFRS-compliant manner. The rules in the accounting manual and the chart of accounts to be applied are laid down by the Group's head office and are mandatory for all consolidated subsidiaries worldwide.

The information for the financial statements supplied by the subsidiaries is initially subjected to automatic plausibility and consistency checks in the consolidation system. If there are any unresolved checks that are obstructing progress, the financial data cannot be released for further processing by GfK Group Accounting. Another inspection of the data is then carried out in this department by the employees involved in the process of preparing the consolidated financial statements, who are screened for their professional suitability prior to being recruited and undergo continuous professional training.

Changes to accounting standards, legislative amendments and Group guidelines on accounting and valuation methods are observed and analyzed by GfK Group Accounting. If any of these changes are relevant to the GfK Group, the corresponding guidelines and the reporting package for registration of the financial statement data by the subsidiaries are updated. The subsidiaries are informed about these updates by means of circulars that are sent out on a quarterly basis. These circulars give the companies details of all the important deadlines so that the punctual preparation of the consolidated financial statements is guaranteed.

Some topics requiring special expertise, such as the calculation of provisions for the Long-Term Incentive plan for executives, are dealt with centrally by employees in GfK Group Accounting who have the necessary specialist knowledge. The resulting figures are entered directly into companies' financial statements prepared for consolidation purposes and can subsequently no longer be changed locally. This approach ensures that very specialist topics are handled in a uniform fashion by experts. The valuation of pension provisions and the purchase price allocation for large-scale corporate mergers are performed by external service providers with the appropriate expertise.

The consolidation processes are then executed in the consolidation system and monitored from a conceptual and scheduling point of view by the staff responsible in GfK Group Accounting. Manual and system-based controls are completed for all consolidation steps.

The dual control principle is always used for the consolidation steps performed by the staff in GfK Group Accounting. In addition, a high control standard is achieved by performing change analyses and detailed analyses of the content and composition of selected items in the subsidiaries' individual financial statements and in the consolidated financial statements.

In relation to the financial statements, the management and the finance managers of all the consolidated subsidiaries confirm the completeness and correctness of the financial information sent to the Group's head office.

The Audit Committee of the Supervisory Board monitors the accounting process, including the audit of the financial statements as well as the efficacy of the control system and internal auditing. It discusses the consolidated financial statements, the Group Management Report and the annual financial statements and Management Report of GfK SE with the Management Board and the auditors and checks the corresponding documents carefully.

WHISTLEBLOWING – TAKING THE INITIATIVE

GfK encourages all staff to report any actual or suspected infringements of any statutory or internal regulations. Staff members can contact their superiors, Integrity, Compliance and Intellectual Property, GfK SE Human Resources or Internal Audit. If employees do not wish to use these channels, they can also report to an external ombudsman who will uphold the anonymity of employees.

INFORMATION AND COMMUNICATION

GfK has open information and communication structures. This ensures that amendments to laws, guidelines and instructions are conveyed and made permanently available to the employees concerned in each case. All GfK guidelines are accessible worldwide on the gNet intranet. The GfK Group operates a system of comprehensive and regular risk and financial reporting, which ensures that the Management Board and the Supervisory Board are promptly and comprehensively informed of the Group's risk position. In addition to monthly standardized reporting, the Management Board is directly informed on an ad hoc basis in the event of any sudden occurrence of material risks, significant changes in the risk situation or incidence of fraud (ad hoc reporting).

-> 11. OPPORTUNITY AND RISK REPORT

11.1 INTEGRATED OPPORTUNITY AND RISK MANAGEMENT

The GfK Group's integrated opportunity and risk management system forms the basis for identifying and managing all opportunities and risks. In doing so, risks at the level of the individual GfK companies and opportunities and risks of GfK sectors, as well as at Group level, are identified and evaluated. Regions are covered by companies representing GfK in the respective regions. The overriding objective is to recognize developments that may influence the future existence of GfK SE and the GfK Group at an early stage. Opportunities and risks are continuously monitored as part of the internal risk reporting process (within the monthly financial reporting and through the annual risk inventory). In addition, the opportunity and risk management system is regularly inspected by Internal Audit, which ensures appropriate functionality.

GfK's Group-wide opportunity and risk management is fundamentally based on a management-oriented enterprise risk management (ERM) approach. It is comprehensively integrated in the Group organization and guided by the globally recognized framework concept of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Derived from this concept, the opportunity and risk management system, with its clearly defined processes, is linked with internal risk reporting and is a cornerstone of the internal control system. The integrated system is enshrined in a Group Guideline (F18 Risk Management Manual) and regulates all risk policy principles and responsibilities within opportunity and risk management, the opportunity and risk management process and reporting. The guideline can be accessed by all employees on the gNet company intranet.

PRINCIPLES OF RISK POLICY

To safeguard the continued success of the GfK Group in the market, the GfK Group must consistently exploit opportunities, but the manner in which risks are taken also has to be acceptable from both a business and ethical perspective. To this end, risk policy principles were drawn up, which form the basis for the entire opportunity and risk management system of the GfK Group. The key tenets, which are integrated in GfK's structures and business processes, are:

> Entrepreneurial action requires the conscious management of risks.
> No actions whose inherent risks could result in a threat to the survival of the GfK Group are permitted.
> Risk management is a duty for each and every employee.
> Risks must be systematically identified, assessed and managed.

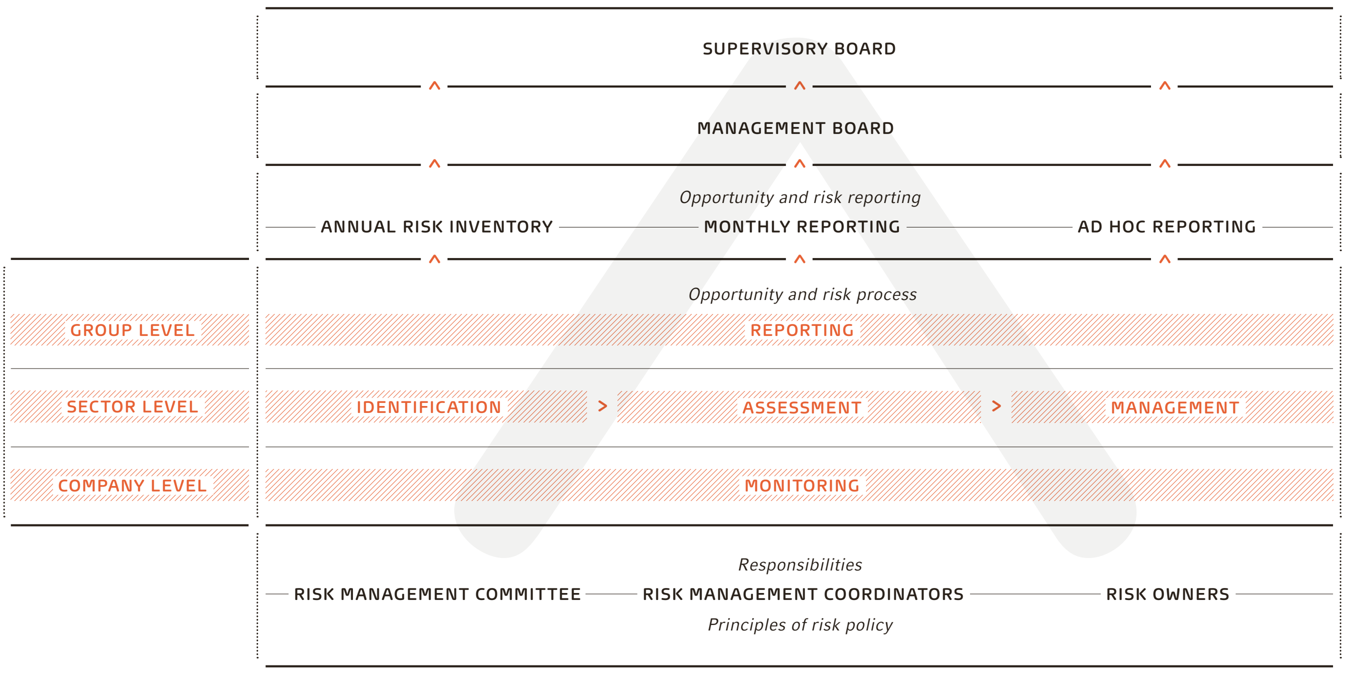
RESPONSIBILITIES

Risk Management Committee: Under the terms of its overall responsibility for the opportunity and risk management system, the Management Board has established a Risk Management Committee, which is tasked with the central coordination and continual further development of the risk management system. Its standing members include the CFO as Chairperson, the Global Head of Finance Administration, as well as an employee responsible for risk management from the Finance Administration department. The Committee informs the Management Board and Supervisory Board of current developments and changes in the risk position within the company.

Risk management coordinators: The direct responsibility for early identification, management and communication of risks locally lies with the business management of the individual GfK companies. Local risk management coordinators promote risk awareness and ensure that the prescribed central principles are implemented by the respective organizations.

Risk owners: For each identified risk, a risk owner is nominated (at each stage of the Risk Inventory 2014 process represented in the following diagram), in whose remit the risk lies. The risk owner is tasked with actively managing the risk and taking appropriate countermeasures to prevent the risk occurring or mitigate the potential loss or damage. The risk owner can be an individual employee, or a group of employees at management level.

THE GfK GROUP'S INTEGRATED OPPORTUNITY AND RISK MANAGEMENT SYSTEM



OPPORTUNITY AND RISK MANAGEMENT PROCESS

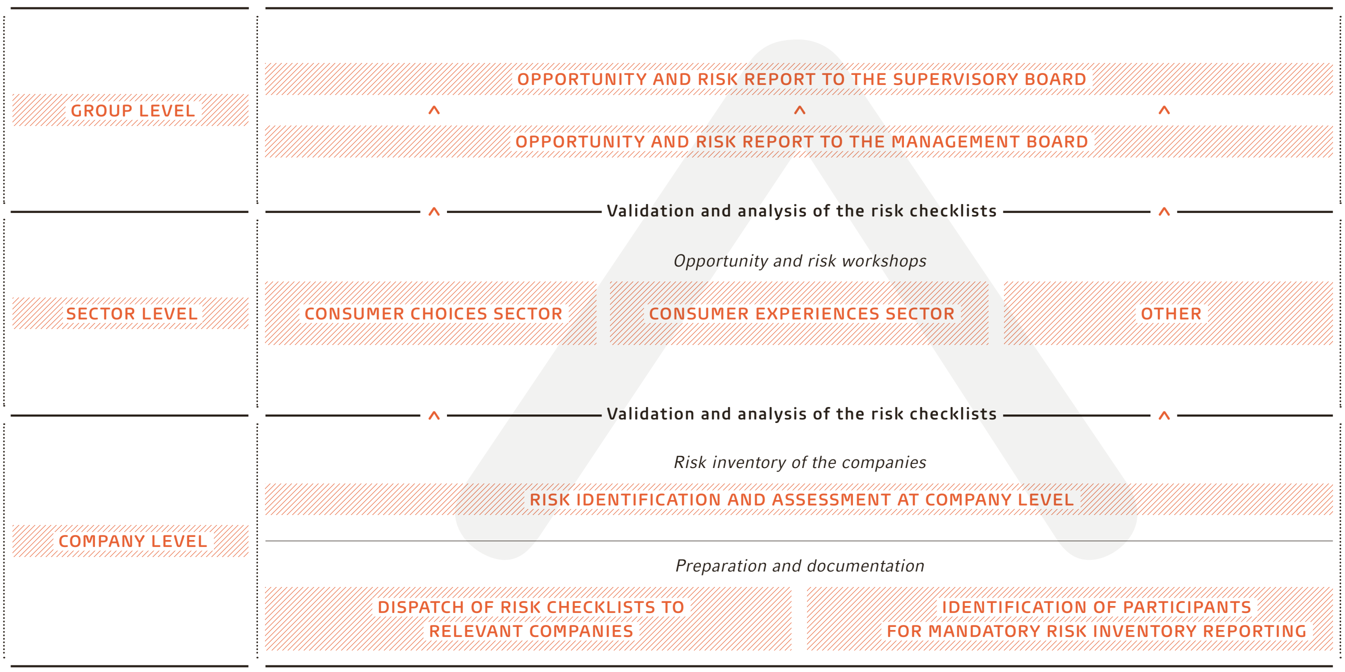
The opportunity and risk management process comprises continuous identification, assessment and management, complemented by the process-accompanying steps of reporting and monitoring.

Each of the GfK Group's employees is responsible for identifying risk within their remit. This is carried out within the respective local GfK companies, by the regional management within the regions and by the sector management team at sector level and, where the risk affects the whole GfK Group, at Management Board level. Subsequently, each risk is assessed using the "probability of occurrence", "potential extent of damage" and "time horizon" criteria. The probability of occurrence is defined according to four categories: "very unlikely" (less than 10 percent), "quite unlikely" (between 10 percent and 40 percent), "quite likely" (between 40 percent and 70 percent) and "very likely" (more than 70 percent). With regard to the potential extent of damage, distinctions are made for impact on operating income as either "low" (less than € 3 million), "medium" (between € 3 million and € 6 million), "high" (between € 6 million and € 10 million) and "very high" (more than € 10 million). The time horizon is defined by the dimensions "short term" (potential effects may already occur for the first time from financial year 2015) and "mid/long term" (potential effects may occur for the first time from financial year 2016).

Specified criteria are used to determine whether the identified risks are of a material nature. Material risks are defined as those which, have a high or very high potential extent of damage and a quite likely or very likely probability of occurrence. In addition, a risk with a quite unlikely probability of occurrence and a very high potential extent of damage or a risk with an average potential extent of damage and a very high probability of occurrence can be classified as a material risk. As part of the risk management, measures are defined and implemented for material risks to prevent the risks occurring or to significantly reduce the potential extent of damage for GfK in the event of occurrence. In addition, potential opportunities are analyzed within the Group that cannot be sufficiently quantified in all cases. Opportunity and risk management additionally comprises actively dealing with the individual risk or the identified opportunity in order to be able to react promptly to possible changes. Within the scope of opportunity and risk monitoring, the complete opportunity and risk portfolio as well as the business environment are continuously monitored in order to be able to recognize changes in good time. The process is rounded off by clearly structured internal risk reporting.

Opportunity and risk reporting is carried out annually via a global risk inventory and monthly via the regular financial reporting, as well as on an ad hoc basis at any time. The annual risk inventory ensures a comprehensive assessment of the overall opportunity and risk situation of the GfK Group. The risk inventory process follows a bottom-up approach and is shown in the diagram below.

THE GfK GROUP'S INTEGRATED OPPORTUNITY AND RISK MANAGEMENT SYSTEM



^ bottom-up risk aggregation

In principle, all GfK companies are obliged to conduct an annual risk inventory. Companies whose planned external sales for 2014 are higher than € 9 million and those which are of strategic interest for the Group are integrated in the risk inventory reporting. The GfK companies of strategic interest are selected by the Risk Management Committee. In order to obtain a complete picture of the opportunity and risk situation for the Group, risk areas, within which the potential individual risks of the companies are identified and assessed, are defined. In 2014, the process was further improved and the regional level included in the identification and assessment of risks in the Consumer Experiences sector. Once the reported risks have been validated and aggregated at regional and sector level, GfK holds sector-specific opportunity and risk workshops. The aim is to identify material regional and sector-relevant risks across all companies. The identification of opportunities is mainly carried out at sector level, whereby opportunity and risk management is enshrined in the respective sector strategy and ultimately in the Group strategy. As a result of this bottom-up approach, individual risks can be leveled out or risks aggregated and reassessed at regional and sector level.

The opportunities and risks identified and assessed in the opportunity and risk workshops at sector level are validated, summarized at Group level and presented to the Management Board. The Management Board discusses the aggregated opportunities and risks and, if necessary, carries out a reassessment for the GfK Group. The opportunities and risks of the GfK Group which are identified and assessed in this way are subsequently summarized in an opportunity and risk report and presented to the Supervisory Board.

Changes in the risk position of the individual GfK companies during the year are covered by monthly risk reporting within the regular financial or ad hoc reporting, and are then reported at Management Board level. Every GfK company is obliged to report new risks as well as changes in existing material risks via its monthly business activity reports. The Risk Management Committee must be informed directly if the potential extent of damage of the new risks arising during the year is significant and action at sector or Group level is required.

11.2 ASSESSMENT OF THE OPPORTUNITY AND RISK SITUATION

In order to exploit the opportunities arising and successfully exist in the market, GfK must consciously take certain risks in its business. This affects a broad spectrum of opportunity and risk areas. The opportunity and risk assessment is based on an evaluation after the respective countermeasures are implemented. In the past financial year the focus was on the net perspective, i.e. evaluation after implementation of suitable countermeasures, as this more accurately reflects GfK's risk situation.

11.2.1 DIRECTLY IDENTIFIED RISKS

A number of direct risks were identified within the GfK Group, the effects of which may have an impact on financial year 2015. The order shown within the individual risk categories reflects the evaluation of the potential extent of damage and then the assessment of the probability of occurrence. This portrayal therefore provides information for estimating the individual risk for the GfK Group.

MACRO-ECONOMIC RISKS

Economic risks: The eurozone continues to be marked by low growth rates. As in the previous year, the sovereign debt of some countries is being closely monitored. Although interest rates are at a very low level, the investment by companies and private persons that was hoped for as a consequence has not materialized. Inflation rates are very low for the most part, with the threat of deflation partially looming. The economic situation in Europe is still blighted by high unemployment rates in some countries, and so recovery from the effects of the economic and financial crisis can only be described as slow overall.

One of the tasks facing large economies therefore remains to boost growth through political and monetary measures and also structural measures. The USA and the UK appear to have largely overcome the crisis. Especially in the UK, growth is forecast to be considerably higher than in 2013. China's growth remains at a high level, although the high growth rates of the past are no longer anticipated. In contrast, the political tension in Russia and Ukraine as well as in the Middle East poses a risk for global economic development.

If global economic growth falls significantly below the current International Monetary Fund (IMF) forecast of 3.8 percent in the course of 2015, or if the stability of individual currencies which are germane to the global economy should be endangered, this will also have consequences for GfK's business. However, given the global positioning and very high level of diversification of the GfK Group, the expectation is that any renewed negative economic trend in individual countries can be appropriately counteracted. Initiated cost-cutting measures will also contribute to this. Risk assessment; probability of occurrence: quite unlikely; potential extent of damage: high.

STRATEGIC RISKS

Risks in connection with portfolio measures: Acquisitions currently figure less prominently in GfK's growth. Disposals are also considered to optimize the Group portfolio. A potential risk can be counteracted at an early stage through established measures for both acquisitions and disposals.

The measures for acquisitions include extensive due diligence processes and proven post-merger integration procedures. For these reasons, this risk was removed from GfK's portfolio in the last financial year. Owing to the experienced mergers and acquisitions and legal teams within GfK and the inclusion of external experts, potential risks arising from disposal projects can be counteracted early on and appropriate measures taken.

The future value of acquisitions and resulting assets depends on the profitability of the cash generating units. Lower predictions for growth rates or discrepancies in the current development compared with expectations in the business of the acquired Group company could lead to an impairment loss risk. Budget values from the internal reporting are, for example, used for the assessment. Risks from the probability of occurrence as well as changed market conditions can lead to an impairment loss that is not a cash item but having to be recognized in income statement. Depending on the value of the intangible asset, the operating income may be affected. Countermeasures such as the strict supervision and management of budget compliance as well as sensitivity analyses in the course of the year enable this risk to be monitored. The risk was assigned an unchanged risk rating for 2014. Risk assessment; probability of occurrence: quite likely; potential extent of damage: very high.

Network and data protection risks: The identified transformation risk associated with the IT infrastructure remained in the IT risk portfolio of the GfK Group in the last financial year. In connection with the increased centralization of IT organization and IT infrastructure within the Group to consolidate the global IT governance, a wide variety of risks may occur as a result of the complexity and high system dependencies during this transformation process. In the risk inventory 2014, risks arising in particular from the management of data and IT security deficiencies were discussed in this context. Especially in light of the said centralization and standardization, the implementation, retention and further development of security measures for the protection of information systems and the data stored in them are vital for GfK. Precautions that serve to protect information technology and its applications are given top priority. Appropriate global and regional IT rules are gradually being implemented with binding effect to keep these risks for the GfK Group to a minimum. Additional measures such as further expansion of the financial IT controlling unit and further harmonization of the infrastructure portfolio should contribute to the further reduction of risk. However, data within the GfK network may be of interest to intelligence services or third parties with criminal intentions. GfK has taken measures at the central data center in Nuremburg to ensure maximum data and operating security. These measures are regularly updated. The Management Board of GfK has approved a Group-wide applicable IT Security Policy that is based on the recognized British Standard 7799 and was implemented globally in 2008. This guideline sets out the binding IT security standards for the Group. All the measures mentioned above as well as the IT strategy of the GfK Group and the Group-wide IT security measures are coordinated by the Global Head of IT, who reports directly to the CEO. Security issues are resolved in cooperation with the IT security experts in the domestic and foreign GfK companies. GfK has also counteracted this risk with the introduction of the Information Security Management System (ISMS) as well as the global reorganization of its IT processes. Moreover, ongoing staff training takes place to continuously improve awareness of data protection and data security. Audits in the area of IT are an integral part of the Internal Audit remit and are carried out by IT specialists. Risk assessment after countermeasures; probability of occurrence: quite unlikely; potential extent of damage: high.

Implementation of the "One GfK" strategy is supported by one of the key software projects REACH (Roll-out of Enterprise Applications and Content Harmonization). The REACH initiative is based on the harmonization of various system roll-outs, such as SCOPE (Standardization of Content and Processes in ERP), and on an adequate connection to the relevant interfaces. As a result of the successfully implemented project coordination for the introduction of SCOPE in other countries in the past financial year, and based on experiences from comprehensive test phases for interaction between the systems to be connected, the risk assessment after countermeasures is; probability of occurrence: quite unlikely; potential extent of damage: low.

Risks due to transformation: The establishment of the "One GfK" strategy was successfully continued in 2014. Risks in the course of the transformation process (e.g. creation of uniform defined structures and processes as well as globally defined product groups) essentially arise due to the fact that the opportunities presented by the strategy cannot be fully utilized. The probability of the risk occurring can be said to be reduced as a result of countermeasures employed by the Management Board, such as proactive change management and an open global communication policy as well as ongoing targeted personnel development and training measures to continuously develop staff skills. Risk assessment after countermeasures; probability of occurrence: quite unlikely; potential extent of damage: medium.

Risks in connection with product market launches: With its global network as a full service provider and its comprehensive range of studies and analyses, GfK is superbly well placed to meet the challenges of intensified global competition in the industry and to profit from the positive trends evident in the emerging markets. Increasing globalization and digitization as well as changing consumer attitudes are having the effect of increasing the demand for consultancy services to aid companies with their marketing decisions. Consequently, possessing information on the sales potential for a product in various markets and countries is gaining importance. At the same time, buying decisions are being increasingly impacted by the advent of new media, as well as by environmental considerations. For GfK, there is a risk that these do not match the increased requirements in terms of its consultancy and sales offers with the right level of commercial excellence to offer its clients a comprehensive and optimum basis for their decision-making. It is therefore very important for the GfK Group to combine responsibilities within the consultancy projects and to focus strategically on targeted sales processing. In relation to this, staff will receive constant training on innovations in the product and service portfolio in order to develop their skills. By making improvements in the course of sales planning, projects for launching new products can be managed and monitored transparently in order to be able to react in good time to any delays. Risk assessment after countermeasures; probability of occurrence: quite unlikely; potential extent of damage: low.

OPERATIONAL RISKS

Risks in connection with product groups: In the first instance, GfK is the leading global provider in the continuous measurement of market volumes and trends and is distinguished above all by its global network and its own extensive database. In the second, the product and service portfolio is enhanced by its audience measurement segment. With the aid of new technologies, Audience Measurement offers information services on the coverage, intensity and type of use of media and media offers, comprehensive insights into media consumption in the dynamic media market as well as information on their acceptance in different countries. It includes studies on TV and radio audiences and on the print media. Traditionally, TV and radio research is characterized by long-term client contracts. Although dependency on major clients presents a risk, which was reduced through new contracts in financial year 2014, it is also associated with opportunity potential. Through intensive long-standing cooperation with its clients, GfK has acquired specific knowledge, which can be leveraged as a competitive advantage. Furthermore, the audience measurement product has become further established on the market and additional contracts were won in 2014, especially in the Kingdom of Saudi Arabia and Morocco. In view of the pleasing market development GfK no longer sees the competitiveness of the audience measurement product as part of the GfK Group's risk portfolio, particularly due to the use of new technologies for recording real-time data.

Instead, an operational product risk relating to this product group was included in this financial year. Following the increased business activity in this product group, reputational losses could occur under certain circumstances due to potential technical uncertainties as well as the potential non-acquisition of additional television broadcasters. These risks can be reduced through strict project management, especially weekly status reports by the local management to the Global Head of Audience Measurement. Additional risks may arise due to loss of orders in countries with political insecurity. Risk assessment after countermeasures; probability of occurrence: quite unlikely; potential extent of damage: medium.

Legal risks connected with data protection: Also in the context of increasing data protection and privacy concerns of clients and data suppliers, GfK places the highest priority on data security and the anonymization of sensitive client data. For this reason, targeted training measures on the subject of compliance have been implemented for all staff. To raise awareness of all compliance and data protection-related issues even further, a CEO webcast which illustrates the "tone from the top" on these issues is available to all employees in the gNet intranet. The internal guidelines on standard data protection procedures were also extended considerably in 2013. However, it is impossible to completely eliminate a certain residual risk or potential infringements of the prevailing rules and regulations within the market research industry. Risk assessment after countermeasures; probability of occurrence: very unlikely; potential extent of damage: medium.

Data quality risks: GfK evaluates data from one of the world's biggest retailer networks in order to be able to provide sales forecasts and concrete knowledge about the market. In addition, the results from ad hoc studies and consumer panels are analyzed to give an overall picture of the market. When gathering and evaluating data it is not possible to entirely eliminate certain residual risks in relation to data quality and, in close connection with this, a potential reputation risk. Ongoing quality controls and audits are being carried out as a precautionary measure, including at suppliers' premises. With the implementation of the new strategy and with greater centralization of the task areas within GfK, international quality controls based on uniform standards can also be implemented as a proactive response to the risk. Risk assessment after countermeasures; probability of occurrence: very unlikely; potential extent of damage: medium.

Risks in connection with restructuring measures: One impact of the continuing economic uncertainty in the global market in the wake of the global financial and economic crisis of

2008/2009 is that a price sensitivity is still evident today in many companies and public-sector institutions where market research activities are concerned. Increasing competitive pressure is also apparent. GfK wants to improve and further expand its competitiveness by means of productivity and restructuring programs. The concrete initiatives for increasing competitiveness on the costs front include productivity measures in procurement and offshoring, initiatives for increasing data quality and continuous staff adjustments. Furthermore, measures launched in 2013 for improving margin quality in incoming orders were further manifested in the last financial year. These essentially relate to the Consumer Experiences sector, which will in future focus on creating a much more profitable and sustainable business. Risk assessment after countermeasures; probability of occurrence: quite unlikely; potential extent of damage: medium.

Risks relating to data collection: In order to operate market research, GfK is continuously gathering data on sales development as well as buying decisions from wholesale and retail companies, panels and sample respondents. Unchanged from the previous year, GfK sees an inherent risk here relating to the fact that these data suppliers may no longer be prepared to make such information available, perhaps due to concerns about data protection and privacy, and that GfK will not be in a position to adequately replace these sources. GfK is aware of the risk, but believes that it is in a good position to successfully overcome it. In addition to constantly optimizing the recruitment of panel members and investigating new techniques of data gathering, corresponding emergency concepts have been developed. Risk assessment after countermeasures; probability of occurrence: quite unlikely; potential extent of damage: low.

MARKET RISKS

Sales market risks: In the past, the development of the market research industry has virtually mirrored that of the global economy. At the moment, the risk of a renewed descent into global economic crisis or the break-up of the eurozone cannot be totally excluded. However unlikely it may be, in a scenario of this nature, the market research industry would also have to combat a significant decline in sales. Some clients affected by the current uncertainty caused by macro-economic factors in their major export markets have been compelled to implement cost-saving programs and to reduce their market research budgets. Sales market risk is also intensified as a result of the increasing digitization and the accompanying lower market entry barriers even for competitors outside the industry. GfK is actively responding to this risk by consolidating and continually developing its portfolio of high quality, innovative products to enable the company to offer its clients a comprehensive service. In addition, the client relationship management has been improved and the range of individual modules further extended through targeted measures. The risk is unchanged compared with the previous year. Risk assessment after countermeasures; probability of occurrence: quite likely; potential extent of damage: medium.

Competitive risks: GfK has observed a further increase in competition within the market research industry, enhanced by simplification of the management of high data volumes and easier data acquisition. This has been intensified by the emergence of local market research companies and individual specialist niche service providers. Closely linked to the general conditions mentioned above under sales market risks, an increasing price pressure caused by intensifying competition can also be identified. Added to this is the sustained competition for the market research budgets of major global concerns. GfK has positioned itself as a qualitatively high-end global market research company that uses standardized methods and has consequently managed to successfully distinguish itself from its competitors. Hence, GfK sees an opportunity to offer its clients a very high degree of added value through utilization of a global network and the further development of future-based innovation projects. As a result of the introduced cost-cutting measures together with the factors stated above, GfK is well equipped to continue operating successfully despite the prevailing competitive conditions and aggressive pricing strategies of competitors. Consequently, the risk remains unchanged in GfK's risk portfolio. Risk assessment after countermeasures; probability of occurrence: quite likely; potential extent of damage: medium.

Market price risks: (integrated in competitive risk – new competitors and accompanying cost pressure)

Risks in connection with sales market consolidations: GfK continues to remain comparatively independent of individual major clients. In 2014, GfK's top ten clients accounted for around 15 percent of total consolidated sales. In the last financial year too, the company further expanded and strengthened its long-standing key account relationships by appointing Key Account Managers and through continuous client relationship management. Nevertheless, where clients are concerned, the process of consolidation is set to continue and for this reason GfK believes that the risk has a higher probability of occurrence. Individual market research budgets on client side are often combined and the total volume reduced. GfK counters this risk by continuously expanding its qualitatively high-end product and service portfolio as a value driver for its clients and also by improving and further expanding its client relationship management. Risk assessment; probability of occurrence: quite likely; potential extent of damage: low.

LEGAL & COMPLIANCE RISKS

Compliance risks: As part of the established opportunity and risk management system, continuous monitoring is carried out to check whether other risks have arisen and whether countermeasures need to be taken. Despite the firmly entrenched corporate guidelines (Code of Conduct, Corporate Values) and internal guidelines, a certain degree of integrity risk remains as a result of local GfK employees disregarding or not entirely adhering to these guidelines. GfK is aware of this risk and has introduced various measures, such as continued employee training, as well as regular internal audits, prepared for with a fraud risk assessment. To raise awareness amongst all GfK staff with regard to morally correct conduct and compliance, extensive mandatory online training will be organized in 2015, with subsequent completion of a questionnaire. This e-learning platform initially provides training in the Code of Conduct and will be supplemented to cover essential Group guidelines in subsequent years. The operation and procurement processes introduced in 2014 help to ensure compliance risks are countered quickly. Following the successful implementation of countermeasures this risk remains unchanged in GfK's risk portfolio. Risk assessment; probability of occurrence: very unlikely; potential extent of damage: very high.

OTHER RISKS

Personnel risk

Adjustment of the competence portfolio: The market research industry is facing changes due to the mobile use of the internet, new media and apps. Increasing digitization is bringing new challenges in terms of methods and technologies for gathering market research data. To be able to fully utilize the resultant growth potential, GfK must build up and develop comprehensive skills and expertise amongst its staff in order to be able to keep up with the changing requirements. If these skills are not developed in good time and established within the company, there is a danger that the opportunities presented by a digital transformation cannot be fully exploited. GfK is countering this risk by defining and implementing globally integrated employee strategies. Through ongoing training and qualification programs, staff skills and expertise are continuously adapted to the advancing technological progress and they are familiarized with innovations. Particular value is attached to identifying and acquiring the right talent for all manner of new portfolio application areas and furthering them accordingly. In addition, GfK attempts to recruit and retain qualified staff. The search is always on for specialists and executives with the relevant scientific background or who are qualified in the supporting processes. Attractive career paths are being developed and a varied qualification and training program is being further expanded. The numerous interesting speculative applications are a sign of the increased appeal of GfK as an employer. Risk assessment after countermeasures; probability of occurrence: quite unlikely; potential extent of damage: medium.

Foreign currency risks: As a global company, the GfK Group is exposed to currency risks.

The currency translation risk results from the conversion of the balance sheets and income statements of GfK companies outside the eurozone into euros, the reporting currency of the GfK Group. These translation-related effects are not hedged and are posted under other operating income in the GfK consolidated financial statements. Carrying amounts of participations are currently only covered to a small extent by natural hedges. To do this, financing is in the currency of the respective company, so that currency fluctuations can be reduced. In order to limit volatility in the income statement relating to the reporting date valuation of currency liabilities and receivables, where possible, GfK uses hedge accounting according to the prevailing regulations. Risk assessment after described countermeasures; probability of occurrence: very likely; potential extent of damage: medium.

The transaction risks result from the sale and purchase of goods and services not paid for in the local currency of the respective GfK business unit. Due to the high volume of local business, all GfK operating companies generate most of their income and expenses in their local currency, and the currency risk of the GfK Group's operations is therefore restricted. However, because of internal cross-accounting of international contracts between Group companies, some currency effects may arise, which can only be partly covered. A Group guideline also require all GfK companies to monitor their currency risks and hedge against currency fluctuations for projects over a certain order of magnitude and duration. As a rule, GfK provides in-house financing in local currency for subsidiaries. The ensuing currency risks are hedged by the Group Treasury, in part using finance instruments, when economically viable. Hedging transactions generally have a maximum term of 18 months. The offsetting effects of the underlying transactions and the currency hedge are identified in the income statement. Risk assessment after countermeasures; probability of occurrence: very unlikely; potential extent of damage: low.

Liquidity risks: The liquidity risks of the GfK Group include potentially being unable to meet its financial obligations, for example the repayment of financial debt, or of the ongoing capital requirements of its operating business. In 2014, GfK SE extended a bilateral bank loan amounting to € 25 million (matures in 2019) and took out a forward loan for € 10 million (with a three-year term from March 2015). The funds from the bilateral bank loans were used to replace short-term bank loans, therefore the maturity structure and the future interest expenditure have further improved.

By year-end, € 0 million of the syndicated credit line comprising € 200 million had been drawn down. It was renegotiated last year prematurely on improved terms. The revolving credit line is available to GfK SE until at least May 2019. In total, on the reporting date, the unutilized credit lines amounted to € 280 million (2013: € 255 million). The funding elements mentioned and an existing cash holding of € 93 million (2013: € 70 million) as at the reporting date assure the Group's liquidity position. The covenants agreed for the syndicated credit facility and the loan notes were all met in every reporting period in 2014. To further minimize risk, a Treasury Middle Office was introduced in the Group Treasury division. The emphasis is on separating incompatible tasks between Trading and Settlement and Trading and Risk Monitoring. Risk assessment after described measures; probability of occurrence: very unlikely; potential extent of damage: low.

Interest rate risks: At GfK, interest rate risks mainly relate to financial liabilities. As at December 31, 2014, GfK SE had hedged around 90 percent (2013: around 90 percent) of its financial liabilities and fixed rate agreements with the placement of the GfK bond at a 5 percent fixed rate of interest, the bilateral fixed rate loan agreements and the borrower's note loan. As at the reporting date, the interest rate hedges had a negative fair value of € 20 thousand (2013: € –95 thousand). GfK SE derivative financial transactions and investments are only conducted with reputable German and international banks with an investment grade and a long-term Moody's rating of between A1 and Baa1. In addition, the counterparty risk is reduced as transactions are spread across several banks. To hedge an intercompany foreign currency loan of our Brazilian subsidiary in US dollars, a cross currency interest rate swap was concluded in 2014 to hedge interest rate and foreign currency risks. On the reporting date this derivative was valued with a positive market value of approximately € 1.5 million. Risk assessment after countermeasures; probability of occurrence: very unlikely; potential extent of damage: low.

Tax risks: Naturally, the accounting and optimization of the Group's structure for tax purposes will generate tax audit risks for an international concern. With effect from January 1, 2014, GfK completely revised the Group F21 Transfer Pricing Guideline and now takes transfer pricing and documentation in to account in all relevant business transactions. Risk assessment after countermeasures; probability of occurrence: quite unlikely; potential extent of damage: low.

Legal risks: Last year, the subject of apparent self-employment was under discussion in many countries. This is a legal risk for GfK and harbors the risk that the interviewers and other freelancers working for GfK are given employee status, and this could therefore involve the company in additional ancillary costs. GfK currently deals with this by adjusting the service terms to the respective national legislation. In a number of different countries, GfK is involved in civil proceedings, which are based on various legal grounds. Accordingly, suitable precautions have been taken to proactively counter risk in these and other countries. In GfK's opinion, the potential extent of damage has been reduced by successfully implementing suitable measures. Risks relating to losses and liability are either covered locally, or by Group-wide umbrella insurances or appropriate provision was made via reserves. However, potential residual risk cannot be eliminated completely. Risk assessment after implementation of country-specific countermeasures; probability of occurrence: unlikely; potential extent of damage: low.

11.2.2
INDIRECTLY IDENTIFIED RISKS

Within the GfK Group, the following indirect risks have been identified, the effects of which may occur for the first time from financial year 2016. The order shown within the individual risk categories reflects firstly the evaluation of the potential extent of damage and then the assessment of the probability of occurrence. This portrayal therefore provides information for estimating the individual risk for the GfK Group.

STRATEGIC RISK

Risks generated by advances in technology: Increasing digitization, the spread of (mobile) internet and the convergence of devices are modifying consumer behavior. As a result, ever more buying decisions are being made with the aid of mobile media or social networks. Gathering market research data in the digital age demands new methods and technologies. GfK identified this trend in the industry at an early stage and successfully launched innovation projects; the development of innovative products and services as well as new market research methods was deemed one of its key tasks. As an innovative company with research and development activities, the GfK Group currently sees no substantial risks arising from large, cost-intensive innovation projects. Potential risks associated with these projects are monitored on the basis of regular reporting and active project management. Staff are trained to offer their clients reliable and high-quality consultancy services with regard to innovative new products and market research methods. Risk assessment after countermeasures; probability of occurrence: quite likely; potential extent of damage: medium.

Risk in connection with cross-sector initiatives: The successful cooperation of sectors and regions requires an exchange of experience between the various units. The success of new, cross-sector initiatives, such as an extension of the digital product and service portfolio, depends on an effective exchange and the right mix of competences within the company. The Group is hoping that this will lead to synergy effects and to an extension of the global cooperation within the GfK network. Risk avoidance or minimization measures are being stepped up to counter the risk of not being able to fully generate this potential. For instance, the GfK Management Board and the management support proactive communication between sectors and regions. In addition, new kinds of cooperation concepts are being initiated, one successful example being the cross-sectorally developed product GfK Crossmedia Link. GfK Crossmedia Link is a global single source panel that for example measures consumer behavior via different media, such as TV, PC, tablet or smartphone. Risk assessment after countermeasures; probability of occurrence: quite likely; potential extent of damage: medium.

FINANCIAL RISK

Financial risk: Refinancing on the capital markets is a very important tool for GfK SE, but it also entails risks. The company complies with the regulations governing the prohibition of insider trading or various notification and communication obligations in order to avoid a general loss of reputation and therefore prevent a possible deterioration in the share price. This includes efficient communication based on investor and analyst interests, with the aim of promoting the trust of investors, especially through permanent transparency. In addition, the risk of dependency (refinancing risk) on one group of investors is minimized through diversification of financing instruments. Other than the shareholders, GfK's current group of investors includes a large number of national and international banks (banking syndicate) as well as numerous promissory note investors who are not just from the banking industry (e.g. insurers, pension funds). Risk assessment after countermeasures; probability of occurrence: very unlikely; potential extent of damage: low.

OPERATIONAL RISK

Continuity of IT systems: In financial year 2014, this was included as a new risk for the GfK Group. As a result of a large number of transformation processes, centralization of IT systems and increased use of the global IT infrastructure existing systems have, for example been substantially modified, extended and altered to meet global requirements. A malfunction within the involved systems might affect not only one individual GfK unit, but also parts of the GfK Group and can therefore be cited as a risk from the point of view of the GfK Group. To counter this risk back-up processes and application lifecycles are reviewed and emergency procedures are created. Risk assessment after countermeasures; probability of occurrence: very unlikely; potential extent of damage: low.

11.2.3
INDIRECTLY AND DIRECTLY IDENTIFIED OPPORTUNITIES

The following indirect and direct opportunities have been identified within the GfK Group. The order shown within the individual opportunity categories reflects firstly the evaluation of the opportunity potential and then the assessment of the probability of occurrence. This portrayal therefore provides clues for estimating the individual risk for the GfK Group.

STRATEGIC OPPORTUNITIES

Expansion potential of the product and service portfolio: GfK has a holistic instrument for the production and analysis of media usage data. GfK continues to see opportunities for the future in this development. GfK sees usage of new measurement technologies GfK UMX (for TV) and GfK USX (for computers) for measuring time-delayed TV viewing in other countries as a potential opportunity for the future. In the last financial year, orders were received in the TV and radio research segment that further underline the future viability of audience measurement. In connection with expansion potential additional opportunities can be generated on the market through increased innovative capability in the roll-out of cross-sector products, such as GfK Crossmedia Link or Mobile and Location Insights. For this reason, expansion potential in this area is included in GfK's opportunity portfolio. Opportunity assessment: significant direct business possibilities with medium possible positive opportunity potential.

Cross-sector cooperation: GfK sees intensification of the cross-sector cooperation between Consumer Experiences and Consumer Choices as an additional opportunity to extend its selling options and utilize synergy effects. A close collaboration should guarantee the supply of perfectly matched solution concepts from one service portfolio. Constant refinement of the offering, modern research methods and long-term client relationships constitute a solid basis for successes. This is complemented by the valuable databases and the comprehensive, high-quality panel. Opportunity assessment: significant direct business opportunities with medium positive opportunity potential.

Development of the business position: The Group sees an indirect opportunity in the targeted development of the business and a rapid roll-out of products in promising growth regions. The business is to be further consolidated and the product portfolio expanded in countries with a particularly high market importance and attractive growth prospects. Further growth is to be generated particularly in Latin America, Asia and the Pacific as well as in Africa and Eastern Europe by rolling out tried and trusted products and services to countries not yet covered. Opportunity assessment: significant direct business opportunities, which will be assessed once the business opportunity has become more concrete.

New market potential: With the aid of newly developed methods and technologies, large data volumes from all kinds of sources can be analyzed. GfK see this as an opportunity to offer convincing products and services based on a comprehensive innovation offensive. By using and developing data merger systems and combining this data with various media measurements new possibilities are opened up within the market research industry. Moreover, additional potential in the future role of the market research industry is created through a global and digital market environment. Hence, market research as a reliable partner and supplier of high-quality consumer information can represent an even more important service for our clients. The future potential arising from the new technical possibilities should be utilized on the market consistently through continuous expansion of data treatment processes, thereby increasing client loyalty. Opportunity assessment: significant direct business opportunities, which will be assessed once the business opportunity has become more concrete.

Commercial excellence: To better establish GfK as a leading market research company, the company consistently pursues the strategy of increasing commercial excellence. This includes identifying additional growth areas, coming up with measures for optimizing the use of resources, designing more efficient processes and developing processing and management tools. As a result of the successful implementation of the described measures this opportunity was newly included in GfK's opportunity portfolio. Opportunity assessment: significant direct business possibilities, which will be assessed once the business opportunity has become more concrete.

OPERATING OPPORTUNITIES

Sales market potential: GfK sees further potential in its strong market position and the emphasis on extending its expertise in market research to include consultancy and forecasting services. In addition, the service portfolio has been significantly extended to incorporate all kinds of industries through globally defined product groups. Consequently, GfK is confident of attracting new clients and winning additional major international contracts. This also offers considerable growth potential. Opportunity assessment: significant direct business opportunities, which will be assessed once the business opportunity has become more concrete.

Global procurement organization: GfK is forging ahead with the implementation of a standardized global procurement organization. The first global purchasing initiatives have started and are showing saving effects. Consequently, GfK is confident that it can achieve additional positive effects in the short term. Opportunity assessment: significant direct business opportunities, which will be assessed once the business opportunity has become more concrete.

FINANCIAL OPPORTUNITIES

Tax optimization: GfK constantly looks at improving the tax structure and initiates corresponding measures within the bounds of the legal possibilities. This is carried out via ongoing monitoring of the legal, global and local environment and adaption to GfK's situation. Opportunity assessment: corresponding opportunities with low possible positive opportunity potential.

11.3 CONCLUDING ASSESSMENT OF THE OPPORTUNITY AND RISK POSITION

The opportunity and risk management system described in 11.1 forms the basis for the assessment of the opportunity and risk situation by the Management Board. Risks are identified and assessed at the level of the individual companies in the GfK Group and at regional level, while opportunities and risks are identified and assessed at sector and Group level.

Compared with financial year 2013, the overall risk of the GfK Group remains largely unchanged. The new risks included in this year's risk portfolio are predominantly operating risks for which specific countermeasures were defined and implemented to manage the risks. As was already the case in the previous year, it should be emphasized that the biggest single risk is a sharp decline in global economic output, the probability of occurrence of which is nevertheless considered quite unlikely based on current economic forecasts.

The GfK Group will consistently exploit the short and medium-term opportunities that are presented to it as a result of the expected general recovery of the global economy.

The GfK Group is expecting additional opportunities to arise due to its strong global positioning and continuous provision of innovative products and services, especially based on the ever increasing digitization and greater availability of huge volumes of data.

To summarize, it can be concluded that at the time of publishing this Annual Report, the Management Board was not aware of any individual risks, reciprocity or accumulation of risks which might jeopardize the continued existence of GfK SE and the GfK Group.

-> 12. MAJOR EVENTS SINCE THE END OF THE FINANCIAL YEAR

At the start of February, a global framework agreement for the expansion of the existing collaboration was concluded with Google. It relates to cross-media research through the single source GfK Crossmedia Link panel.

A hearing took place before a Turkish tax court on December 23, 2014. GfK was appealing against a decision issued in mid-2014 regarding tax and penalty payments to be made by GfK. GfK was informed of the Turkish tax court's decision on March 4, 2015. The ruling did not meet GfK's expectations, so GfK is now considering the next legal steps to be taken. An appropriate amount to meet the consequences of this ruling has been provided for in GfK's 2014 financial statements.

On March 6, 2015, GfK SE cancelled the variable portion of its loan note amounting to € 40 million. This amount was at the same time fully funded through a new loan note of € 90 million with a term of between three and five years.

No other major events with a significant impact on the GfK Group have occurred since the balance sheet reporting date.

-> 13. OUTLOOK*

13.1 MACRO-ECONOMIC SITUATION: SLIGHT ACCELERATION IS EVIDENT

After a weak first half of the year, the growth rate accelerated from the third quarter of 2014 onwards. An annual average of 3.3 percent economic growth was recorded. In 2015, there may be a further slight acceleration in the rate of economic growth.

The industrialized nations are increasingly contributing to this upturn, with the USA leading the way. In these countries, private consumption provides the primary support and is the key driver for the economy. In addition, China and India, two of the Asian emerging markets, continued to record above-average growth, previous growth rates seen in China were no longer achieved.

The consumer climate measured by GfK provides hope that the EU will finally overcome the ongoing impact of the financial and economic crisis in 2015. In the fourth quarter of 2014, the trend in the consumer climate indicators was positive. Optimism also seems justified in view of the fact that some EU countries such as Spain came out of the recession in 2014 with growth of 1.3 percent. However, the political crises in Ukraine and the eurozone are causing uncertainty with regard to forecasting economic growth.

Provided that the political conflicts remain within reasonable limits, purchasing power remains high as well as low energy prices and inflation, the International Monetary Fund (IMF) is forecasting further economic recovery in 2015 and global economic growth of 3.5 percent. At the same time, the German Institute for Economic Research (DIW) estimates global economic growth of 3.8 percent for 2015.

13.2 MARKET RESEARCH INDUSTRY: LOOKING TO THE FUTURE

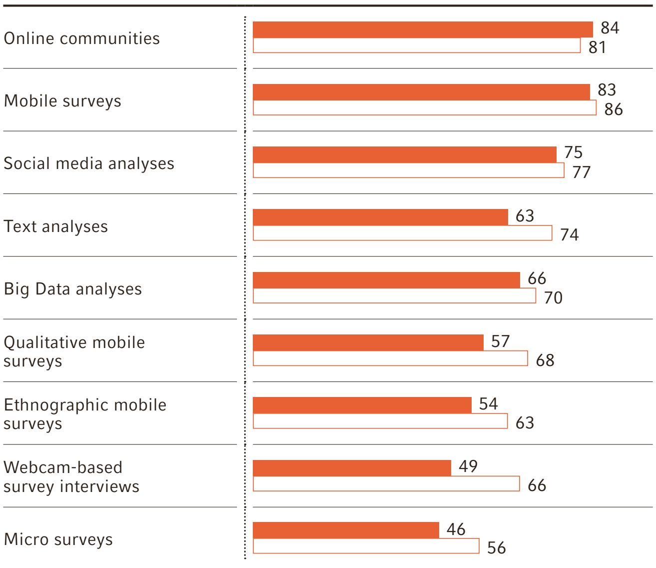
Industry association ESOMAR is confident that market research sales are set to rise in 2015 to mirror the level of economic growth forecast by the IMF. North America, the emerging markets and the European countries outside the eurozone are all likely to provide momentum for growth. A redistribution of sales in favor of service providers outside the market research industry is adversely impacting on the sales trend along with ongoing difficult conditions in some European countries including Russia and Ukraine, in particular.

In general, the assessment of industry developments is significantly more optimistic in the USA than in Europe. The GRIT Fall 2014 report published by Greenbook in October 2014 confirmed as much. According to the report, a considerable total of 58 percent of market researchers interviewed in North America anticipated rising sales and budgets in 2015, whereas only 37 percent of respondents in Europe thought that this would be the case.

The GRIT report also highlighted that change remains a key topic for market researchers worldwide. However, the rate of change appears to be slowing down somewhat in Europe. On this continent, only 25 percent now expect comprehensive or sweeping changes in market research over the coming five years. In the previous survey, a total of 37 percent believed this to be true. In North America, the corresponding figure was 34 percent in the latest survey compared with 36 percent in the previous year.

Big Data, mobile research and new technology emerged as the key topics that are currently changing the industry. Big Data, in particular, offers opportunities for growth and raising the profile of companies. However, only 66 percent of market researchers in Europe questioned by GRIT and 70 percent of respondents in North America stated that they had recently carried out Big Data analysis or were considering it. Other new technologies and methods, such as online communities, mobile surveys and social media are more clearly connected with market research. Yet, the growing use of social media analysis by market researchers in companies and organizations indicates that potential remains for further growth based on Big Data.

GRIT FALL 2014: USE OF INTENTION TO USE NEW METHODS



Europe / North America
Source: Greenbook Research Industry Trends Report, Fall 2014
Question: Which of these methods do you intend to either use in the near future or are you already using?
Basis: Europe: n=120 up to 1,156, North America: n=103 up to 1,464

Text analysis is another method not traditionally associated with market research that now complements the range of methods used.

At present, the spectrum of methods applied is somewhat broader in North America than on this side of the Atlantic. However, it can be assumed that North America plays a pioneering role in this respect and that European markets will develop in a similar direction.

13.3 OUTLOOK AND ORDER INTAKE

GfK's transformation made great progress in 2014. Many strategic projects were completed last year under the motto "Getting it done", moving GfK much closer to its aim of operating worldwide as an integrated company and being "One GfK".

GfK's motto for financial year 2015 is "Shape for Growth". This involves both creating growth in the various business divisions and raising productivity. It is therefore GfK's intention not to stand still but rather to continue with the development of the organization, product portfolio and the integration of unique data. By creating insights from our data for our clients, GfK will be in a position to meet clients´ growing requirements´ in ever more rapidly changing markets in future.

The capital expenditure investment level will remain on a similar level to the previous year. In 2015, it is expected to total approximately € 90 million. Amortization and depreciation is likely to amount to around € 70 million and will therefore be approximately € 10 million higher than in 2014. In the next few years, the figure is set to rise further on the back of higher investment activity. Last year, GfK invested around € 10 million in financial investments and mergers and acquisitions. GfK is currently projecting a figure of around € 50 million for 2015, although as things stand, it is unlikely this whole amount will be used. As regards mergers and acquisitions, all will depend on the opportunities which present themselves and these will be carefully evaluated on a case-by-case basis. GfK is above all interested in technology-driven companies which could immediately offer added value. The focus will continue to be on organic growth.

In the Consumer Experiences sector, the focus is on stabilizing sales at the level generated in 2014. The transformation towards more profitable activities and digital products will continue while purely local and less profitable contract research projects will be scaled back. In light of this, the sector is not expected to make a growth contribution in 2015. A further decline in sales is also possible. It is anticipated that the margin will continue to rise modestly.

The Consumer Choices sector will continue to systematically pursue growth and margin opportunities. The core Retail Tracking business will be expanded further, and new panels are expected to make a gradual contribution to sales and earnings growth. In Audience Measurement, the set-up of new panels to measure TV audiences will be completed in 2015. The respective contracts will begin to contribute significantly to sales growth in this sector from the second half of the year onwards. The main priority is still on expansion into new regions and countries. The Management Board assumes that this sector will grow faster than in the previous year. Its share of sales relative to Group sales will therefore increase further. Even though Audience Measurement sales are likely to account for a larger share of the business, the margin is not expected to change significantly against the previous year.

The Group anticipates a return to modest organic growth in 2015. Adjusted operating income should improve and the margin should rise to somewhere in the region of between 12.4 percent and 12.8 percent.

The Group is aiming to outpace the market in 2016 in terms of organic growth. GfK is still aiming for a margin of between 14 percent and 15 percent.

The year started in line with expectations. Sales coverage at the end of January 2015 was already 39.2 percent of predicted annual sales (2014: 42.0 percent). It is therefore well within the range over the last five years of between 33 percent and 42 percent.

Nuremberg, March 6, 2015

MATTHIAS HARTMANN

CHRISTIAN DIEDRICH

DR. GERHARD HAUSRUCKINGER

DEBRA A. PRUENT

* The outlook contains predictive statements on future developments, which are based on current management assessments. Words such as "anticipate", "assume", "believe", "estimate", "expect", "intend", "could / might", "planned", "projected", "should", "likely" and other such terms are statements of a predictive nature. Such predictive statements contain comments on the anticipated development of sales proceeds and income for 2015. Such statements are subject to risks and uncertainties, for example, economic effects such as exchange rate fluctuations and changes in interest rates. Some uncertainties or other unforeseen factors which might affect ability to achieve targets are described under the 'Risk position' in the Group Management Report. If these or other uncertainties and unforeseen factors arise or the assumptions on which the statements are based prove to be incorrect, actual results could materially differ from the results indicated or implied in these statements. We do not guarantee that our predictive statements will prove to be correct and do not accept any liability for these statements. The predictive statements contained herein are based on current Group expectations and are made on the basis of the facts on the day of publication of the present document. We do not intend or accept any obligation to update predictive statements on an ongoing basis.

C

>

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT OF THE GfK GROUP

IN ACCORDANCE WITH IFRS IN € '000 FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2014

	Notes ref.	2013	2014
Sales	5.	1,494,793	1,452,923
Cost of sales	6.	–1,007,972	–990,586
Gross income from sales		**486,821**	**462,337**
Selling and general administrative expenses	7.	–328,186	–301,002
Other operating income	8.	5,172	7,818
Other operating expenses	9.	–137,291	–101,171
Operating income [1]		**26,516**	**67,982**
Income from associates	3.	2,099	4,428
Other income from participations	3.	294	–463
EBIT		**28,909**	**71,947**
Other financial income	12.	17,542	10,057
Other financial expenses	13.	–42,293	–34,414
Income from ongoing business activity		**4,158**	**47,590**
Tax on income from ongoing business activity	14.	–46,218	–28,212
CONSOLIDATED TOTAL INCOME		**–42,060**	**19,378**
Attributable to equity holders of the parent		–54,017	5,859
Attributable to minority interests		11,957	13,519
CONSOLIDATED TOTAL INCOME		**–42,060**	**19,378**
Basic earnings per share in €	15.	**–1.48**	**0.16**
Diluted earnings per share in €	15.	**–1.48**	**0.16**

1) Reconciliation to internal management indicator "adjusted operating income" amounting to € 178,832 thousand (2013: € 190,398 thousand) is shown in the Group Management Report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE GfK GROUP

IN ACCORDANCE WITH IFRS IN € '000 FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2014

	Notes ref.	2013	2014
Consolidated total income		**–42,060**	**19,378**
Items that will not be reclassified to profit or loss:			
Actuarial gains/losses on defined benefit plans	25.	5,539	–11,328
Items that will be reclassified to profit or loss in future periods:			
Foreign currency translation differences	24.	–50,409	64,706
Valuation of net investment hedges for foreign subsidiaries	29.	349	–618
Changes in fair value of cash flow hedges (effective portion)	29.	–60	–147
Changes in fair value of equity securities available for sale	3.	0	9
Other comprehensive income (net of taxes)		**–44,581**	**52,622**
TOTAL COMPREHENSIVE INCOME		**–86,641**	**72,000**
Attributable to			
Equity holders of the parent		–95,524	56,819
Minority interests		8,883	15,181
TOTAL COMPREHENSIVE INCOME		**–86,641**	**72,000**

CONSOLIDATED BALANCE SHEET OF THE GfK GROUP

IN ACCORDANCE WITH IFRS IN € '000 AS AT DECEMBER 31, 2014

ASSETS	Notes ref.	Dec. 31, 2013	Dec. 31, 2014
Goodwill	16.	778,982	772,709
Other intangible assets	16.	246,274	266,719
Tangible assets	17.	103,598	115,859
Investments in associates	18.	13,210	11,669
Other financial assets	18.	6,491	8,988
Deferred tax assets	14.	38,154	41,373
Non-current other assets and deferred items	19.	7,850	14,038
Non-current assets		**1,194,559**	**1,231,355**
Trade receivables	20.	373,271	384,694
Current income tax assets	14.	17,306	17,413
Securities and fixed-term deposits	21.	2,323	945
Cash and cash equivalents	22.	69,706	93,180
Current other assets and deferred items	19.	39,213	39,850
Current assets		**501,819**	**536,082**
ASSETS		**1,696,378**	**1,767,437**

EQUITY AND LIABILITIES	Notes ref.	Dec. 31, 2013	Dec. 31, 2014
Subscribed capital		153,316	153,316
Capital reserve		212,403	212,403
Retained earnings		349,176	330,818
Other reserves		–95,807	–44,847
Equity attributable to equity holders of the parent		**619,088**	**651,690**
Minority interests		**44,621**	**53,589**
EQUITY	24.	**663,709**	**705,279**
Long-term provisions	25.	67,016	79,316
Non-current interest-bearing financial liabilities	26.	409,071	359,215
Deferred tax liabilities	14.	75,449	75,522
Non-current other liabilities and deferred items	27.	8,402	9,757
Non-current liabilities		**559,938**	**523,810**
Short-term provisions	25.	22,473	36,642
Current income tax liabilities	14.	15,936	15,522
Current interest-bearing financial liabilities	26.	40,988	63,728
Trade payables	3.	92,524	95,534
Liabilities on orders in progress	3.	137,570	152,584
Current other liabilities and deferred items	27.	163,240	174,338
Current liabilities		**472,731**	**538,348**
LIABILITIES		**1,032,669**	**1,062,158**
EQUITY AND LIABILITIES		**1,696,378**	**1,767,437**

CONSOLIDATED CASH FLOW STATEMENT OF THE GfK GROUP

IN ACCORDANCE WITH IFRS IN € '000 FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2014

	Notes ref.	2013	2014
Consolidated total income		–42,060	19,378
Write-ups/write-downs of intangible assets	16.	167,266	104,192
Write-ups/write-downs of tangible assets	17.	29,212	26,062
Write-ups/write-downs of other financial assets		431	1,625
Total write-ups/write-downs		196,909	131,879
Increase/decrease in inventories and trade receivables		8,463	–1,564
Increase/decrease in trade payables and liabilities on orders in progress		7,062	7,920
Changes in other assets not attributable to investing or financing activity		–8,247	1,495
Changes in other liabilities not attributable to investing or financing activity		–4,364	–1,306
Profit/loss from disposal of non-current assets		204	543
Non-cash income from associates	3.	1,463	2,708
Increase/decrease in long-term provisions		–4,506	2,549
Other non-cash income/expenses		–7,361	21,462
Net interest income	12., 13.	18,632	18,649
Change in deferred taxes	14.	4,836	–4,500
Current income tax expenses	14.	41,682	32,713
Taxes paid		–48,668	–34,998
a) Cash flow from operating activity	30.	**164,045**	**196,928**
Cash outflows for investment in intangible assets		–57,160	–52,081
Cash outflows for investment in tangible assets		–23,192	–37,112
Cash outflows for acquisitions of consolidated companies and other business units		–35,874	–6,490
Cash outflows for investments in other financial assets		–2,140	–4,003
Cash inflows from the disposal of intangible assets		443	169
Cash inflows from the disposal of tangible assets		416	300
Cash inflows from the sale of consolidated companies and other business units		0	25
Cash inflows from the disposal of other financial assets		49	257
b) Cash flow from investing activity	30.	**–117,458**	**–98,935**
Dividend payments to equity holders of the parent	24.	–23,728	–23,728
Dividend payments to minority interests and other equity transactions		–7,248	–5,973
Cash inflows from loans raised		142,580	15,938
Cash outflows from the repayment of loans		–124,231	–44,489
Interest received		1,064	1,866
Interest paid		–19,893	–19,162
c) Cash flow from financing activity	30.	**–31,456**	**–75,548**
Changes in cash and cash equivalents (total of a), b) and c))		15,131	22,445
Changes in cash and cash equivalents owing to exchange gains/losses and valuation		–11,801	1,029
Cash and cash equivalents at the beginning of the period	22.	66,376	69,706
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	22.	**69,706**	**93,180**

CONSOLIDATED EQUITY CHANGE STATEMENT OF THE GfK GROUP

IN ACCORDANCE WITH IFRS IN € '000 FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2014

	Attributable to equity holders of the parent		
	Subscribed capital	Capital reserve	Retained earnings
BALANCE AT JANUARY 1, 2013	153,316	212,403	427,479
Total comprehensive income			
Consolidated total income			**–54,017**
Other comprehensive income			
> Currency translation differences			
> Valuation of net investment hedges for foreign subsidiaries, net of tax			
> Effective portion of changes in fair value of cash flow hedges, net of tax			
> Actuarial gains and losses on defined benefit plans, net of tax			
Other comprehensive income	**0**	**0**	**0**
Total comprehensive income	**0**	**0**	**–54,017**
Transactions with owners, recorded directly in equity			
Contributions by and distributions to owners			
> Dividends to shareholders			–23,728
Change in ownership interests in subsidiaries that do not result in a change of control			
> Acquisition of minority interests			–607
> Other changes	0	0	49
Transactions with owners, recorded directly in equity	**0**	**0**	**–24,286**
BALANCE AT DECEMBER 31, 2013	**153,316**	**212,403**	**349,176**
BALANCE AT JANUARY 1, 2014	153,316	212,403	349,176
Total comprehensive income			
Consolidated total income			**5,859**
Other comprehensive income			
> Currency translation differences			
> Valuation of net investment hedges for foreign subsidiaries, net of tax			
> Effective portion of changes in fair value of cash flow hedges, net of tax			
> Change in fair value of securities available for sale, net of tax			
> Actuarial gains and losses on defined benefit plans, net of tax			
Other comprehensive income	**0**	**0**	**0**
Total comprehensive income	**0**	**0**	**5,859**
Transactions with owners, recorded directly in equity			
Contributions by and distributions to owners			
> Dividends to shareholders			–23,728
Change in ownership interests in subsidiaries that do not result in a change of control			
> Acquisition of minority interests			–285
> Other changes			–204
Total transactions with owners, recorded directly in equity	**0**	**0**	**–24,217**
BALANCE AT DECEMBER 31, 2014	**153,316**	**212,403**	**330,818**
Notes ref.	24.	24.	24.

	Attributable to equity holders of the parent						
	Other reserves						
	Translation reserve	Hedging reserve	Fair value reserve	Actuarial gains / losses on defined benefit plans	Total	Minority interests	Total equity
	–49,362	18,602	3	–23,543	738,898	43,117	782,015
					–54,017	**11,957**	**–42,060**
	–47,293				–47,293	–3,116	–50,409
		349			349		349
		–60			–60		–60
				5,497	5,497	42	5,539
	–47,293	**289**	**0**	**5,497**	**–41,507**	**–3,074**	**–44,581**
	–47,293	**289**	**0**	**5,497**	**–95,524**	**8,883**	**–86,641**
					–23,728	–7,110	–30,838
					–607	–269	–876
					49	0	49
	0	**0**	**0**	**0**	**–24,286**	**–7,379**	**–31,665**
	–96,655	**18,891**	**3**	**–18,046**	**619,088**	**44,621**	**663,709**
	–96,655	18,891	3	–18,046	619,088	44,621	663,709
					5,859	**13,519**	**19,378**
	63,030				63,030	1,676	64,706
		–618			–618		–618
		–147			–147		–147
			9		9		9
				–11,314	–11,314	–14	–11,328
	63,030	**–765**	**9**	**–11,314**	**50,960**	**1,662**	**52,622**
	63,030	**–765**	**9**	**–11,314**	**56,819**	**15,181**	**72,000**
					–23,728	–6,213	–29,941
					–285	–42	–327
					–204	42	–162
	0	**0**	**0**	**0**	**–24,217**	**–6,213**	**–30,430**
	–33,625	**18,126**	**12**	**–29,360**	**651,690**	**53,589**	**705,279**
	24.	29.		25.		24.	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2014

> CONTENTS

-> 1. GENERAL INFORMATION

GfK SE is a listed company, a Societas Europaea, with its registered office at Nordwestring 101, Nuremberg, Germany. With entry under HR B 25014 in the commercial register in the district court of Nuremberg, GfK SE was established on February 2, 2009 as a result of a transformation changing the legal form from GfK Aktiengesellschaft. GfK SE and its subsidiaries (GfK Group) are among the world's leading market research organizations. The GfK Group provides information services for its clients in the consumer goods, retail and services industries as well as media, which they use in marketing decision-making.

The consolidated financial statements of GfK SE for financial year ending December 31, 2014 include the company itself and all consolidated subsidiaries. They have been prepared in compliance with the International Financial Reporting Standards (IFRS), as they must be applied within the European Union (EU).

All IFRS binding for financial year 2014 and the announcements of the International Financial Reporting Interpretations Committee (IFRIC) have been applied where they have been adopted by the EU.

Additionally, the accounting principles set out in Section 315a (1) of the German Commercial Code (HGB) have been considered when preparing the consolidated financial statements.

The consolidated financial statements have been prepared in euro and rounded up to the nearest thousand euros. All figures are specified in thousand euros, unless otherwise indicated.

The annual financial statements of the parent company GfK SE have been prepared in line with the German Commercial Code (HGB). They have been published in the online Federal Gazette (Bundesanzeiger) under HR B 25014.

Section 36. "Amendments to IFRS standards and interpretations" of these Notes describes standards, interpretations and amendments to IFRS that have already been adopted by the EU, and which have been applied for the first time or not yet applied.

-> 2. CONSOLIDATION PRINCIPLES

The annual financial statements of GfK SE, produced for consolidation purposes, and all material subsidiaries whose financial and operating policies are controlled directly or indirectly are included in the consolidated financial statements of GfK SE. The financial statements of all companies included in the consolidated financial statements have been prepared according to uniform accounting principles.

Companies in which the GfK Group has a participation of no more than 50 percent, but over which significant influence can be exercised, are generally accounted for at equity as associates. All other companies in the GfK Group are reported at acquisition cost.

A list of GfK SE shareholdings is provided in Section 40. of these Notes.

Capital consolidation is carried out in accordance with IFRS 3 Business Combinations, on the basis of purchase accounting. Acquisition costs of the participation are charged against the parent company's pro rata share of the revalued equity of the subsidiary at the acquisition date. Intangible assets acquired in business combinations and identified as part of the purchase price allocation are entered on the balance sheet at fair value.

Any difference arising on the assets side after this charging and purchase price allocation is reported under non-current assets as goodwill.

Under purchase price allocations following an acquisition, identifiable assets, liabilities and contingent liabilities are applied at fair value at the time of acquisition. The calculation of fair value must therefore involve estimates. Where intangible assets have been identified under purchase price allocation, depending on the type of assets, the degree of complexity of the calculation of fair value and the transaction volume, either the opinion of an independent, external consultant is applied, or the fair values are calculated internally. Where the calculation is done internally, it is based on an appropriate evaluation technique. Related evaluations are closely combined with assumptions and estimates made by the Management Board in relation to the future development of the identified assets and regarding the discount interest rate applied.

Any non-controlling shares are reported as minority interests.

In the case of gradual acquisitions, goodwill is determined at the time control was gained and is the difference between the re-calculated carrying value of the investments plus acquisition costs for buying the new shares less the pro rata net assets attributable to GfK. Changes in the participation quota without change of control are to be recorded solely as equity transactions.

Incidental acquisition costs in connection with business combinations are not capitalized but recognized as expenses.

All transactions and balances between companies of the GfK Group which are included in the consolidated financial statements are eliminated when preparing the consolidated financial statements. Differences arising from debt consolidation are recorded in the income statement. Deferred tax on debt consolidation is recorded at a rate of 30 percent, which is the expected group tax rate excluding exceptional effects. Intercompany results and intra-company asset movements are eliminated with impact on the income statement if they are significant.

Associates are included at equity (one-line consolidation). They are stated for the first time at the acquisition date. First-time valuation is in line with full consolidation. Any difference on the assets side arising from offsetting the carrying amount of the participation against the pro rata equity capital at initial valuation is included in the equity carrying value.

Profits or losses from mergers arising from the merger of two consolidated companies in the GfK Group are eliminated. Mergers therefore have no impact on the consolidated income statement of the GfK Group. Company mergers involving external minority shareholders do not give rise to any change in the total minority interests or the consolidated total income.

Shares in the equity of subsidiaries attributable to external minority interests are shown separately under equity. Shares in the subsidiaries' result attributable to external minority interests are shown as a separate item in the consolidated income statement.

-> 3. ACCOUNTING POLICIES

3.1 CURRENCY TRANSLATION

Transactions in foreign currencies are translated into the functional currency of the reporting company at the exchange rate on the date on which they were carried out. As at the balance sheet date, monetary items are translated at the exchange rate on that date and non-monetary items are valued at the historical rate on the transaction date. Differences resulting from these conversions are, in principle, reported with impact on the income statement.

The balance sheets of foreign subsidiaries not prepared in euro as well as hidden reserves disclosed under purchase price allocation and goodwill from mergers and acquisitions are translated into euro in accordance with the functional currency concept, based on the mean exchange rate on the reporting date. The annual average euro exchange rate, calculated as the mean of all month-end exchange rates, is applied to the income statements of these subsidiaries.

Differences arising from the translation of asset and liability items at the exchange rate on the reporting date compared with the translation on the prior reporting date are reported in other comprehensive income (OCI). Exchange rate differences arising from capital consolidation and differences arising from translation of the annual result in the balance sheet (reporting date rate) and the income statement (average rate) are reported in other reserves.

The exchange rates against the euro of the key currencies for the GfK Group are indicated in the table below:

Main currencies		Mean euro rate on balance sheet date		Average euro rate during reporting year	
Country	Currency unit	Dec. 31, 2013	Dec. 31, 2014	2013	2014
USA	1 USD	0.73	0.82	0.75	0.76
UK	1 GBP	1.20	1.28	1.18	1.25
Switzerland	1 CHF	0.81	0.83	0.81	0.82
Singapore	1 SGD	0.57	0.62	0.60	0.60
Japan	100 JPY	0.69	0.69	0.77	0.71

Currency gains and losses, which result from similar transactions, are netted at the level of each subsidiary.

3.2 CONSOLIDATED INCOME STATEMENT

The consolidated income statement is prepared in accordance with the cost of sales accounting method. Expenses are shown by function.

3.3 SALES

The method of recognizing sales is largely determined according to IAS 18, Revenue, and depends on the nature of the underlying transaction:

Panel business involves surveying individuals, households and companies and is characterized by the fact that the same circumstances are analyzed at the same regular intervals on the basis of the same sample and always using the same methods. For business involving panels, the GfK Group recognizes sales pro rata temporis according to the progress of the project. The sales for a project are therefore distributed evenly over its duration. Each month during the term of a contract, the same sales are recognized in terms of amount.

Ad hoc business is the systematic, empirical research used as the basis of marketing decisions in all areas of the marketing mix. This includes tests and surveys on product and pricing policy, on brand positioning and brand management and on traditional and modern forms of communication with consumers and users. It is employed with the goal of optimizing distribution and enhancing customer loyalty and retention. Ad hoc research business is valued using the percentage of completion method. Progress on the project is determined as the ratio of actually accumulated costs to the overall anticipated costs of the project. The estimate of total cost is continuously checked during the life of the project. Changes in the estimate of total cost flow into the calculation of recognizable sales at the time at which they can be anticipated.

The costs to be included in this calculation comprise all direct personnel expenses and other cost of sales as well as pro rata indirect costs. Provisions are set up for expected losses on orders in progress when they can be anticipated.

Syndicated business analyzes markets and market players without this being specifically commissioned by a client to whose requirements the survey would be tailored. The completed study is marketed without client-specific adjustments. Syndicated surveys may be conducted once or on a recurring basis without fulfilling the distinct and highly specific features of a panel. Various market participants may be questioned in repeated surveys, or the studies may be published at different intervals. In terms of determining sales, syndicated business is treated like panel business if it is comparable to panel business in nature because it involves repeated surveys where the cost behavior pattern is relatively evenly distributed over the term.

For other syndicated business, the method of recognizing sales depends on the empirical estimate of the profitability of the respective survey:

> If a profit from the survey is probable, it is valued the same as an ad hoc research contract.
> If it is not yet sufficiently certain that enough purchasers will be found for a survey, the sale is recognized as follows, corresponding to the accumulated costs. If the value of the actual incoming orders is below that of the costs accumulated, recognizable sales are limited to the value of incoming orders. As soon as it is certain that the value of orders exceeds the costs, sales are recognized according to the method used for ad hoc research contracts.

In all **other business transactions**, sales are only recognized once the work has been completed and invoiced.

For sales recognition based on the percentage of completion method, the estimation of degree of completion is significant. Estimates are also necessary in relation to the extent of payables required for the fulfillment of contractual obligations. The fundamental estimates may concern those including total contractual costs, costs to be incurred up to completion, total sales from the contract and contractual risks. Management continually checks all estimates connected with relevant contracts and adjusts parameters where necessary. Changes to significant parameters can lead to an increase or reduction in sales for the respective reporting period.

3.4 COST OF SALES, SELLING AND GENERAL ADMINISTRATIVE EXPENSES

In addition to personnel expenses, services rendered and scheduled amortization and depreciation of tangible and intangible assets, the cost of sales, selling and general administrative expenses comprise all other costs directly linked to the operational activity of the GfK Group.

3.5 RESEARCH AND DEVELOPMENT COSTS

Research and development costs are basically recorded as expenses at the time they are incurred and shown under cost of sales.

Development costs incurred within the GfK Group, particularly for setting up new panels, are shown under other intangible assets if the capitalization criteria are met.

Internally generated intangible assets are only capitalized if they have resulted from the development phase and not the research phase and if further precisely defined preconditions have been cumulatively fulfilled. These include the technical viability of the project completion, the scheduled completion and use, as well as the usefulness to the company or salability of the intangible asset. Future economic benefits and the availability of the necessary technical, financial and other resources to complete the project must also be reported. Reliable calculation of the costs associated with the intangible asset during its development phase is also a precondition for capitalization of internally generated intangible assets.

3.6 OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses comprise income and expenses relating to operations, for which the allocation to sales or functional costs would not be appropriate. They mainly include exchange rate gains and losses from non-financial transactions, profit and loss from the disposal of fixed assets, impairments and reversals of impairment not attributable to functional costs, income and expenses in connection with reorganization and improvement projects, income and expenses in connection with share and asset deals, and expenses for legal disputes.

3.7 OPERATING INCOME

Operating income in the GfK Group comprises gross income from sales, less selling and general administrative expenses and net other income comprising other operating income and other operating expenses.

3.8 ADJUSTED OPERATING INCOME

The adjusted operating income indicator is used internally to manage the GfK Group’s business. It is derived from operating income.

To calculate adjusted operating income, the following income and expense items are excluded: goodwill impairment, write-ups and write-downs of additional assets identified on acquisitions, income and expenses in connection with share and asset deals, income and expenses in connection with reorganization and improvement projects, personnel expenses for share-based incentive payments, currency conversion differences and income and expenses related to one-off effects and other exceptional circumstances.

3.9 INCOME FROM ASSOCIATES

Income from associates comprises income and expenses resulting from the valuation of pro rata shares in associates at equity.

3.10 OTHER INCOME FROM PARTICIPATIONS

Other income from participations essentially comprises dividends from non-consolidated affiliated companies and other participations of the GfK Group, profit and loss from the disposal of such companies and income and expenses from profit transfer agreements with these companies.

3.11 EBIT

The performance indicator EBIT (earnings before interest and taxes) has been included as a sub-total in the consolidated income statement. EBIT is determined by adding income from associates and other income from participations to operating income.

3.12 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses comprise interest income and expenses, income and expenses from the valuation of derivative financial instruments used to hedge against interest rate risks, transaction costs for loans from banks, expenses related to write-offs of lendings, currency losses and gains resulting from financial transactions, such as loans and financial liabilities in foreign currencies, and other financial income. Interest expenses also include additional interest on previously discounted debt. Such additional interest relates to items such as future purchase price components from acquisitions, which are stated on the liabilities side at fair value.

Interest is recorded as income or expense at the time it is incurred. Interest is deferred on the basis of the effective interest rate method.

3.13 INCOME FROM ONGOING BUSINESS ACTIVITY

The “income from ongoing business activity” indicator has been included in the consolidated income statement as a sub-total. Income from ongoing business activity corresponds to consolidated total income before tax on income.

3.14 TAX ON INCOME

Tax on income from ongoing business activity comprises the current and deferred tax expense.

Companies in the GfK Group operate in many different countries. The GfK Group is therefore subject to a multitude of tax authorities of the most varying regulation. The tax items contained in the consolidated financial statements are calculated by taking account of the relevant tax laws and the respective tax administration statements. The complexity of certain factors can lead to differing interpretation by the taxpayer and the local tax authorities.

Deferred taxes are calculated according to the balance sheet liability method whereby deferred tax assets and liabilities are entered on the balance sheet for temporary differences between the carrying amounts attributed to the consolidated financial statements and the tax basis of the assets and liabilities. Any effects on deferred taxes from changes in tax law are incorporated in the income statement from the date on which the tax law is passed.

Deferred tax assets are only entered on the balance sheet if it is probable that they can be realized at a future date. This is generally the case when the relevant company is sufficiently likely to achieve enough taxable profit to use the tax benefit. Also taken into account are factors including the planned results from operational business, effects on results of the changes in taxable temporary differences and existing tax strategies.

The intrinsic value of deferred tax assets is estimated by the Management Board at every reporting date. Estimation of planned taxable income and tax benefits achievable through possible strategies is naturally subject to some uncertainty. Furthermore, limitations regarding the extent and timeframe of usability of future tax benefits can arise from changes in tax legislation. Estimates are adjusted in the period in which there is sufficient notice for adjustments.

Value adjustments for deferred tax assets are recorded when there are indications that deferred tax assets cannot or can only partially be realized. Applying its discretionary powers, the Management Board assumes a maximum period of time for the realization of deferred tax assets of five years for subsidiaries which are not making a sustained loss, otherwise the period of time is expected to be shorter.

Tax on items recognized in other comprehensive income (OCI) is not included in the consolidated income statement. No deferred taxes are amortized in relation to currency differences from intra-Group loans in foreign currency reported under OCI, which represent a net investment in the business operations of subsidiaries, because the temporary differences are not intended to be realized in the near future.

3.15
IMPAIRMENTS

If an asset is impaired and is therefore depreciated, the impairment expense is included in the income statement.

The intrinsic value of assets with an indefinite life and intangible assets under development is checked once a year by means of an impairment test. An impairment test is also carried out if triggering events occur, which may significantly affect the value of the assets concerned.

Impairments on intangible assets are applied if the recoverable amount is below the amortized cost of acquisition or production. The recoverable amount is defined as the higher of the two sums of the fair value less costs to sell or value in use of an asset whose expected future cash flows at the GfK Group are based on a minimum three-year period, planned in detail and discounted on the basis of discount rate to be determined individually at market conditions. The growth rate of the cash flows beyond the period of detailed planning is usually taken into account by reducing the discount interest rate by one to two percentage points. This method is used to determine the fair value of level 3.

Expenses arising from the decline in the value of goodwill and brands are reported in the consolidated income statement under other operating expenses, while impairments on surveys, panels, customer relations, long-term contracts and software are shown under functional costs. Any impairment of goodwill that has been recognized will not be reversed.

When reviewing other intangible assets or tangible fixed assets for impairments, determining the recoverable amount for these assets is also subject to estimates and assumptions by the Management Board, made with some uncertainty. Estimates and assumptions can have considerable influence on the respective values and ultimately on the extent of a possible impairment. Additional impairments or write-ups can result from a change in assumptions or circumstances in future.

More detailed explanations of the impairments applied to financial assets can be found within this chapter in the Section on “Financial instruments” below.

3.16
EARNINGS PER SHARE

The earnings per share (EPS) reported in the consolidated income statement show the proportion of consolidated total income attributable to equity holders of the parent, which relates to the weighted average number of shares in the reporting period.

The average number of shares does not have to be adjusted by the options exercised and expired during the reporting year to calculate diluted earnings per share since there are no longer any GfK stock options that can be exercised. Consequently diluted earnings per share correspond to earnings per share.

3.17
STOCK OPTIONS FOR EMPLOYEES AND EXECUTIVES OF THE GfK GROUP

Up until 2005, selected executives of the GfK Group were entitled to convert part of their variable remuneration into stock options in GfK SE. These options have a term of five years and may be exercised after two years. This remuneration, which is to be settled with equity instruments, was valued according to IFRS 2 at fair value on the grant date. The obligation was entered as an expense in the consolidated income statement whilst the counter-entry was made under capital reserve.

3.18
LONG-TERM INCENTIVE PLANS FOR EMPLOYEES AND EXECUTIVES OF THE GfK GROUP

In financial years 2006 to 2011, selected executives of the GfK Group were entitled to convert part of their variable remuneration into virtual GfK shares. Virtual shares entitle the holders to cash payments at the end of the three-year performance period. GfK grants a corresponding volume of additional performance shares. Neither of the shares is entitled to dividends. The payment for the performance shares, which is also due at the end of the performance period, depends on the achievement of two performance targets: the total shareholder return (TSR) on GfK shares compared with the TSR on shares of companies listed in the DJ Euro Stoxx Media Index and on the increase in the operating profit of the GfK Group, which corresponds to adjusted operating income, over a three-year period.

The amount payable at the end of the performance period is accumulated as provisions. The amount of the provision is based on an actuarial opinion. This is the amount transferred to the relevant provisions in addition to the premium waiver of the employees included for the respective financial year. It is calculated in accordance with the Black-Scholes valuation method and with the help of Monte Carlo simulations.

A new scheme has been in place for GfK SE Management Board members since financial year 2010, and for selected Group executives since 2012. Participants are granted an individual bonus amount, half of which is converted into virtual shares and half into a performance-based long-term cash bonus.

The conversion into virtual shares of the target amount of virtual shares is based on the GfK share price in the 20 trading days preceding the start of the performance period. If a dividend is paid to shareholders, the number of virtual shares increases in corresponding value.

Management Board members are entitled to exercise their virtual shares upon expiry of a four-year retention period. This must be done during certain trading windows within a two-year exercise period. If the shares are not exercised by the end of this period, they are paid out on the final day of the final exercise window.

The two-year exercise period does not apply to executives. For these participants, the amount paid out is based on the GfK share price in the last 20 days before expiry of the performance period.

The following applies to the performance-based long-term cash bonus: After expiry of a four-year performance period, the beneficiary is entitled to payment of a bonus. The amount is determined by the extent to which the specified performance target (average return on capital employed of GfK or GfK ROCE, for the four-year period) was achieved by December 31 of the third year following the year in which the bonus was granted. Payment for the corresponding term is calculated on the basis of the audited financial statements.

The bonus is not granted if employment is terminated before expiry of the performance period due to dismissal or resignation.

3.19 INTANGIBLE ASSETS

GOODWILL

Goodwill arising from the capital consolidation of subsidiaries and that transferred from subsidiaries' financial statements into the consolidated financial statements is reported by the GfK Group under intangible assets.

In business combinations, goodwill represents the remaining difference in assets after the costs of acquisition of the participation are offset against the proportion of acquired revalued equity.

Goodwill from the acquisition of companies which do not report in euro is recorded in the reporting currency of the acquired subsidiary. The exchange rate at the time of first consolidation is used to calculate the goodwill at initial recognition. Subsequent measurements are based on the mean rate as at the reporting date.

The GfK Group checks the intrinsic value of its cash generating units, including goodwill, as part of an impairment test once a year or when triggering events or changed circumstances arise. The intrinsic value of goodwill is subjected to regular review on September 30. For this purpose, goodwill is allocated to cash generating units, which correspond to a structure comprising the two sectors each with six regions supplemented by Other.

The intrinsic value of goodwill is indicated when the recoverable amount is not less than the carrying amount of the cash generating unit.

The recoverable amount corresponds to the fair value less costs to sell or the value in use if higher. Since only one of the two values has to exceed the carrying amount of the relevant cash generating unit, GfK generally only applies the fair value less costs to sell. This is calculated under the impairment tests using a discounted cash flow method. The expected future cash flows from the relevant five-year budget are used in calculations. The relevant forecasts take account of past experiences and are based on the best possible Management Board estimate of future development. The growth in cash flow after the five-year period (perpetuity) is taken into account by reducing the discount interest rate by 1.5 percentage points (2013: 1.5 percentage points). Similar to the discount interest rate, this growth rate is derived from available capital market data. This method is used to determine the fair value of level 3.

The discount interest rate is determined by carrying out a weighted average capital costs calculation, taking into account the standard industry capital structure and standard industry financing costs. The discount interest rate takes account of expectations of the equity investors and the relevant country risk. Depending on the cash generating unit, the resulting discount rate was between 6.5 percent and 11.8 percent as at December 31 (December 31, 2013: between 6.5 percent and 10.7 percent). The discount interest rate before tax as at December 31 was 9.1 percent to 14.5 percent (December 31, 2013: 9.1 percent to 14.5 percent).

Estimates are involved in determining the recoverable amount of cash generating units to which goodwill has been allocated. Primary assumptions on which calculation of recoverable amounts are made include estimated growth rates, weighted average capital cost rates and tax rates. Estimates are especially necessary in connection with the forecast and discounting of future cash flows and therefore expected economic development. Capital market volatility, interest rates and currency fluctuations also influence valuation. Estimates made and underlying methods can have considerable influence on respective values and therefore on the extent of a possible goodwill impairment.

OTHER INTANGIBLE ASSETS

The GfK Group's other intangible assets consist of internally generated intangible assets and miscellaneous intangible assets. To a very large extent, they include software and market research panels, which have either been acquired externally or generated internally. Other key components are client relationships and brands capitalized as part of the purchase price allocation.

Where an intangible asset has been subject to impairment, there is a reversal if a higher amount is recoverable at a later date. The carrying value after the reversal may not exceed the carrying value which would have resulted had the impairment not taken place in the past. The write-up is reported in the income statement in the item which previously included the impairment.

Internally generated intangible assets

At the GfK Group, internally generated intangible assets mainly comprise software and panel set-up costs.

As a rule, software developed by companies in the GfK Group is used internally for analyzing and processing market research data. In some cases, it is destined for external users and was written specifically to meet user requirements. Internal costs of software development are capitalized under non-current assets if the criteria according to IAS 38, Intangible Assets, are met. Amortization commences on completion of the software.

Panel set-up costs generally involve capitalized development costs for setting up new panels or expanding existing panels. Capitalized panel set-up costs include:

- Spending on materials and services used in constructing panels,
- Wages and salaries and other employment expenses for staff directly involved in setting up panels,
- Overheads necessarily incurred in panel set-up and which can reasonably and regularly be allocated to this, based on cost accounting.

Costs arising from the preparation and application phase and maintenance costs for current panels cannot be capitalized. They are included in expenses.

Panel set-up costs are only written down if they are directly incurred in conjunction with a specific, fixed-term current client order. As a rule, the amortization period in such cases is based on the duration of the contract or the useful life. In all other cases, the useful life of panels is indefinite and they are not subject to scheduled amortization. The value of panels is checked at least once a year as part of an impairment test.

Expenses for research activities are reported as expenses in the period under review. Development costs which did not result in a capitalizable intangible asset are also reported as expenses.

Miscellaneous intangible assets

Miscellaneous intangible assets include panels acquired externally, customer relations, software and brands.

Miscellaneous intangible assets are entered in the balance sheet at amortized cost and are subject to straight line amortization. This does not apply to customer relations and does not apply absolutely to brands. As a rule, the useful life of software and miscellaneous intangible assets is three to ten years.

Customer relations are generally subject to diminishing balance amortization over a period of 6 to 20 years at an individually determined customer churn rate of between 7 percent and 28.5 percent.

As a rule, brands are not subject to amortization and have an indefinite useful life. Where acquired brands are replaced by the GfK brand over a set period of time, they are subject to straight line amortization. In such cases, useful life is three years.

Intangible assets with an indefinite useful life are subject to an impairment test at least once a year.

The interest on borrowing relating to qualifying assets is capitalized.

3.20 TANGIBLE ASSETS

Tangible assets are valued at acquisition or manufacturing cost less cumulative depreciation. The interest on borrowing relating to qualifying assets is capitalized. Cumulative depreciation generally includes straight line depreciation up to the balance sheet date and any impairments recorded. The depreciation period corresponds to the useful life. Assets in the course of set-up are not subject to depreciation.

The GfK Group normally applies the useful life periods shown in the following table:

Asset	Useful life in years
Administrative buildings	50
IT equipment	3 to 5
Cars and other vehicles	5
Office equipment	3 to 5
Office furniture	10 to 13

The item fixtures and fittings also includes unfinished technical equipment.

Lease arrangements are entered on the balance sheet according to IAS 17, Leases, with either a finance or an operating lease depending on the type of contract.

Finance leases are characterized by the fact that risks and rewards of leased assets are generally transferred to the lessee. With a finance lease, the leased item is capitalized by the lessee and a corresponding leasing liability is recorded. The leasing liability is equivalent to either the present value of the minimum lease payments or the fair value of the leased asset at the start of the lease arrangement, if lower.

The capitalized lease asset is subject to straight line depreciation. The depreciation period is the lease term or the economic useful life, whichever is shorter. Subject to fulfillment of the preconditions, an impairment is recorded beyond that period.

The lease liability is amortized over the contractual period through lease payments. Discounts are written up by applying a constant interest rate to the remaining debt and recorded in interest expenses within other financial expenses.

With operating leases, the leased assets are entered on the balance sheet of the lessor. The lessee records the regular payments as rental expenses.

3.21 FINANCIAL INSTRUMENTS

Financial instruments are contracts which result in a financial asset with one company and a financial liability or an equity instrument with another.

Financial assets comprise, in particular, cash and cash equivalents, equity instruments held in other companies (e.g. participations), trade receivables, other loans granted and receivables, and primary financial instruments and derivatives held for trading purposes.

Financial liabilities regularly constitute a return entitlement in cash or other financial liabilities. At the GfK Group, they primarily comprise liabilities to banks, trade liabilities, liabilities under finance lease agreements and derivative financial instruments.

In the GfK Group, financial instruments are entered on the balance sheet as bought or sold on the trade date, i.e. on the date on which the obligation to buy or sell a financial instrument was entered into.

In the case of interest-bearing financial instruments, interest rate changes may result in a change in fair value and in the case of variable-rate financial instruments, in fluctuations in interest payments. In principle, current receivables and liabilities are not subject to interest rate risks.

Financial assets and financial liabilities are recorded if the GfK Group is a contractual party in relation to a financial instrument.

Financial assets are valued at fair value when they are first recognized. With regard to financial assets which are not subsequently valued at fair value and recognized in profit and loss, the transaction costs directly attributable to the acquisition are taken into account. The fair values stated on the consolidated balance sheet regularly correspond to the market prices of financial assets. Where these cannot be determined directly on the basis of an active market, they are valued using standard market procedures (valuation models). These are based on instrument-specific market parameters. The fair value of financial instruments that are entered in the balance sheet at amortized cost is determined in the same way. Non-interest-bearing and low-interest financial assets with a term of more than one year are discounted in principle. For financial assets with a remaining term of less than one year, it is assumed that the fair value corresponds to the nominal value.

Financial assets are taken off the books if the contractual rights to payments arising from the financial assets expire or if the financial assets are transferred with all material risks and rewards.

The loans and long-term fixed-term deposits reported under other financial assets are assigned to the “loans and receivables” category. They are valued at amortized cost using the effective interest rate method.

Financial assets held for trading purposes are valued at fair value. They include derivative financial instruments which are not linked to an effective hedge agreement according to IAS 39, Financial Instruments: Recognition and Measurement, and whose classification as financial assets held for trading is therefore mandatory. Any gain or loss resulting from the subsequent valuation of financial assets that are held for trading is reported in the consolidated income statement.

With regard to the accounting policies applied to financial investments, the Management Board has stipulated at its discretion as the competent body that financial instruments are never classified as held to maturity, but instead always as available for sale.

At the GfK Group, the category of available for sale financial assets represents the residual amount of primary financial instruments, for which IAS 39 applies and which were not allocated to a different category. They comprise investments in affiliated companies reported under other financial assets, other participations and other available-for-sale securities.

In principle, the valuation is based on the fair value derived from the market price where a price quoted in an active market is available. Any gains and losses resulting from the valuation at fair value are recognized in other comprehensive income. This does not apply if the item relates to permanent or material impairments, or exchange rate-related changes in the value of debt instruments. These are reported in the income statement.

The accumulated gains and losses from the valuation at fair value, which are stated in other reserves, are only reported in the consolidated income statement on disposal of the financial assets. If the fair value cannot be reliably determined for equity instruments that are not quoted on the stock exchange, participations are valued at acquisition cost in particular (less impairments where applicable).

Impairment expenses are stated if the carrying value of a financial asset is higher than the present value of future cash flows. An impairment test is carried out on every reporting date. In order to ascertain and objectively verify impairment, the following triggering events are considered:

- The debtor faces considerable financial difficulties.
- Observable data show that a measurable reduction in expected future cash flows has occurred since the asset was first recognized.

To decide whether an impairment is required, the existing loans, which are allocated to the “loans and receivables” category and therefore subsequently valued at amortized cost are analyzed. On the relevant reporting date, it is checked whether there is an objective indication of impairment that should be taken into account on the balance sheet. The impairment amount is calculated on the basis of the difference between the carrying value and the recoverable value, which equals the present value of the expected future cash flows. It is discounted at the original effective interest rate of the financial instrument. To simplify matters, cash flows from current receivables are not discounted. Impairments on financial instruments in the “loans and receivables” category are recorded in separate value adjustment accounts. The relevant value adjustment is removed on disposal of the financial instrument and no direct reduction or increase in the carrying value of financial instruments in the “loans and receivables” category takes place in principle.

Reclassifications between the levels of the valuation hierarchy of financial assets and financial liabilities that are valued at fair value are carried out at the end of the financial year in which they occurred.

Financial liabilities are valued at fair value when they are recognized for the first time. The directly attributable transaction costs are also stated for financial liabilities that are not subsequently valued at fair value, and amortized over the term using the effective interest rate method.

In principle, primary financial liabilities are valued at amortized cost. They include financial liabilities and trade liabilities as well as financial other liabilities and deferred items. Non-interest-bearing and low-interest liabilities with a term of more than one year are discounted. With regard to liabilities with a term of less than one year, it is assumed that the fair value corresponds to the repayment value.

It is mandatory to classify any derivative financial instruments which are not linked to effective hedge agreements as “held for trading”. Accordingly, they must be included in the balance sheet at fair value through profit or loss. If the fair value is negative, a financial liability is stated.

Financial liabilities are taken off the books if the contractual obligations have been settled, extinguished or have expired.

Borrowing costs are recorded as expenses in the period in which they were incurred.

The market value of financial instruments to be valued at fair value is generally established on the basis of stock exchange prices. If no stock exchange prices are available, the financial instruments are valued using standard market procedures (valuation models) based on instrument-specific market parameters.

The discounted cash flow method is used to establish the fair value, taking into account individual credit ratings and other market circumstances in the form of prevailing market credit ratings and liquidity spreads for determining the present value.

There are no liquid markets for financial instruments in the "loans and receivables" category, which are valued at amortized cost. For short-term loans and receivables, it is assumed that the market value corresponds to the carrying value. For all other loans and receivables, the market value is established by discounting the expected future cash flows. The interest rates applied for loans are those which would have been used for new loans with a similar risk structure, original currency and loan term.

For shares in unlisted companies it is assumed that the carrying value corresponds to the market value. The market value could only be reliably established on the basis of concrete acquisition negotiations.

Trade payables and financial current other liabilities generally have a remaining term of less than one year, so the carrying value approximately corresponds to the fair value.

For financial non-current liabilities, the fair values are determined as the present values of the payments associated with the liabilities.

3.22 DERIVATIVE FINANCIAL INSTRUMENTS, HEDGE ACCOUNTING

The GfK Group concludes transactions throughout the world in various currencies, which involve currency risk. In addition, short-term investments, investments in securities and borrowing from banks take place in various currencies and can result in risks due to changes in exchange rates, interest rates and market prices.

More detailed information on currency and interest rate risks as well as the goals, strategies and processes of risk management is provided in the risk report, which is part of the Group Management Report.

The GfK Group uses forward currency transactions as well as interest rate swaps to hedge against currency and interest rate risks.

Derivative financial instruments are reported at acquisition cost as asset or liability at the time of the transaction and subsequently valued at fair value. The valuation of derivative financial instruments is carried out using standard market procedures based on instrument-specific market parameters. Market prices are calculated on the basis of present value and option price models. Where possible, the relevant market prices and interest rates on the balance sheet date are used as input parameters for these models.

In hedge accounting, changes in the value of derivative financial instruments are recorded differently, depending on whether the instrument is a fair value hedge, cash flow hedge or net investment hedge.

If the derivative financial instrument is used to hedge against the risk of changes in the value of assets or liabilities, it represents a fair value hedge. In this case, changes in the value of both the hedged underlying item and the derivative financial instrument are taken to the income statement.

With changes in the value of cash flow hedges used to hedge underlying transactions against risks from fluctuations in future payment flows, the effective portions of the fair value fluctuations are initially reported under other comprehensive income (OCI). If the effectiveness of a hedge is not in the range of 80 percent to 125 percent, the hedge is liquidated. The ineffective portions of hedges are charged directly to the income statement. The risk regarding the amount of future cash flows applies, in particular, to variable rate loans and planned transactions that are highly likely to occur.

Once the hedged transaction affects the income statement, the accumulated gains and losses recognized in other reserves are released with impact on the income statement.

Net investment hedges can be used to secure net investments in foreign subsidiaries. This may, for example, involve a foreign currency loan in the local currency of the acquired participation. Any exchange gains or losses resulting from the reporting date valuation of the foreign currency loan relating to the effective portion are recognized in OCI, as is the case for cash flow hedges.

If the hedge is regarded as highly effective, the exchange gains and losses from the hedging instrument are posted in OCI. The release with impact on the income statement of this item does not occur at the end of the term of the hedging instrument, but only upon sale or liquidation of the hedged item.

The prerequisite for any type of hedge accounting is that the link between the hedged item and the hedging instrument is accurately documented. It must also be recorded how the hedging instrument used compensates the risk relating to the hedged item highly effectively and which methods are used to substantiate the effectiveness.

Generally, the part of the changes in value not covered by the hedged item is taken to the consolidated income statement.

In addition, the GfK Group enters into hedge agreements which do not meet the stringent regulations of IAS 39 and therefore cannot be reported according to the rules of hedge accounting. From a financial point of view, these hedge agreements also comply with risk management principles. Furthermore, hedge accounting is not applied to foreign currency hedges relating to reported cash assets and liabilities. This is because the gains and losses realized on the underlying instruments as a result of currency translation and reported in the income statement according to IAS 21, The Effects of Changes in Foreign Currency Exchange Rates, are linked to the gains and losses on the derivative hedging instruments. They virtually offset each other in the consolidated income statement.

3.23 RECEIVABLES AND OTHER ASSETS

Receivables are stated at nominal value or, in the case of identifiable specific risks, at the lower attributable value. This lower attributable value takes sufficient account of the default risk. Group-wide guidelines regulate hedging against the risk of non-payment. In the calculation of value adjustment requirement for risky loans, a significant level of estimation and assessment is necessary. Main factors here are client credit rating, current economic development and historic default rates.

A credit check of new clients should be obtained from a recognized credit agency, if the order volume exceeds € 50 thousand. If no satisfactory information about the client is available, two-thirds of the order value is payable prior to delivery. The credit rating of existing clients must also be monitored on the basis of the specified rules. In addition, the credit risk is minimized through issuing invoices for prepayments and on-account payments.

3.24 INVENTORIES

Inventories are valued at the lower end of acquisition or manufacturing cost and net realizable value. Due to their subordinated importance to the consolidated financial statements of the GfK Group, inventories are reported under current other assets and deferred items.

3.25 CASH AND CASH EQUIVALENTS

Cash and cash equivalents contain cash on hand and in banks, as well as liquid investments with a remaining term of less than three months.

3.26 EQUITY AND LIABILITIES

CAPITAL RESERVE

GfK SE's equity which is not part of subscribed capital attributable to the capital contributions of shareholders and which does not result from generated income is reported under the capital reserve. Services that are linked to deposits for the purposes of acquiring shares or granting privileges, as well as other services aimed at strengthening equity, are also reported under the capital reserve.

RETAINED EARNINGS

Amounts created from income in the financial year under review or prior financial years are reported as retained earnings. This includes a statutory reserve to be created from income.

OTHER RESERVES

Other reserves comprise changes in Group equity, which are initially reported in other comprehensive income and which do not involve contributions by shareholders or distributions to shareholders.

These changes result from exchange rate differences, unrealized profits and losses from available-for-sale securities, the valuation of hedging instruments (cash flow hedges and net investment hedges) and actuarial gains and losses on defined benefit plans.

MINORITY INTERESTS

Any non-controlling shares are reported as total minority interests.

3.27 PROVISIONS

In principle, provisions are set up when an obligation to a third party will probably result in an outflow of funds. In addition, the level of the obligation needs to be estimated reliably. Long-term provisions are discounted if they are interest-free or low-interest.

Provisions for pensions are valued in accordance with the projected unit credit method, in which future compensation increases are taken into account. The amount shown in the balance sheet represents the present value of the obligation, adjusted by the unrecognized past-service costs after offsetting the fair value of the plan assets. The discount interest rate is based on the interest rate for prior-ranking fixed-income corporate bonds.

On the basis of the net defined benefit liability or the net defined benefit asset, net interest is calculated on the net liability (net asset) from a defined benefit plan by multiplying the net liability (the net asset) at the beginning of the period with the discount interest rate, on which the defined benefit obligation, i.e. the gross liability, is based at the beginning of the period.

Pensions and similar obligations are accounted for using actuarial valuation methods. Underlying factors include actuarial assumptions such as discount rates, expected salary increases, mortality rates and increased rates for healthcare costs. Changed conditions can mean that actuarial assumptions may differ greatly from actual developments and therefore lead to significant changes in obligations connected to payments to employees.

Payments for defined contribution plans are stated as expenses when they occur.

GfK Group companies are occasionally involved in legal disputes. The Management Board regularly analyzes the latest information on legal risks. Provisions are set up for likely obligations, including estimated costs of legal consultation. The likelihood of an outcome unfavorable to the GfK Group, the extent of related liability and the possibility of being able to estimate the extent of the relevant obligations sufficiently are taken into account. For purposes of legal risk assessment, the GfK Group appoints internal and external legal counsel.

Provisions are set up for additional obligations to third parties, which are likely to lead to an outflow of funds in future but which are not liabilities, if there is more militating in favor of the existence of a present obligation than against and when the anticipated amount of the claim can be estimated within a certain range. The most probable amount is applied within this range.

3.28 FINANCIAL LIABILITIES

Financial liabilities include interest-bearing liabilities relating to financing, particularly loans from banks and other lenders, liabilities under finance leases and other interest-bearing liabilities.

The GfK Group reports rights to make delivery (put options or obligations) held by minority shareholders and variable purchase prices in connection with buying shares as purchase price elements which depend on future events and are impacted by future sales and EBIT. The minority interests affected by this are not reported as minority interests. The associated non-current or current financial liabilities are generally valued at fair value. Interest added to payment obligations is reported under interest expenses.

For possible adjustments to acquisition costs, as a result of future events which are recognized as liabilities at the time of acquisition, changes in value of liabilities from earn-outs and rights of minority shareholders to make delivery on or after January 1, 2010 are reported in other financial income in the income statement. The profit or loss resulting therefrom is corrected in the cash flow statement in the item “Other non-cash income/expenses” within cash flow from operating activity.

3.29 TRADE LIABILITIES AND OTHER LIABILITIES

Trade liabilities and other liabilities are stated at repayment value. Obligations under invoices outstanding are reported under trade payables.

3.30 LIABILITIES ON ORDERS IN PROGRESS

“Liabilities on orders in progress” comprise payments on account and accrued amounts from the recognition of sales. Within this item, sales are accrued which have arisen from contractually agreed invoices for prepayments or payments on account, but cannot yet be recognized as sales according to the above described sales recognition methods.

3.31
OVERVIEW OF THE VALUATION PRINCIPLES APPLIED

The following table shows the most important valuation principles that are applied in preparing the consolidated financial statements of the GfK Group.

ASSETS	
Goodwill	Impairment-only approach
Other intangible assets	
with limited useful life	Amortized acquisition or production costs
with indefinite useful life	Impairment-only approach
Tangible assets	Amortized acquisition or production costs
Financial assets	
Shares in affiliated companies, other participations	Acquisition costs
Loans and long-term fixed deposits	Amortized costs
Held for trading purposes	Fair value through profit or loss
Other financial assets available for sale	Fair value recognized directly in equity
Trade receivables and other receivables	Amortized costs
Financial other assets	
Derivative financial instruments used as hedges	Fair value recognized directly in equity
Derivative financial instruments not used as hedges	Fair value through profit or loss
Miscellaneous financial other assets	Amortized costs
Non-financial current other assets	Amortized costs
Short-term securities and fixed-term deposits	Amortized costs
Cash and cash equivalents	Amortized costs
LIABILITIES	
Provisions	
Pension provisions	Projected unit credit method
Other provisions	Discounted amount most likely to be paid
Interest-bearing financial liabilities	
Liabilities from finance lease	Present value of minimum lease payments
Purchase price components which depend on future events	Fair value through profit or loss
Other interest-bearing financial liabilities	Amortized costs
Financial other liabilities	
Derivative financial instruments used as hedges	Fair value recognized directly in equity
Derivative financial instruments not used as hedges	Fair value through profit or loss
Miscellaneous financial other liabilities	Amortized costs
Trade payables	Amortized costs
Liabilities on orders in progress	Amortized costs
Non-financial other liabilities	Amortized costs

3.32
CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement shows the changes to the balance sheet item "Cash and cash equivalents" resulting from cash flows from operating activity, investing activity and financing activity.

The cash flow from operating activity is derived indirectly from changes to the balance sheet entries. These are adjusted for the effects of currency translation and changes in the scope of consolidation. As a consequence, only a limited reconciliation is possible between the changes in the balance sheet items according to the consolidated cash flow statement and the arithmetical changes in the consolidated balance sheet, the schedule of movements in non-current assets and other information in the Notes to the consolidated financial statements.

3.33
ESTIMATES

The production of the consolidated financial statements of the GfK Group under IFRS requires the use of assumptions and estimates. Some of these estimates relate to circumstances where uncertainty is inherent and may be subject to change. These estimates and assumptions were made by the Management Board, taking into account all known facts to the best of their knowledge, in order to gain an accurate situational picture of the net assets, financial position and results of operations. However, actual figures for assets and liabilities as well as contingencies on the balance sheet date and the income and expenses for the financial year can differ from this.

Estimates are used in the realization of sales under the percentage of completion method, in connection with the value adjustment requirement for risky loans and in impairment tests for goodwill and for other intangible or tangible assets. In addition, estimates are made in the purchase price allocation following business combinations, in assessing the intrinsic value of deferred tax assets and in the recognition and valuation of conditional purchase price obligations and provisions. More precise explanations on the type of estimates necessary in these areas and on making estimates in the GfK Group can be found in the earlier explanation of the accounting and valuation methods. The parameters applied in the reporting year to the impairment test for intangible assets and for the valuation of pension provisions are shown in these Notes under Sections 16., "Intangible Assets", and 25., "Provisions".

The most important estimates regarding the future performance of the GfK Group and its economic environment are described in the Outlook Section of the Group Management Report.

-> 4. SCOPE OF CONSOLIDATION AND MAJOR ACQUISITIONS

4.1 FULLY CONSOLIDATED COMPANIES

As at December 31, 2014, the scope of consolidation in accordance with IFRS included 10 (2013: 13) German and 127 (2013: 131) foreign subsidiaries in addition to the parent company.

The table below shows the changes in fully consolidated subsidiaries between January 1, 2014 and December 31, 2014:

Fully consolidated subsidiaries (number)	Jan. 1, 2014	Additions	Disposals	Dec. 31, 2014
Germany	13	0	–3	10
Abroad	131	5	–9	127
TOTAL	**144**	**5**	**–12**	**137**

In the year under review, a 100 percent participation was acquired in Genius Digital Ltd., Reading, Berkshire, UK. The company was consolidated for the first time with effect from January 1, 2014. Effective as at August 1, 2014, the 100 percent participation that was acquired in Cogenta Systems Ltd., Windsor, Berkshire, UK, ("Cogenta") was consolidated for the first time, with effect from that date. Both companies operate in the Consumer Choices sector.

The purchase price resulting from these acquisitions totaled € 5,811 thousand in the year under review, € 4,459 thousand of which was paid in cash. These acquisitions resulted in goodwill of € 4,225 thousand, attributable to the Consumer Choices sector (of which € 4,007 thousand Cogenta). The goodwill primarily represents the expertise of the employees in these firms, which cannot be capitalized separately.

As yet unreported intangible assets and the associated deferred taxes in the amount of € 1,545 thousand on balance were identified during the acquisition process (of which € 1,362 thousand Cogenta). This involves software, in particular, and other intangible assets.

	Pre-merger	At the date of acquisition
Non-current assets	**39**	**2,007**
of which: Cogenta	23	1,757
Current assets	**677**	**677**
of which: Cogenta	455	455
Cash and cash equivalents	**142**	**142**
of which: Cogenta	95	95
Liabilities and provisions	**1,464**	**1,887**
of which: Cogenta	130	503

These companies' accumulated net income since they have been part of the GfK Group is € –1,019 thousand (of which € –291 thousand Cogenta). These companies have contributed € 1,095 thousand to the GfK Group's consolidated sales in 2014 (of which € 529 thousand Cogenta).

The company established in 2013, GfK Turkey Danismanlik ve Pazar Arastırma Hizmetleri A.S., Istanbul, Turkey, was included in the scope of consolidation on January 1, 2014. It operates in the Consumer Choices and Consumer Experiences sectors.

The company established in the previous year, GfK Market Research Brasil Pesquisa de Mercado Ltda., São Paulo, Brazil, was likewise consolidated for the first time with effect from January 1, 2014. GfK Retail and Technology North Africa SARL, Casablanca, Morocco, was also consolidated for the first time with effect from January 1. Both companies operate in the Consumer Choices sector.

With effect from January 1, 2014, the companies Doane Marketing Research, Inc., Saint Louis, Missouri, USA, and GfK Retail and Technology USA, LLC, Wilmington, Delaware, USA, which both operate in the Consumer Choices sector, were merged into GfK Mediamark Research & Intelligence, LLC, New York City, New York, USA, which was then renamed GfK US, LLC. GfK SirValUse Consulting GmbH, Hamburg, Germany, which operates in the Consumer Experiences sector, was merged into GfK SE with effect from April 9, 2014.

In the Consumer Choices sector, GfK Enigma GmbH, Wiesbaden, Germany, was merged into Media Markt Analysen GmbH & Co. KG, Frankfurt/Main, Germany, with effect from August 19, 2014. The latter company was then renamed GfK Media and Communication Research GmbH & Co. KG.

These mergers within the Group served solely to simplify the Group structure and will have no direct economic impact.

In the 2014 reporting period, the following companies were liquidated on the dates indicated in parentheses: Intomart GfK Group B.V., Hilversum, Netherlands (February 19), AFI Investments ULC, London, UK (March 18), GfK Bridgehead Limited, Lincoln, UK (May 6), Modata GmbH i.L., Berlin, Germany (June 12), BIL Holdco Limited, Lincoln, UK (September 9), and Barterstore ULC, London, UK (December 23). The participation in INTERCAMPUS ESTUDOS DE MERCADO, LDA, Maputo, Mozambique, was sold on December 29, 2014. Apart from Modata GmbH i.L., Berlin, Germany, all liquidated and sold companies were deconsolidated for reasons of materiality with retroactive effect to January 1. Modata GmbH i.L. was deconsolidated with effect from June 30. MERC Analistas de Mercados C.A., Caracas, Venezuela, was also deconsolidated with effect from January 1, since its business activity has declined considerably. It is now included in the group of companies of minor importance.

4.2 COMPANIES OF MINOR IMPORTANCE

In the reporting year, the GfK Group did not include 31 (2013: 35) companies in the consolidated financial statements, because they were of minor significance for the net assets, financial position and results of operations of the Group.

Overall, external sales, annual income, total assets and cash flows from each of these companies are of minor importance, as in the previous year, compared with the corresponding figures in the consolidated financial statements.

4.3 ASSOCIATED COMPANIES

The consolidated financial statements as at December 31, 2014 report on participations in 12 (2013: 14) associated companies abroad and, as in 2013, in one associated company in Germany. In the case of the associated companies abroad, Genius Digital Ltd., Reading, Berkshire, UK, became a fully consolidated company with effect from January 1, as a result of an additional acquisition bringing the participation up to 100 percent. In addition, Media Behavior Institute LLC, Dover, Delaware, USA, was liquidated on November 18, 2014.

4.4 OTHER PARTICIPATIONS

The number of other participations remains unchanged at three.

-> 5. SALES

Sales are broken down according to type as shown in the table below:

	2013	2014
Sales in respect of third parties	1,490,210	1,448,015
Sales in respect of Group companies	2,096	2,635
Sales in respect of related parties and groups	2,487	2,273
SALES	**1,494,793**	**1,452,923**

The breakdown of sales according to sector and region is shown under Section 33. “Segment reporting”.

-> 6. COST OF SALES

The breakdown of cost of sales is shown in the table below:

	2013 1)	2014
Personnel expenses	474,219	491,960
Other cost of sales	458,618	424,257
Amortization/depreciation and impairment	54,437	48,131
Cost of sales relating to Group companies	7,923	9,042
Cost of sales (before research and development costs)	**995,197**	**973,390**
Research and development costs	12,775	17,196
COST OF SALES (INCLUDING RESEARCH AND DEVELOPMENT COSTS)	**1,007,972**	**990,586**

1) Previous year’s figures adjusted

Other cost of sales mainly comprises services purchased.

Further development of standardized cost accounting in the course of the REACH project (formerly SCOPE) has enabled GfK to break down the costs within the functional areas more appropriately.

The following table shows the reconciliation of the previous year’s figures with the presentation for this reporting year:

	Cost of sales		
	Structure up to 2013	Recon-ciliation	Structure from 2014
Personnel expenses	524,834	–50,615	474,219
Other cost of sales	408,003	50,615	458,618
Amortization/depreciation	54,437	0	54,437
Cost of sales relating to Group companies	7,923	0	7,923
Cost of sales (before research and development costs)	**995,197**	**0**	**995,197**
Research and development costs	12,775	0	12,775
COST OF SALES INCLUDING RESEARCH AND DEVELOPMENT COSTS	**1,007,972**	**0**	**1,007,972**

Personnel expenses amounting to € 50,615 thousand were reclassified as other cost of sales. This reclassification in cost of sales should be viewed in the context of the corresponding reclassification in selling and general administrative expenses.

-> 7. SELLING AND GENERAL ADMINISTRATIVE EXPENSES

The breakdown of selling and general administrative expenses is shown in the table below:

	2013 [1]	2014
Personnel expenses	194,602	198,253
Other selling and general administrative expenses	103,939	80,172
Amortization/depreciation and impairments	27,045	21,634
Other selling and general administrative expenses relating to Group companies	2,600	943
SELLING AND GENERAL ADMINISTRATIVE EXPENSES	**328,186**	**301,002**

1) Previous year's figure adjusted

Amortization and depreciation contains value adjustments on operating receivables in addition to amortization and depreciation and impairments on other intangible assets and tangible assets.

Other selling and general administrative expenses mainly consist of rental expenses, fees for consulting and other external service providers, travel expenses, charges for telecommunications, data transmission and processing as well as maintenance expenses. Further development of standardized cost accounting in the course of the REACH project (formerly SCOPE) has enabled GfK to break down the costs within the functional areas more appropriately.

The following table shows the reconciliation of the previous year's figures with the presentation for this reporting year:

	Selling and general administrative expenses 2013		
	Structure up to 2013	Reconciliation	Structure from 2014
Personnel expenses	143,987	50,615	194,602
Other selling and general administrative expenses	154,554	–50,615	103,939
Amortization/depreciation and impairments	27,045	0	27,045
Other selling and general administrative expenses relating to Group companies	2,600	0	2,600
SELLING AND GENERAL ADMINISTRATIVE EXPENSES	**328,186**	**0**	**328,186**

Other selling and general administrative expenses amounting to € 50,615 thousand were reclassified as personnel expenses. This reclassification in selling and general administrative expenses should be viewed in the context of the corresponding reclassification in cost of sales.

-> 8. OTHER OPERATING INCOME

Other operating income includes the items shown in the table below:

	2013	2014
Exchange gains	2,999	2,950
Reversal of impairments	0	1,120
Miscellaneous	2,173	3,748
OTHER OPERATING INCOME	**5,172**	**7,818**

Exchange gains mainly contain profits from foreign currency transactions in US dollars and pound sterling, and from foreign currency transactions of a company with the Russian ruble as functional currency in euro and US dollars.

The reversal of impairments mainly involves write-ups on brands in the amount of € 1,084 thousand (2013: € 0 thousand).

Miscellaneous operating income mainly consists of rental income from property.

-> 9. OTHER OPERATING EXPENSES

Other operating expenses include the items shown in the table below, which have not been assigned to functional costs:

	2013	2014
Goodwill impairment	114,596	59,498
Personnel expenses	7,113	10,842
Exchange losses	3,321	4,093
Amortization/depreciation and other impairments	6,063	1,963
Miscellaneous	6,198	24,775
OTHER OPERATING EXPENSES	**137,291**	**101,171**

The goodwill impairment of € 59,498 thousand (2013: € 114,596 thousand) resulted from a reassessment of the prospects for growth in the Consumer Experiences sector.

Personnel expenses primarily refer to severance payments in relation to positions which were no longer filled as a result of the areas in question being restructured as part of the new strategic orientation (€ 10,782 thousand; 2013: € 7,086 thousand).

Exchange losses chiefly comprise losses from foreign currency transactions of companies whose functional currency is not the euro, in euro, US dollars and Singapore dollars, and from foreign currency transactions of companies whose functional currency is the euro, in US dollars, pound sterling and Japanese yen.

Depreciation and other impairments mainly contain impairments on intangible assets, which are connected with the irregularities at GfK Arastırma Hizmetleri A.S., Istanbul, Turkey, which emerged in 2012 (€ 1,097 thousand; 2013: 3,896 thousand). The same situation resulted in additional expenses amounting to € 10,962 thousand (2013: € 1,737 thousand) being included in other operating expenses. These mainly comprise retrospective tax payments including penalties, as well as legal and consulting costs.

Miscellaneous other operating expenses also consist of expenses in connection with legal disputes (€ 3,196 thousand; 2013: € 1,391 thousand) and expenses for social security risks in various countries (€ 2,722 thousand; 2013: € 0 thousand).

-> 10. PERSONNEL EXPENSES

The expense items in the consolidated income statement include the personnel expenses listed in the table below:

	2013	2014
Wages and salaries	571,593	590,274
Social security contributions and expenses for pensions	105,964	115,110
PERSONNEL EXPENSES	**677,557**	**705,384**

-> 11. ADJUSTED OPERATING INCOME

Adjusted operating income is the internal management indicator for the GfK Group and is explained in detail in the Group Management Report. It is derived as follows:

	2013	2014
Operating income	**26,516**	**67,982**
Goodwill impairment	114,596	59,498
Write-ups and write-downs of additional assets identified on acquisition	26,238	11,391
Income and expenses in connection with share and asset deals	833	1,010
Income and expenses in connection with reorganization and improvement projects	12,676	17,058
Personnel expenses for share-based incentive payments	831	1,005
Currency conversion differences	323	1,142
Income and expenses related to one-off effects and other exceptional circumstances	8,385	19,746
ADJUSTED OPERATING INCOME	**190,398**	**178,832**

11.1 WRITE-UPS AND WRITE-DOWNS OF ADDITIONAL ASSETS IDENTIFIED ON ACQUISITIONS

The composition of write-ups and write-downs of additional assets identified on acquisitions and the allocation to items in the consolidated income statement are shown in the table below:

	2013	2014
Amortization		
Cost of sales	5,011	3,554
Selling and general administrative expenses	5,495	3,859
Impairments		
Cost of sales	5,139	6,778
Selling and general administrative expenses	10,002	1,622
Other operating expenses	591	0
Reversal of impairments		
Cost of sales	0	–1,954
Selling and general administrative expenses	0	–1,385
Other operating income	0	–1,083
WRITE-UPS AND WRITE-DOWNS OF ADDITIONAL ASSETS IDENTIFIED ON ACQUISITION	**26,238**	**11,391**

Further details are provided in Section 16. “Amortization, impairments and reversals of impairment of intangible assets”.

11.2 INCOME AND EXPENSES IN CONNECTION WITH REORGANIZATION AND IMPROVEMENT PROJECTS

Income and expenses from reorganization and improvement projects mainly concern expenses for severance payments required during reorganization projects amounting to € 10,782 thousand (2013: € 7,086 thousand). This item also includes expenses of € 4,033 thousand (2013: € 5,316 thousand) for the global standardization project REACH (formerly: SCOPE).

11.3 PERSONNEL EXPENSES FOR SHARE-BASED INCENTIVE PAYMENTS

Since 2009, no personnel expenses have arisen under the plan for granting option rights to executives of the GfK Group, because no new tranches have been issued since 2007.

A new scheme has been in place for GfK SE Management Board members since financial year 2010, and for selected Group executives since 2012. The following table shows the number, term and value of virtual shares issued as part of this long-term incentive program:

Tranche	1	2	3	4	5
Year issued	2010	2011	2012	2013	2014
Year of payment	2014	2015	2016	2017	2018
Number of virtual shares issued	36,385	24,985	50,211	47,383	44,632
Fair value of a virtual share in €	34.00	34.00	34.00	34.00	34.00

Expenses during the financial year totaled € 1,005 thousand (2013: € 831 thousand) for the program. Explanations on the programs can be found in Section "Accounting policies".

11.4 INCOME AND EXPENSES RELATED TO ONE-OFF EFFECTS AND OTHER EXCEPTIONAL CIRCUMSTANCES

Income and expenses related to one-off effects and other exceptional circumstances include € 12,059 thousand (2013: € 5,633 thousand) linked to the irregularities at GfK Arastırma Hizmetleri A.S., Istanbul, Turkey. The item also includes expenses in connection with legal disputes (€ 3,196 thousand; 2013: € 1,391 thousand) and expenses for social security risks in various countries (€ 2,722 thousand; 2013: € 0 thousand).

-> 12. OTHER FINANCIAL INCOME

Other financial income breaks down as shown below:

	2013	2014
Interest and similar income due from banks	605	712
Other interest income	751	1,350
Interest income	**1,356**	**2,062**
Miscellaneous other financial income	**16,186**	**7,995**
OTHER FINANCIAL INCOME	**17,542**	**10,057**

Miscellaneous other financial income mainly comprises exchange gains on financial assets, financial receivables and financial liabilities as well as income from currency hedging transactions totaling € 7,431 thousand (2013: € 13,822 thousand). These amounts and their development must be viewed in the context of the corresponding currency losses in other financial expenses.

Other financial income also essentially includes income from adjustments to purchase price commitments for the acquisition of participations or assets (put options or bonds) of € 564 thousand (2013: € 2,322 thousand) taken to the income statement.

-> 13. OTHER FINANCIAL EXPENSES

Other financial expenses break down as shown in the table below:

	2013	2014
Interest and similar expenses due to banks	7,368	7,715
Other interest expenses	14,037	13,729
Interest expenses	**21,405**	**21,444**
Miscellaneous other financial expenses	**20,888**	**12,970**
OTHER FINANCIAL EXPENSES	**42,293**	**34,414**

Other interest expenses include € 10,115 thousand (2013: € 10,115 thousand) in interest expenses on a bond with a volume of € 200 million issued on April 1, 2011, on which interest is fixed at 5 percent. Other interest expenses also comprise € 1,309 thousand (2013: € 2,325 thousand) in interest expenses on future purchase price liabilities for investment acquisitions.

Miscellaneous other financial expenses mainly comprises exchange losses on financial assets, financial receivables and financial liabilities as well as expenses arising from currency hedging transactions in the amount of € 10,975 thousand (2013: € 19,168 thousand). These amounts and their development must be viewed in the context of the corresponding currency gains in other financial income.

Further information about the use of derivative financial instruments is provided in Section 28., "Financial instruments", and Section 29., "Risk management relating to market, credit and liquidity risks".

-> 14. TAX ON INCOME FROM ONGOING BUSINESS ACTIVITY

The main elements of the Group's tax on income are shown in the table below:

	2013	2014
Actual tax expenses / income		
Tax on income for the current year	43,592	37,123
Tax income from the utilization of previously non-utilized tax losses	–660	–5,335
Tax on income for previous years	–1,251	924
Actual tax expenses / income	**41,681**	**32,712**
Deferred tax expenses / income		
based on the reassessment of the realizability of tax losses	5,458	–9,633
based on new tax losses incurred and applied and interest carried forward / tax credits	–9,549	–5,259
from write-ups and write-downs of additional assets identified on acquisitions	–9,857	–3,955
based on previously non-utilized tax losses and interest carried forward / tax credits	–1,461	–2,598
from changes to tax rates / new taxes	–98	355
from the formation or reversal of temporary differences	15,039	7,472
from the utilization of losses carried forward and interest carried forward / tax credits	4,337	8,429
Other deferred tax expenses	668	689
Deferred tax expenses / income	**4,537**	**–4,500**
TAX ON INCOME FROM ONGOING BUSINESS ACTIVITY	**46,218**	**28,212**

Income taxes are divided between Germany and other countries as follows:

	2013	2014
Actual tax expenses / income	**41,681**	**32,712**
of which Germany	2,239	3,106
of which abroad	39,442	29,606
Deferred tax expenses / income	**4,537**	**–4,500**
of which Germany	15,316	10,089
of which abroad	–10,779	–14,589

The tax rate used to calculate deferred taxes for GfK SE and its German subsidiaries that form part of a tax group comprise corporation tax of 15 percent plus the solidarity surcharge of 5.5 percent on the corporation tax debt paid as well as the effective trade tax rate of 15.645 percent. This results in an unchanged tax rate of 31.470 percent as at December 31, 2014.

The deferred taxes of the remaining German companies are calculated according to the relevant municipal factor of the trade tax rate. The deferred taxes of the companies outside Germany are calculated according to the country-specific tax rates.

The table below contains a reconciliation of the anticipated income tax expense on the income tax stated in financial year 2014. To calculate the anticipated tax expense, the tax rate valid during the reporting year for the parent company GfK SE, which was 31.470 percent (2013: 31.470 percent) is multiplied by the income before taxes.

	2013	2014
Total tax rate in percent	31.470	31.470
Expected tax expense	**1,309**	**14,977**
Increase / decrease in income tax debt resulting from:		
Change in temporary differences not recognized as deferred tax assets, loss carried forward, interest carried forward and tax credits	9,713	–13,773
Tax-exempt income	–2,749	–4,316
Change in permanent differences	234	–39
Income from at-equity participations that cannot be utilized for tax purposes	119	–21
Deferred tax assets on new tax credits	–279	–13
Effects of purchase price obligations	156	239
Adjustment of deferred tax due to changes in tax rates	–98	355
Tax from prior years	–3,926	988
Consolidation of taxable income from participations	578	1,271
Deviating tax base	2,934	2,128
Differences in tax rate	–2,012	2,756
Non-deductible expenses	3,190	6,309
Goodwill impairment	36,063	18,724
Other	986	–1,373
TAX EXPENSES REPORTED	**46,218**	**28,212**

The main reasons for the deviation of the expected tax expense from the reported expense include the capitalization of deferred taxes on as yet unrecognized loss carryforwards in the USA (€ 11,095 thousand) and the recognition of tax receivables in France resulting from the assertion of a tax consolidation in accordance with the ruling by the European Court of Justice of June 2014 (€ 5,067 thousand).

The following actual income tax assets and liabilities have been recorded in the consolidated balance sheet:

	Dec. 31, 2013	Dec. 31, 2014
Non-current income tax assets	2,260	4,051
Current income tax assets	17,306	17,413
TOTAL INCOME TAX ASSETS	**19,566**	**21,464**
Non-current income tax liabilities	257	0
Current income tax liabilities	15,936	15,522
TOTAL INCOME TAX LIABILITIES	**16,193**	**15,522**

Non-current income tax assets are reported under the balance sheet item “Non-current other assets and deferred items”.

The non-current income tax liabilities are included in the balance sheet item "Non-current other liabilities and deferred items".

The deferred taxes result from the balance sheet items shown in the following table:

	Dec. 31, 2013	Dec. 31, 2014
Goodwill	1,023	485
Other intangible assets	964	1,369
Tangible assets	3,319	2,136
Investments in affiliates	4	4
Investments in associates and other participations	34	25
Other financial assets	3,285	2,202
Non-current other assets and deferred items	5,247	1,355
Non-current assets	**13,876**	**7,576**
Receivables and current other assets	1,147	1,063
Securities and fixed-term deposits, cash and cash equivalents	0	0
Current assets	**1,147**	**1,063**
Long-term provisions	6,261	9,206
Non-current other liabilities and deferred items	1,328	834
Non-current liabilities	**7,589**	**10,040**
Short-term provisions	817	850
Current other liabilities and deferred items	17,675	21,804
Current liabilities	**18,492**	**22,654**
Losses carried forward	29,554	42,530
Interest carried forward/tax credits	18,104	16,306
DEFERRED TAX ASSETS	**88,762**	**100,169**
Goodwill	–29,842	–37,967
Other intangible assets	–68,117	–74,365
Tangible assets	–2,518	–2,520
Investments in affiliates	–2,213	–2,904
Investments in associates and other participations	–40	–32
Other financial assets	–3,072	–3,655
Non-current other assets and deferred items	–179	–732
Non-current assets	**–105,981**	**–122,175**
Receivables and current other assets	–16,959	–9,813
Securities and fixed-term deposits, cash and cash equivalents	–6	–25
Current assets	**–16,965**	**–9,838**
Long-term provisions	–952	–524
Non-current other liabilities and deferred items	–29	–460
Non-current liabilities	**–981**	**–984**
Short-term provisions	–799	–380
Current other liabilities and deferred items	–1,331	–941
Current liabilities	**–2,130**	**–1,321**
DEFERRED TAX LIABILITIES	**–126,057**	**–134,318**
NET DEFERRED TAX LIABILITIES	**–37,295**	**–34,149**

The change in these amounts is included in the consolidated income statement in the amount of € 4,500 thousand (2013: € –4,537 thousand). The remaining amount of € –1,354 thousand (2013: € 560 thousand) is posted to other comprehensive income and relates to the balance sheet item "Long-term provisions" in the amount of € 3,314 thousand (2013: € –660 thousand) and to currency difference effects in the amount of € –4,501 thousand (2013: € 1,694 thousand).

Deferred taxes are reported in the consolidated balance sheet as shown in the following table:

	Dec. 31, 2013	Dec. 31, 2014
Deferred tax assets	38,154	41,373
Deferred tax liabilities	–75,449	–75,522
NET DEFERRED TAX LIABILITIES	**–37,295**	**–34,149**

The change in income tax amounts connected with components of other comprehensive income are shown in the table below:

	2013	2014
Taxes in other reserves from actuarial gains/losses on defined benefit plans	–660	3,314
Taxes in other reserves from net investment hedges	–160	284
Taxes in other reserves from cash flow hedges	28	67
Taxes in other reserves from securities	0	–3
TAXES POSTED IN OTHER COMPREHENSIVE INCOME	**–792**	**3,662**

The breakdown of domestic and foreign tax loss carryforwards is shown in the following tables:

	Dec. 31, 2013		
	Germany	Abroad	Total
Total tax loss carryforwards	**19,160**	**183,053**	**202,213**
Tax loss carryforwards - recognized as deferred tax assets -	**12,640**	**92,498**	**105,138**
Lapse within the next 5 years	0	7,825	7,825
Lapse within the next 5 to 10 years	0	24,287	24,287
Lapse within 10 to 15 years	0	26,690	26,690
Lapse in more than 15 years	0	17,930	17,930
No time limit	12,640	15,766	28,406
Tax loss carryforwards - not recognized as deferred tax assets -	**6,520**	**90,555**	**97,075**
Lapse within the next 5 years	95	13,730	13,825
Lapse within the next 5 to 10 years	0	27,970	27,970
Lapse within the next 10 to 15 years	0	4,930	4,930
Lapse in more than 15 years	0	0	0
No time limit	6,425	43,925	50,350

	Dec. 31, 2014		
	Germany	Abroad	Total
Total tax loss carryforwards	24,311	177,993	202,304
Tax loss carryforwards – recognized as deferred tax assets –	16,806	128,427	145,233
Lapse within the next 5 years	0	26,834	26,834
Lapse within the next 5 to 10 years	0	42,638	42,638
Lapse within the next 10 to 15 years	0	31,178	31,178
Lapse in more than 15 years	0	16,340	16,340
No time limit	16,806	11,437	28,243
Tax loss carryforwards – not recognized as deferred tax assets –	7,505	49,566	57,071
Lapse within the next 5 years	0	15,747	15,747
Lapse within the next 5 to 10 years	0	4,599	4,599
Lapse within the next 10 to 15 years	0	0	0
Lapse in more than 15 years	0	0	0
No time limit	7,505	29,220	36,725

The estimate of their future realizability governs the recognition and valuation of deferred tax assets. This is dependent on the generation of future taxable profits during accounting periods in which tax valuation differences are reversed and tax loss carryforwards, interest carried forward and tax credits can be applied.

In view of expected future performance, it is assumed probable that the relevant benefits of the recognized deferred tax assets will be realized according to the provisions of IFRS. For companies which reported deferred tax assets for tax loss carryforwards and which were in a loss-making situation in the year under review or the previous year, additional deferred tax assets of € 6,672 thousand (2013: € 8,060 thousand) are stated, since there is sufficient assumption of future profits.

To assess this profit expectation, the Management Board has drawn upon past earnings situations and forecasted future results, calculated on the basis of approved business plans. Tax planning options, information on previously unused tax losses and credits from previous years and any other significant considerations were also used to test intrinsic value.

In addition to the unrecognized tax loss carryforwards mentioned above, there are temporary differences amounting to € 13,234 thousand (2013: € 5,253 thousand) and interest carried forward or tax credits of € 350 thousand (2013: € 672 thousand) in the Group, for which no deferred tax assets have been recognized. The interest carried forward and tax credits not recognized as deferred tax assets have no time limit on their use.

The GfK Group reports deferred tax assets on retained profits from foreign subsidiaries where these profits are distributable and are to be distributed in the foreseeable future. No tax liabilities were deferred in relation to temporary differences amounting to € 19,864 thousand (2013: € 25,430 thousand) in view of the fact that there is no pay-out intention.

Pay-outs to shareholders of GfK SE do not result in income tax consequences at GfK SE level.

-> 15. EARNINGS PER SHARE

Earnings per share are derived as shown below:

	2013	2014
Consolidated total income attributable to equity holders of the parent	–54,017	5,859
Number of weighted average of shares outstanding – non-diluted –	36,503,896	36,503,896
Number of weighted average of shares outstanding – diluted –	36,503,896	36,503,896
Earnings per share in €	–1.48	0.16
Earnings per share (diluted) in €	**–1.48**	**0.16**

There are no circumstances that may result in dilution.

-> 16. INTANGIBLE ASSETS

The movement in intangible assets is shown in the table below:

	Goodwill	Internally generated intangible assets	Miscellaneous intangible assets	Total intangible assets
Acquisition and manufacturing costs				
As at January 1, 2013	958,490	143,523	432,421	1,534,434
Exchange rate changes	–30,403	–1,809	–19,456	–51,668
Additions from business combinations	4,389	75	1,618	6,082
Other changes in scope of consolidation	0	0	0	0
Additions	10	42,086	14,812	56,908
Disposals	–2,389	–2,774	–5,962	–11,125
Reclassifications	0	–3,775	3,783	8
As at December 31, 2013	**930,097**	**177,326**	**427,216**	**1,534,639**
As at January 1, 2014	930,097	177,326	427,216	1,534,639
Exchange rate changes	62,135	839	32,950	95,924
Additions from business combinations	5,139	0	2,542	7,681
Other changes in scope of consolidation	0	49	–83	–34
Additions	0	45,514	5,718	51,232
Disposals	–1,985	–624	–1,767	–4,376
Reclassifications	0	–2,856	2,932	76
AS AT DECEMBER 31, 2014	**995,386**	**220,248**	**469,508**	**1,685,142**
Cumulative amortization				
As at January 1, 2013	39,454	54,439	271,596	365,489
Exchange rate changes	–2,935	–568	–12,212	–15,715
Additions from business combinations	0	0	159	159
Other changes in scope of consolidation	0	0	0	0
Additions	0	11,076	22,262	33,338
Disposals	0	–1,935	–5,851	–7,786
Impairments	114,596	1,538	17,794	133,928
Reversal of impairments	0	0	0	0
Reclassifications	0	–1,526	1,496	–30
As at December 31, 2013	**151,115**	**63,024**	**295,244**	**509,383**
As at January 1, 2014	151,115	63,024	295,244	509,383
Exchange rate changes	12,064	596	21,658	34,318
Additions from business combinations	0	0	27	27
Other changes in scope of consolidation	0	0	–28	–28
Additions	0	21,281	18,203	39,484
Disposals	0	–474	–1,753	–2,227
Impairments	59,498	136	9,496	69,130
Reversal of impairments	0	0	–4,422	–4,422
Reclassifications	0	–1,254	1,303	49
AS AT DECEMBER 31, 2014	**222,677**	**83,309**	**339,728**	**645,714**
Carrying values				
As at January 1, 2013	919,036	89,084	160,825	1,168,945
As at December 31, 2013	778,982	114,302	131,972	1,025,256
As at January 1, 2014	778,982	114,302	131,972	1,025,256
AS AT DECEMBER 31, 2014	**772,709**	**136,939**	**129,780**	**1,039,428**

Additions from business combinations into goodwill result from company acquisitions in the reporting year. Further information on this is available in Section 4. "Scope of consolidation and major acquisitions".

16.1 GOODWILL

At the beginning of 2014, the carrying value of goodwill amounted to € 778,982 thousand (2013: € 919,036 thousand). At year-end, the carrying value stood at € 772,709 thousand. The decrease in goodwill of € 6,273 thousand (2013: € 140,054 thousand) comprises € –59,498 thousand (2013: € –114,596 thousand) of write-downs on goodwill in the Consumer Experiences sector. Exchange rate-related and other changes account for € 49,592 thousand (2013: € –27,468 thousand) and effects resulting from the revaluation of purchase price obligations for the acquisition of participations make up € –1,506 thousand (2013: € –2,379 thousand). Business combinations resulted in additions of € 5,139 thousand (2013: € 4,389 thousand). Of the exchange rate-related changes, € –3,026 thousand (2013: € 1,771 thousand) is attributable to the impairment of goodwill. The reported reduction in goodwill in the balance sheet based on the impairment converted with average rates on the balance sheet date therefore amounts to € –62,524 thousand (2013: € –112,825 thousand).

16.2 INTERNALLY GENERATED INTANGIBLE ASSETS

Internally generated intangible assets break down as follows:

2013	with limited useful life	with indefinite useful life	Total
Software	82,861	0	82,861
Capitalized panel set-up costs	859	26,313	27,172
Other	4,269	0	4,269
INTERNALLY GENERATED INTANGIBLE ASSETS	**87,989**	**26,313**	**114,302**

2014	with limited useful life	with indefinite useful life	Total
Software	101,134	0	101,134
Capitalized panel set-up costs	6,766	28,328	35,094
Other	711	0	711
INTERNALLY GENERATED INTANGIBLE ASSETS	**108,611**	**28,328**	**136,939**

Capitalized panel set-up costs have only a limited useful life if the panel was created for a specific, fixed-term client contract. Otherwise, capitalized panel set-up costs have an indefinite useful life.

16.3
MISCELLANEOUS INTANGIBLE ASSETS

The breakdown of miscellaneous intangible assets is shown in the table below:

2013	with limited useful life	with indefinite useful life	Total
Acquired panels	1,270	60,953	62,223
Customer relations	28,273	0	28,273
Brands	1,452	13,949	15,401
Software	16,907	0	16,907
Surveys	2,002	0	2,002
Other	7,166	0	7,166
MISCELLANEOUS INTANGIBLE ASSETS	**57,070**	**74,902**	**131,972**

2014	with limited useful life	with indefinite useful life	Total
Acquired panels	986	63,742	64,728
Customer relations	26,583	0	26,583
Brands	176	16,862	17,038
Software	14,847	0	14,847
Surveys	152	0	152
Other	6,432	0	6,432
MISCELLANEOUS INTANGIBLE ASSETS	**49,176**	**80,604**	**129,780**

16.4
INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE

Details of the allocation of goodwill to cash generating units, which match the sectors, are provided in the table below. In the following, goodwill of the cash generating units where the goodwill is more than 5 percent of total goodwill of the GfK Group is shown separately. The write-down as a result of the impairment test is € 59,498 thousand (2013: € 114,596 thousand). This decline was largely offset by a rise in goodwill that was mainly due to exchange rates, such that the entire decrease is only € 6,273 thousand (2013: € 140,054 thousand).

The write-downs related to the Consumer Experiences sector in the Central Eastern Europe/META, Asia and the Pacific, Southern and Western Europe and Latin America regions.

	Dec. 31, 2013	Dec. 31, 2014
Consumer Experiences	**444,698**	**413,293**
of which		
Northern Europe	201,386	212,070
North America	63,218	71,307
Central Eastern Europe/META	91,108	65,854
Southern and Western Europe	46,055	39,206
Other	42,931	24,856
Consumer Choices	**334,284**	**359,416**
of which		
Northern Europe	138,455	149,880
North America	78,639	89,309
Southern and Western Europe	59,074	58,644
Other	58,116	61,583
GOODWILL	**778,982**	**772,709**

The allocation to sectors of capitalized panel set-up costs for internally generated panels with indefinite useful life is shown in the following table:

	Dec. 31, 2013	Dec. 31, 2014
Consumer Experiences	20,440	20,298
Consumer Choices	5,873	8,030
CAPITALIZED PANEL SET-UP COSTS WITH INDEFINITE USEFUL LIFE	**26,313**	**28,328**

Allocation to the sectors of acquired panels with indefinite useful life can be seen in the following table. The increase compared with the previous year is essentially due to exchange rate differences.

	Dec. 31, 2013	Dec. 31, 2014
Consumer Experiences	37,816	38,245
Consumer Choices	23,137	25,497
ACQUIRED PANELS WITH INDEFINITE USEFUL LIFE	**60,953**	**63,742**

In general, brands identified and capitalized under purchase price allocation have an indefinite useful life. These are established, well-known brands.

The allocation of brands within an indefinite useful life to the sectors is shown in the table below:

	Dec. 31, 2013	Dec. 31, 2014
Consumer Experiences	2,280	3,607
Consumer Choices	11,669	13,255
BRANDS WITH INDEFINITE USEFUL LIFE	**13,949**	**16,862**

16.5 INTANGIBLE ASSETS OF MAJOR IMPORTANCE

Intangible assets of major importance are those intangible assets in the GfK Group with an individual carrying amount of more than € 5 million. The sum total of these intangible assets of major importance, which constitute a subset of total intangible assets, is shown in the table below:

	Dec. 31, 2013	Dec. 31, 2014
Goodwill	778,982	772,709
Software	50,451	60,405
Panels	34,557	36,947
Brands	11,669	13,255

Software mainly contains the internally developed StarTrack analysis and production system in the Consumer Choices sector, which is constantly adjusted to client requirements. Software also contains Evogenius for the analysis of TV research data and ERP software, which is currently being developed as part of the global standardization program REACH (formerly SCOPE). The Mobile Insights software obtains information on mobile browsing habits and the use of apps from mobile phone data. As in the previous year, these software products have a useful life of three to ten years.

The brands category relates to a brand from the purchase price allocation linked to the acquisition of the former NOP World. The significant panels result from the purchase price allocation under the acquisition of the GfK Kynetec Group and from the purchase price allocation under the acquisition of Knowledge Networks Inc., Menlo Park, California, USA.

16.6 AMORTIZATION, IMPAIRMENTS AND REVERSALS OF IMPAIRMENT OF INTANGIBLE ASSETS

Amortization, impairments and reversals of impairment of intangible assets are included in the consolidated income statement under the items shown below:

2013	Amortization	Impairments	Reversal of impairments	Total
Cost of sales	–23,904	–7,083	0	–30,987
Selling and general administrative expenses	–9,434	–10,002	0	–19,436
Other operating expenses	0	–116,843	0	–116,843
TOTAL	**–33,338**	**–133,928**	**0**	**–167,266**

2014	Amortization	Impairments	Reversal of impairments	Total
Cost of sales	–26,972	–6,913	1,954	–31,931
Selling and general administrative expenses	–12,512	–1,622	1,385	–12,749
Other operating income	0	0	1,083	1,083
Other operating expenses	0	–60,595	0	–60,595
TOTAL	**–39,484**	**–69,130**	**4,422**	**–104,192**

Impairments are recorded when the carrying amount of the cash generating units tested is higher than the future recoverable amount. This is determined as the higher amount of the fair value less costs to sell and the value in use. The fair value less costs to sell is the amount that could be achieved between knowledgeable, willing parties that are independent of each other after deducting the costs to sell. Due to restrictions in determining the value in use, the fair value less costs to sell usually exceeds the value in use and consequently represents the recoverable amount for the GfK Group.

Where an intangible asset has been subject to impairment, there is a write-up if a higher amount is recoverable at a later date. The carrying value after the write-up may not exceed the carrying value which would have resulted had the impairment not taken place in the past.

The impairment adjustments were identified in the impairment test, which was based on updated capital market data and the business planning. The breakdown of impairment expenses is as follows:

	2013	2014
Goodwill	–114,596	–59,498
Panels	–6,537	–7,473
Customer relations	–10,002	–1,622
Surveys	–309	–439
Software	–103	–98
Concessions	–1,790	0
Brands	–591	0
TOTAL	**–133,928**	**–69,130**

Impairments have fallen sharply compared with the previous year. In particular, this is due to the lower write-downs on goodwill, although the reduced impairment charges on customer relations have also contributed to this development.

An impairment test is carried out at least once a year to determine whether and to what extent goodwill is to be impaired.

Overall, the write-downs on goodwill in the Consumer Experiences sector were attributable to the following regions:

	2013	2014
Central Eastern Europe / META	–2,257	–36,058
Asia and the Pacific	0	–13,187
Southern and Western Europe	–41,203	–6,848
Latin America	–22,541	–6,431
North America	–46,824	0
TOTAL	**–112,825**	**–62,524**

Impairments were required largely because of adjustments to the prospects for growth in the above-mentioned regions.

The following table shows the fair values less costs to sell of the cash generating units in the Consumer Experiences sector that were impaired in the reporting year or in the previous year.

	2013	2014
North America	123,080	136,722
Central Eastern Europe / META	110,183	84,361
Southern and Western Europe	86,735	71,244
Asia and the Pacific	57,661	29,906
Latin America	26,665	19,209

The tables below provide an overview of the goodwill tested in the impairment test and the material assumptions used in the impairment test. For reasons of materiality, only the cash generating units which exceed 5 percent of the GfK Group's total goodwill are listed individually. All other cash generating units have been listed in the following tables under the columns "Other CE" and "Other CC".

Consumer Experiences (CE)	Northern Europe	Central Eastern Europe / META	Southern and Western Europe	North America	Other CE
Tested goodwill as at December 31, 2014	212,070	102,007	47,041	71,307	46,098
Duration of detailed planning period	5 years	5 years	5 years	5 years	5 years
Average annual growth in external sales in the detailed planning period	1%	4%	1%	1%	4%
Average margin (adjusted operating income / external sales) in the detailed planning period	10%	9%	6%	10%	7%
Growth per year after the end of the detailed planning period	1.5%	1.5%	1.5%	1.5%	1.5%
Discount rate as at December 31, 2014	6.5%	8.4%	7.6%	7.2%	7.0% – 11.8%

Consumer Choices (CC)	Northern Europe	Southern and Western Europe	North America	Other CC
Tested goodwill as at December 31, 2014	150,117	58,644	89,309	62,561
Duration of detailed planning period	5 years	5 years	5 years	5 years
Average annual growth in external sales in detailed planning period	8%	3%	6%	10%
Average margin (adjusted operating income / external sales) in the detailed planning period	18%	29%	25%	27%
Growth per year after the end of the detailed planning period	1.5%	1.5%	1.5%	1.5%
Discount rate as at December 31, 2014	6.5%	7.6%	7.2%	7.0% – 11.8%

Determination of the recoverable amounts is based on the forecast of future cash flows. Planning figures approved by the Management Board for the next five years are used for this purpose. These are based on past experience, the current results of operations and on the Management Board's assessment of the anticipated market environment. These planning figures were validated once again, both on a sector-specific and regional basis. The expected average annual external sales growth is therefore in line with past values and management expectations. Given the uncertainty surrounding future developments, a 15 percent haircut was applied to planned cash flows.

The planned margins are based on past empirical values. Future increases in margins in the Consumer Experiences sector are expected from the cross-sector use of technology, further expansion of global operations with resource optimization centers, standardized data collection, improved processes and the use of standardized methods. Anticipated additional growth in income is based on measures to improve efficiency and reduce costs.

The results of a sensitivity test required by IFRS are detailed below.

A 10 percent reduction in future cash flows in the Consumer Experiences sector would lead to goodwill being written down by a further € 21,507 thousand (2013: € 50,965 thousand). This write-down would result in the following additional impairment charges on the previously already impaired cash generating units: € 8,719 thousand (2013: € 13,936 thousand) on the Central Eastern Europe / META region, € 7,554 thousand (2013: € 13,326 thousand) on the Southern and Western Europe region, € 3,210 thousand (2013: € 0 thousand) on the Asia and the Pacific region, € 2,024 thousand (2013: € 4,172 thousand) on the Latin America region and € 0 thousand (2013: € 16,544 thousand) on the North America region. As before, a writedown would not be required in the Northern Europe region (2013: € 2,986 thousand).

A 1 percent increase in the discount interest rate with unchanged cash flows would also lead to goodwill being written down by a further € 32,572 thousand (2013: € 55,816 thousand) at the above-mentioned cash generating units. This write-down would result in the following additional impairment charges on the previously already impaired cash generating units: € 4,868 thousand (2013: € 0 thousand) on the Asia and the Pacific region, € 10,048 thousand (2013: € 12,698 thousand) on the Southern and Western Europe region, € 1,323 thousand (2013: € 2,492 thousand) on the Latin America region and € 10,756 thousand (2013: € 15,086 thousand) on the Central Eastern Europe / META region. A write-down of € 5,577 thousand (2013: € 15,608 thousand) would also be required in the North America region. As before, a write-down would not be required in the Northern Europe region (2013: € 9,931 thousand).

Even if a perpetuity growth rate of only 1.5 percent were already applied in the detailed planning for 2018 and 2019 for regions with higher growth rates, with all other planning assumptions unchanged, an additional impairment requirement would arise of € 8,041 thousand (2013: € 5,175 thousand). Of this figure, € 4,493 thousand (2013: € 4,080 thousand) would be attributable to the Central Eastern Europe / META region, € 2,557 thousand (2013: € 0 thousand) to the Asia and the Pacific region and € 991 thousand (2013: € 1,096 thousand) to the Latin America region.

None of these changes to parameters would lead to impairments being required in the Consumer Choices sector.

The recoverability of the capitalized panel set-up costs and brands with an indefinite useful life was also checked as part of the impairment tests.

The table below provides an overview, as at the reporting date, of the material intangible assets with an indefinite useful life tested in the impairment tests and the material assumptions used in the relevant impairment test:

	US Agronomics Panel	Knowledge Panel	MRI brand
Carrying value	5,301	31,646	13,255
Basis of recoverable amount	value in use	value in use	value in use
Duration of the detailed planning period	5 years	5 years	5 years
Sector	Consumer Choices	Consumer Experiences	Consumer Choices
Average annual growth in external sales in the detailed planning period	6%	7%	6%
Average margin (adjusted operating income / external sales) in the detailed planning period	18%	11%	30%
Growth per year after the end of the detailed planning period	1.5%	1.5%	1.5%
Discount rate	7.2%	7.2%	7.2%

-> 17. TANGIBLE ASSETS

The movement in tangible assets is shown in the table below:

	Land and buildings	Fixtures and fittings	Total tangible assets
Acquisition and manufacturing costs			
As at January 1, 2013	48,950	276,033	324,983
Exchange rate changes	–371	–6,127	–6,498
Additions from business combinations	0	144	144
Other changes in scope of consolidation	0	0	0
Additions	46	24,255	24,301
Disposals	50	–34,858	–34,808
Reclassifications	12	–20	–8
As at December 31, 2013	**48,687**	**259,427**	**308,114**
As at January 1, 2014	48,687	259,427	308,114
Exchange rate changes	415	20	435
Additions from business combinations	0	440	440
Other changes in scope of consolidation	0	–666	–666
Additions	221	37,720	37,941
Disposals	–22	–27,023	–27,045
Reclassifications	–2,257	2,181	–76
AS AT DECEMBER 31, 2014	**47,044**	**272,099**	**319,143**
Cumulative depreciation			
As at January 1, 2013	20,333	192,838	213,171
Exchange rate changes	–181	–3,625	–3,806
Additions from business combinations	0	113	113
Other changes in scope of consolidation	0	0	0
Additions	1,171	24,281	25,452
Disposals	51	–34,255	–34,204
Impairments	0	3,761	3,761
Reversal of impairments	0	–1	–1
Reclassifications	0	30	30
As at December 31, 2013	**21,374**	**183,142**	**204,516**
As at January 1, 2014	21,374	183,142	204,516
Exchange rate changes	217	–529	–312
Additions from business combinations	0	406	406
Other changes in scope of consolidation	0	–650	–650
Additions	1,098	23,891	24,989
Disposals	–22	–26,667	–26,689
Impairments	0	1,109	1,109
Reversal of impairments	0	–36	–36
Reclassifications	–2,080	2,031	–49
AS AT DECEMBER 31, 2014	**20,587**	**182,697**	**203,284**
Carrying values			
As at January 1, 2013	28,617	83,195	111,812
As at December 31, 2013	27,313	76,285	103,598
As at January 1, 2014	27,313	76,285	103,598
AS AT DECEMBER 31, 2014	**26,457**	**89,402**	**115,859**

17.1 LEASING

The GfK Group leases office premises and business equipment under long-term lease agreements. As a rule, the lease installments consist of a minimum lease payment plus a contingent lease payment whose level is governed by the level of use of the leased asset. In cases in which the GfK Group bears the risks and opportunities arising from the use of the leased assets to a substantial extent, these are capitalized (finance lease). Otherwise, the lease installments are carried as an expense (operating lease).

OPERATING LEASE

The payments listed in the table below under operating lease agreements are carried as expenses:

	2013	2014
Minimum lease payments	48,311	49,260
Contingent lease payments	94	93
Less sub-lease payments received	–506	–471
LEASE PAYMENTS	**47,899**	**48,882**

As at December 31, 2014, the future minimum lease payments under non-terminable agreements were due as follows:

	Dec. 31, 2013	Dec. 31, 2014
Within one year	46,428	40,437
Between one and five years	114,070	99,414
After more than five years	61,518	55,513
FUTURE MINIMUM LEASE PAYMENTS UNDER OPERATING LEASES	**222,016**	**195,364**

The main operating leases in the GfK Group involve leases on land and buildings, some with the option to extend the lease. They have differing future expiry dates.

FINANCE LEASE

The carrying values of assets leased and capitalized as part of finance-lease agreements stood at € 320 thousand (2013: € 704 thousand) and mostly involved fixtures and fittings.

Determination of the present value and due date of future minimum lease payments are shown in the tables below:

Dec. 31, 2013

Payable	Minimum lease payments	Less interest	Present value minimum lease payments
Within one year	364	23	341
Between one and five years	186	18	168
After more than five years	0	0	0
FUTURE MINIMUM LEASE PAYMENTS	**550**	**41**	**509**

Dec. 31, 2014

Payable	Minimum lease payments	Less interest	Present value minimum lease payments
Within one year	178	9	169
Between one and five years	21	2	19
After more than five years	0	0	0
FUTURE MINIMUM LEASE PAYMENTS	**199**	**11**	**188**

In the reporting year, there were no contingent lease installments to be recognized as expenses. There were no sub-lease arrangements under finance leases.

The finance lease liability is € 188 thousand (2013: € 509 thousand), of which € 169 thousand (2013: € 341 thousand) has a remaining term of under one year.

-> 18. FINANCIAL ASSETS

18.1 INVESTMENTS IN ASSOCIATES

The GfK Group's investments in associates are shown in the list of shareholdings in Section 40. of these Notes, where it is also stated which associated companies are not subject to at equity valuation for reasons of materiality.

NPD Intelect, L.L.C. ("NPD Intelect"), is regarded as a material associate within the GfK Group. It is a limited liability company registered in Delaware and headquartered in Port Washington, New York, USA. NPD Intelect primarily carries out market research for major retail and consumer goods companies in Canada, Japan, Mexico and the USA. With its sales tracking services, special market research reports and its consumer behavior research, the company is able to provide its clients with information on current trends and how to exploit them in the retail sector in areas such as telecommunication, technology and consumer electronics.

In the reporting period, NPD Intelect paid dividends of € 6,098 thousand (2013: € 3,028 thousand) to the parent company GfK US Holdings, Inc., Wilmington, Delaware, USA.

The following table gives a summary of financial information on NPD Intelect. This financial information has been taken from the financial statements prepared for the company in accordance with IFRS. The table also shows the pro rata financial information on the GfK Group:

	2013	2014
Current assets	47,285	48,203
Non-current assets	10,025	18,501
Current liabilities	10,313	12,683
Net assets	46,997	54,021
Pro rata net assets	**11,749**	**13,505**
Dividend payout in Q4	–3,028	–6,098
Adjustments to the participation as part of at equity valuation	1,475	1,017
PRO RATA CARRYING VALUE AS AT DECEMBER 31	**10,196**	**8,424**
Sales	57,483	61,165
Total income for the period	10,491	12,823
PRO RATA TOTAL INCOME FOR THE PERIOD	**2,623**	**3,206**

The GfK Group also continues to hold investments in various immaterial associates.

The table below summarizes the aggregate financial information of all immaterial associates valued at equity:

	2013	2014
Pro rata carrying value as at December 31	2,876	3,096
Pro rata total income for the period	–478	782

The pro rata total income presented in the table above does not include the share of losses of immaterial associates valued at equity that was not reported. This share of losses is amounting to € 2,798 thousand for the current year (2013: € 802 thousand). The cumulative share of losses amounted to € 5,745 thousand (2013: € 2,947 thousand).

Disclosures on associates which are not valued at equity and two joint ventures in the GfK Group were waived for reasons of materiality.

The equity valuation was based on financial statements with differing reporting dates for the following associated companies:

> Sports Tracking Europe, B.V., Amstelveen, Netherlands (September 30, 2014)
> NPD Intelect, L.L.C., Port Washington, New York City, New York, USA (September 30, 2014)
> Oz Toys Marketing Services Pty. Ltd., Sydney, Australia (September 30, 2014)

The carrying amount of these shares and the income from associates are not materially affected by including these financial statements with differing reporting dates. Moreover, preparing interim financial statements would not have been possible for practical reasons.

18.2 OTHER FINANCIAL ASSETS

The breakdown of other financial assets is shown in the table below:

	Dec. 31, 2013	Dec. 31, 2014
Shares in affiliated companies	2,979	4,734
Other participations	916	915
Loans to affiliated companies	769	2,020
Loans to associates	1,409	690
Other loans	112	313
Other available-for-sale securities	292	306
Long-term fixed deposits	14	10
OTHER FINANCIAL ASSETS	**6,491**	**8,988**

The shares in affiliated, non-consolidated companies and other participations are classified as available for sale and reported at amortized cost, as no market prices exist for them, other methods of realistically estimating the fair value are not practicable and determining the market value reliably would only be possible as part of concrete acquisition negotiations. A sale of the shares is not currently intended.

Further information on the GfK Group's shares in affiliated companies and other participations is provided in the list of shareholdings in Section 40. of these Notes.

-> 19. OTHER ASSETS AND DEFERRED ITEMS

The breakdown of non-current and current other assets and deferred items by financial and non-financial other assets and deferred items is shown in the table below:

	Dec. 31, 2013 [1]	Dec. 31, 2014
Financial non-current other assets and deferred items	3,105	4,757
Non-financial non-current other assets and deferred items	4,745	9,281
NON-CURRENT OTHER ASSETS AND DEFERRED ITEMS	**7,850**	**14,038**
Financial current other assets and deferred items	11,005	10,560
Non-financial current other assets and deferred items	28,208	29,290
CURRENT OTHER ASSETS AND DEFERRED ITEMS	**39,213**	**39,850**

1) Previous year's figure adjusted to ensure appropriate allocation of financial and non-financial assets

Financial other assets and deferred items break down as follows:

	Dec. 31, 2013 [1]	Dec. 31, 2014
Financial non-current other assets and deferred items with a remaining term of more than one year		
Non-derivatives:		
Deposits	2,693	2,800
Interest receivables	0	359
Receivables from suppliers	47	25
Miscellaneous financial non-current other assets and deferred items	17	44
Sub-total: non-derivatives	**2,757**	**3,228**
Derivatives:		
Derivative financial instruments not used as hedges	348	1,529
Sub-total: derivatives	**348**	**1,529**
Financial non-current other assets and deferred items	**3,105**	**4,757**
Financial current other assets and deferred items with a remaining term of up to one year		
Non-derivatives:		
Deposits	2,908	2,978
Credit, refund claims	2,200	2,236
Receivables from suppliers	2,403	2,028
Bills receivable	1,178	617
Interest receivables	369	185
Miscellaneous financial current other assets and deferred items	1,561	1,134
Sub-total: non-derivatives	**10,619**	**9,178**
Derivatives:		
Derivative financial instruments not used as hedges	386	1,382
Sub-total: derivatives	**386**	**1,382**
Financial current other assets and deferred items	**11,005**	**10,560**
TOTAL: FINANCIAL OTHER ASSETS AND DEFERRED ITEMS	**14,110**	**15,317**
of which non-derivatives	13,376	12,406
of which derivatives	734	2,911

1) Previous year's figures adjusted to ensure appropriate allocation of financial and non-financial assets

The movement in valuation allowances on other assets and deferred items is shown in the table below:

	2013	2014
Valuation allowances on other assets and deferred items		
As at January 1	1,465	1,952
Additions	2,856	0
Releases	–7	0
Utilization	–2,290	–453
Changes in the scope of consolidation and other effects	–72	–10
AS AT DECEMBER 31	**1,952**	**1,489**

Non-financial other assets and deferred items as at the reporting date were as follows:

	Dec. 31, 2013 [1]	Dec. 31, 2014
Non-financial non-current other assets and deferred items with a remaining term of more than one year		
Receivables from income taxes	2,260	4,051
Receivables from tax and other authorities	1,971	3,645
Deferred items	507	1,307
Miscellaneous non-financial non-current other assets and deferred items	7	278
Non-financial non-current other assets and deferred items	**4,745**	**9,281**
Non-financial current other assets and deferred items with a remaining term of up to one year		
Deferred items	21,830	18,586
Receivables from tax and other authorities	3,461	3,990
Receivables from employees	1,185	2,473
Receivables from associates	719	1,271
On-account payments on intangible assets	66	931
Receivables from utilities	2	193
Miscellaneous non-financial current other assets and deferred items	945	1,846
Non-financial current other assets and deferred items	**28,208**	**29,290**
TOTAL: NON-FINANCIAL OTHER ASSETS AND DEFERRED ITEMS	**32,953**	**38,571**

1) Previous year's figures adjusted to ensure appropriate allocation of financial and non-financial assets

-> 20. TRADE RECEIVABLES

Trade receivables break down as follows:

	Dec. 31, 2013	Dec. 31, 2014
Trade receivables before valuation allowances	381,309	391,944
Less valuation allowances	–8,038	–7,250
TRADE RECEIVABLES	**373,271**	**384,694**

The movement in valuation allowances on trade receivables is shown in the next table:

	2013	2014
Valuation allowances on trade receivables		
As at January 1	8,648	8,038
Additions	4,328	2,383
Releases	–1,439	–1,557
Utilization	–3,212	–1,918
Changes in the scope of consolidation and other effects	–287	304
AS AT DECEMBER 31	**8,038**	**7,250**

Any addition to valuation allowances is reported in the consolidated income statement under selling and general administrative expenses.

–> 21. SECURITIES AND FIXED-TERM DEPOSITS

Securities and fixed-term deposits of € 945 thousand (2013: € 2,323 thousand) contain money market funds of € 927 thousand (2013: € 1,508 thousand).

–> 22. CASH AND CASH EQUIVALENTS

A breakdown of cash and cash equivalents is shown in the table below:

	Dec. 31, 2013	Dec. 31, 2014
Credit with banks	58,383	80,138
Cash equivalents and fixed term deposits with a remaining term of less than 3 months	11,149	13,451
Checks in transit	–497	–832
Cash on hand and checks	671	423
CASH AND CASH EQUIVALENTS	**69,706**	**93,180**

There are no material restrictions on the availability of cash and cash equivalents.

–> 23. DUE DATES OF ASSETS

The trade receivables fall due for payment as shown in the table below:

	Dec. 31, 2013	Dec. 31, 2014
Trade receivables	**373,271**	**384,694**
of which: neither impaired nor overdue	261,712	258,461
of which: not impaired and overdue as follows		
by up to 30 days	69,608	68,764
by between 31 and 90 days	28,718	39,051
by between 91 and 180 days	8,576	10,663
by between 181 and 360 days	3,363	5,624
by more than 360 days	1,294	1,792
of which: new terms negotiated, as otherwise overdue	0	339

In the GfK Group, a considerable portion of the trade receivables is due on the billing date.

With regard to trade receivables with no impairment, there was no indication as at the reporting date of circumstances that may negatively affect their value.

Current other assets and deferred items fall due for payment as shown in the table below:

	Dec. 31, 2013	Dec. 31, 2014
Current other assets and deferred items (excluding inventories and receivables from employees)	**38,019**	**37,369**
of which: neither impaired nor overdue	34,388	34,580
of which: not impaired and overdue as follows		
by up to 30 days	2,071	1,773
by between 31 and 90 days	1,004	578
by between 91 and 180 days	149	243
by between 181 and 360 days	347	145
by more than 360 days	60	49
of which: new terms negotiated, as otherwise overdue	0	1

With regard to non-impaired current other assets and deferred items, there was no indication as at the reporting date that the debtors would be unable to fulfill their payment obligations.

–> 24. EQUITY

24.1 SUBSCRIBED CAPITAL

GfK SE's share capital was unchanged in financial year 2014.

The 36,503,896 no-par shares issued are fully paid in. Each shareholder is entitled to receive dividends on his shares in accordance with the respective profit distribution resolution. Each of these no-par common shares grants one vote at the Annual General Assembly.

24.2 AUTHORIZED CAPITAL

GfK SE has authorized capital, on the basis of which the Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital against cash and/or contributions in kind on one or more occasions until May 25, 2016 by up to a total amount of € 55,000 thousand, whereby the shareholders' subscription rights may be excluded.

24.3 CONTINGENT CAPITAL

By resolution of May 16, 2012, the company's contingent capital was increased by € 21,000 thousand through the issue of up to 5,000,000 new no-par bearer shares (contingent capital III). The contingent capital III was used to grant shares to holders or creditors of options and/or convertible bonds.

The contingent capital of GfK SE totaled € 21,000 thousand as at December 31, 2014.

24.4 STATEMENT OF CHANGES IN EQUITY

The statement of changes in equity precedes these Notes.

The positive change in the difference from currency translation of € 63,030 thousand (2013: negative change of € 47,293 thousand) resulted mainly from the depreciation of the euro against the US dollar and pound sterling. The values exclude minority interests.

The change in actuarial gains and losses of € –11,314 thousand (2013: € 5,497 thousand) mainly reflects the adjustment in financial assumptions, in particular the actuarial interest rate, and value adjustments based on experience in the context of the valuation of pension obligations arising from defined benefit plans.

Of the amounts reported under other reserves, no material gains or losses were transferred to the income statement in financial year 2014, as was also the case in 2013.

In the reporting year, € 23,728 thousand (2013: € 23,728 thousand) was distributed to shareholders of GfK SE. This corresponds to € 0.65 (2013: € 0.65) per share.

Consolidated total income attributable to minority interests amounted to € 15,181 thousand (2013: € 8,883 thousand). A total of € 6,213 thousand (2013: € 7,110 thousand) was paid out to minority interests.

24.5 PROPOSED APPROPRIATION OF PROFITS

In accordance with the German Stock Corporation Act (AktG), the dividend that may be distributed is determined by the retained profit reported in the annual financial statements of the parent company GfK SE. These are prepared under the provisions of the German Commercial Code (HGB). The retained earnings and retained profit of GfK SE reported under the provisions of the HGB are available for distribution to the shareholders in their entirety. The capital reserve may not be distributed to shareholders.

A proposal will be made to the Annual General Assembly to distribute a dividend of € 23,728 thousand (€ 0.65 per no-par share) to shareholders out of the retained profit for 2014 of € 51,405 thousand and to transfer € 27,677 thousand to other retained earnings.

-> 25. PROVISIONS

25.1 LONG-TERM PROVISIONS

The breakdown of long-term provisions is shown in the table below:

	Dec. 31, 2013	Dec. 31, 2014
Pension provisions	49,450	64,326
Other long-term provisions	17,566	14,990
LONG-TERM PROVISIONS	**67,016**	**79,316**

PENSION PROVISIONS

Pension commitments are based on statutory or contractual arrangements or are on a voluntary basis. Pension provisioning within the GfK Group is based both on defined contribution plans and defined benefit plans for each company.

For defined contribution plans, which are financed on the basis of external funds or insurance, there are no further obligations for GfK companies other than paying contributions. Expenses for defined contribution plans also include employer contributions to statutory pension plans.

The basis of assessment for contributions to defined contribution plans is mainly the length of service with the company and the wage or salary level of the employee. However, the benefits can vary depending on the legal, fiscal and economic framework conditions of the country concerned. The expenses for defined contribution plans amounted to € 22,770 thousand in 2014 (2013: € 22,223 thousand).

The pension obligations arising from defined benefit plans are reported according to the projected unit credit method. Actuarial reports are produced annually by independent actuaries for defined benefit plans. The actuaries apply actuarial calculations to determine the level of the pension obligations. The provisions to be reported are the balance from the pension obligations plus the asset ceilings and the asset values. Determining the present value of defined benefit plans and pension assets is based on economic and demographic assumptions, such as future salary increases and mortality rates.

Discrepancies between the actual values and the values expected on the basis of the assumptions are expressed as actuarial gains or losses (revaluations). Actuarial gains and losses are recognized in other comprehensive income. In the year under review, actuarial losses of € 14,620 thousand (2013: gains of € 6,139 thousand) were posted in this way. This change also comprises the effects of currency translation. The cumulative amount recognized in other reserves in this respect totaled € –37,413 thousand as at December 31, 2014 (2013: € –22,794 thousand). The values indicated represent the relevant figures before deferred taxes and excluding minority interests.

The calculation of obligations is based on the actuarial and statistical assumptions listed in the table below (weighted averages):

	2013	2014
Discount rate	2.86%	1.67%
Rate of salary increase	1.80%	1.78%
Fluctuation rate	4.60%	4.80%
Expected growth in pensions	0.78%	0.74%

Mortality rates for GfK companies in Germany were taken from the 2005 G guideline tables by Dr. Klaus Heubeck. In the case of Switzerland, the mortality rates come from the BVG 2010 actuarial table.

The breakdown of pension provisions reported in the consolidated balance sheet is shown below:

	Dec. 31, 2013	Dec. 31, 2014
Present value of overall obligations	108,341	133,125
Fair value of plan assets	–58,975	–68,834
Refund claims	0	0
Impact of ceiling as per IAS 19.64	84	0
NET PRESENT VALUE OF OBLIGATIONS	**49,450**	**64,291**
Pension provisions	49,450	64,326
Other assets	0	–35
NET AMOUNT REPORTED ON BALANCE SHEET	**49,450**	**64,291**

Pension arrangements for major defined benefit plans are outlined in the following:

GfK Switzerland AG, Hergiswil, Switzerland, accounted for € 74,084 thousand (2013: € 57,945 thousand) of defined benefit obligation and for € 67,998 thousand (2013: € 58,030 thousand) of plan assets. In the prior year, pension plans were switched from defined benefit plans to modified contribution plans. This led to a one-off gain of € 10,051 thousand, which is reported under cost of sales and selling and general administrative expenses. The plan is a modified contribution plan where benefits for retirement include a guaranteed minimum interest rate and set conversion rates. The benefits covering risk (invalidity and surviving dependents) are defined benefits. They go beyond the statutory minimum benefits in every case. The pension fund has a legal status as a foundation, which is a legal entity in its own right. The foundation is responsible for capital investments and pursues a more conservative investment strategy within prescribed margins.

GfK SE accounted for € 48,312 thousand (2013: € 41,242 thousand) of the defined benefit obligation and € 248 thousand (2013: € 419 thousand) of plan assets. The benefit obligations are largely based on individual commitments to senior executives. The form of these commitments is explained in greater detail in the remuneration report in section 4.7 of the Group Management Report.

GfK does not see any unusual company or plan-specific risks for either case or any significant risk concentration arising from these benefit plans.

The movement in the defined benefit obligation (DBO) during the period under review is shown in the table below:

	2013	2014
Present value of defined benefit obligation as at January 1	129,940	108,341
Changes in the scope of consolidation	0	–34
Current service cost	4,251	3,410
Interest cost	3,241	3,033
Participant contributions	1,419	1,589
Actuarial gains/losses from demographic assumptions	0	–97
Actuarial gains/losses from financial assumptions	–2,811	20,067
Actuarial gains/losses from experience adjustments	–2,204	–155
Exchange rate changes	–1,995	1,527
Benefits paid	–4,098	–4,549
Benefits paid in Switzerland under the freedom of capital movements	–11,516	0
Past service cost	–9,821	82
Company mergers	2,145	0
Plan reductions	0	–43
Plan settlements	–210	–46
PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS AS AT DECEMBER 31	**108,341**	**133,125**

The following sensitivity analysis helps approximately quantify the risk that can arise under certain assumed conditions if specific parameters change. The table gives an overview of how a change in the relevant actuarial assumptions would affect the present value of the defined benefit obligation while all other factors remained constant:

	2013	2014
Present value of defined benefit obligation as at December 31	**108,341**	**133,125**
Present value of defined benefit obligation, if		
the discount rate were		
0.5 percentage points higher	102,033	123,512
0.5 percentage points lower	115,653	142,217
the salary trend was		
0.1 percentage points higher	108,470	132,719
0.1 percentage points lower	108,069	132,271
the change of the pension trend was		
0.1 percentage points higher	109,323	133,919
0.1 percentage points lower	107,646	131,611

The table below shows the movement in plan assets:

	2013	2014
Fair value of plan assets as at January 1	65,525	58,975
Expected return on plan assets	1,411	1,454
Actuarial gains and losses	875	5,455
Exchange rate changes	–1,186	1,289
Employer contributions	2,092	2,592
Participant contributions	1,419	1,589
Benefits paid	–1,790	–2,520
Benefits paid in Switzerland under the freedom of capital movements	–11,516	0
Company mergers	2,145	0
FAIR VALUE OF THE PLAN ASSETS AS AT DECEMBER 31	**58,975**	**68,834**

The exchange rate changes shown in the tables mainly reflect the appreciation of the Swiss franc.

In the next two tables, the fair value of the plan assets is split into various asset classes that distinguish the nature and risks of those assets. There is a further split into assets for which there is a quoted market price in an active market and assets for which this is not the case.

	2013		
	Market price in an active market	**No market price in an active market**	**Total**
Cash and cash equivalents	1,626	0	1,626
Equity instruments	15,957	0	15,957
Debt instruments	20,263	0	20,263
Real estate	4,226	8,961	13,187
Investment funds	216	0	216
Insurance contracts	0	408	408
Miscellaneous	6,997	321	7,318
FAIR VALUE OF PLAN ASSETS AS AT DECEMBER 31	**49,285**	**9,690**	**58,975**

	2014		
	Market price in an active market	No market price in an active market	Total
Cash and cash equivalents	680	0	680
Equity instruments	19,719	0	19,719
Debt instruments	27,199	0	27,199
Real estate	3,400	11,560	14,960
Investment funds	248	0	248
Insurance contracts	0	259	259
Miscellaneous	5,440	329	5,769
FAIR VALUE OF PLAN ASSETS AS AT DECEMBER 31	**56,686**	**12,148**	**68,834**

The actual results from the plan assets amounted to € 6,910 thousand in 2014 (2013: € 2,310 thousand).

The movement in the asset ceiling is shown in the table below:

	2013	2014
Fair value of the asset ceiling as at January 1	0	84
Interest cost from asset ceiling	0	2
Change in asset ceiling (excl. interest income)	84	1
Reversal asset value limit	0	–87
FAIR VALUE OF ASSET CEILING AS AT DECEMBER 31	**84**	**0**

According to GfK estimates, contributions of around € 2,300 thousand will be payable into pension plans for Germany and Switzerland over the coming year (2013: € 2,196 thousand). GfK expects pension payments of € 3,357 thousand (2013: € 3,468 thousand) for the year thereafter. The weighted duration of the defined benefit obligation is unchanged at 15 years.

The amounts reported in the consolidated income statement break down as shown in the table below:

	2013	2014
Service cost	4,251	3,410
Interest cost	3,240	3,032
Expected return on plan assets	–1,411	–1,454
Expected return from refund claims	–4	0
Past service costs	–9,821	82
Gains and losses from the curtailment or discontinuation of pension plans	1	–89
Interest cost from asset ceiling	0	2
PENSION EXPENSES	**–3,744**	**4,983**

LONG-TERM OTHER PROVISIONS

The movement in long-term other provisions in the period under review is shown in the table below:

	Personnel	Potential contractual losses	Authorities and insurance companies	Other	Total
As at January 1, 2014	10,692	2,678	3,197	999	17,566
Currency effects	39	239	29	14	321
Write-ups to discounted provisions	0	59	0	27	86
Additions	2,747	0	675	288	3,710
Reclassification	–3,043	–1,117	–475	–412	–5,047
Utilization	–631	–4	–262	–68	–965
Release	–681	0	0	0	–681
AS AT DECEMBER 31, 2014	**9,123**	**1,855**	**3,164**	**848**	**14,990**

Personnel provisions mainly relate to long-term incentive programs of € 4,053 thousand (2013: € 5,981 thousand). They also include commitments relating to employees leaving and from provisions for anniversary expenses based on contractual agreements.

Provisions relating to authorities and insurance companies consist mainly of commitments to social insurance providers.

25.2 SHORT-TERM PROVISIONS

The movement in short-term provisions in the year under review is shown in the table below:

	Personnel	Potential contractual losses	Authorities and insurance companies	Legal, consulting and lawsuits	Other	Total
As at January 1, 2014	10,492	2,043	4,434	4,348	1,157	22,474
Currency effects	37	120	99	415	7	678
Additions	3,953	1,664	5,191	8,936	448	20,192
Reclassification	2,870	–381	475	2,083	0	5,047
Utilization	–6,045	–1,719	–820	–641	–1,046	–10,271
Release	–1,313	0	–68	–19	–78	–1,478
AS AT DECEMBER 31, 2014	**9,994**	**1,727**	**9,311**	**15,122**	**488**	**36,642**

Short-term provisions include a reserve of € 19,910 thousand (2013: € 8,366 thousand) for anticipated payments connected with irregularities at GfK Arastırma Hizmetleri A.S., Istanbul, Turkey. This reserve is divided into the categories of "legal, consulting and lawsuits" as well as "authorities and insurance companies".

To ensure clearer presentation, the provisions for legal, consulting and lawsuits which were last year included under "other" are now reported separately. Provisions from sales have been integrated in the "other" category.

-> 26. INTEREST-BEARING FINANCIAL LIABILITIES

The breakdown of financial liabilities is shown in the tables below:

Dec. 31, 2013		Remaining term			
	Total	Up to one year	More than one year	Of which between one and five years	Of which more than five years
Amounts due to banks	218,593	21,885	196,708	72,355	124,353
Liabilities under finance leases	509	341	168	168	0
Liabilities from bond	198,844	0	198,844	198,844	0
Other financial liabilities	32,113	18,762	13,351	11,962	1,390
INTEREST-BEARING FINANCIAL LIABILITIES	**450,059**	**40,988**	**409,071**	**283,329**	**125,743**

Dec. 31, 2014		Remaining term			
	Total	Up to one year	More than one year	Of which between one and five years	Of which more than five years
Amounts due to banks	188,278	39,287	148,991	24,339	124,652
Liabilities under finance leases	188	168	20	20	0
Liabilities from bond	199,348	0	199,348	199,348	0
Other financial liabilities	35,129	24,273	10,856	10,804	52
INTEREST-BEARING FINANCIAL LIABILITIES	**422,943**	**63,728**	**359,215**	**234,511**	**124,704**

The amounts due to banks with a remaining term of more than five years include a € 125 million loan note, of which € 90 million is due in 2020 and € 35 million in 2023. A bilateral bank loan of € 25 million, which would have fallen due shortly, was also extended to 2019. A forward loan of € 10 million is not included in financial liabilities. It is the premature extension of a loan that was repaid but will be redrawn in March 2015 with a 3-year term. The 5-year bond with a carrying value of € 199,348 thousand (2013: € 198,844 thousand) has a remaining term of more than one year and a fixed interest rate of 5 percent. It was placed by GfK SE in April 2011.

In addition, other financial liabilities include loan liabilities amounting to € 20,405 thousand (2013: € 16,448 thousand). Other financial liabilities also comprised purchase price liabilities which depend on future events (put options or obligations from earn-out agreements) for the acquisition of participations amounting to € 14,589 thousand (2013: € 15,546 thousand).

As at December 31, 2014, the weighted average interest rate for the amounts due to banks was 2.80 percent after interest rate hedging (2013: 2.86 percent).

The financial liabilities become due in the next five years and thereafter, as shown in the table below:

	Dec. 31, 2013	Dec. 31, 2014
Within one year [1]	40,988	63,728
One to two years	75,823	202,055
Two to three years	201,169	6,920
Three to four years	6,336	141
Four to five years	0	25,395
More than five years	125,743	124,704
INTEREST-BEARING FINANCIAL LIABILITIES	**450,059**	**422,943**

1) Includes current account liabilities payable on demand in the context of credit lines

As in the prior year, no collateral is in place for amounts due to banks and liabilities under leases of € 188,466 thousand (2013: € 219,102 thousand).

-> 27. OTHER LIABILITIES AND DEFERRED ITEMS

The non-current and current items relating to other liabilities and deferred items are divided into financial and non-financial other liabilities and deferred items as follows:

	Dec. 31, 2013	Dec. 31, 2014
Financial non-current other liabilities and deferred items	3,943	3,610
Non-financial non-current other liabilities and deferred items	4,459	6,147
NON-CURRENT OTHER LIABILITIES AND DEFERRED ITEMS	**8,402**	**9,757**
Financial current other liabilities and deferred items	56,657	58,218
Non-financial current other liabilities and deferred items	106,583	116,120
CURRENT OTHER LIABILITIES AND DEFERRED ITEMS	**163,240**	**174,338**

The breakdown of the partial amount "Financial other liabilities and deferred items" is as follows:

	Dec. 31, 2013	Dec. 31, 2014
Financial non-current other liabilities and deferred items with a remaining term of more than one year		
Non-derivatives:		
Financial other liabilities from operating business	1,574	1,662
Interest liabilities	31	25
Liabilities relating to rent	1,374	1,105
Liabilities to related parties	13	13
Liabilities from compensation claims, legal liability and penalties	794	797
Miscellaneous financial non-current other liabilities and deferred items	48	0
Sub-total: non-derivatives	**3,834**	**3,602**
Derivatives:		
Derivative financial instruments used as a hedge	95	8
Derivative financial instruments not used as hedges	14	0
Sub-total: derivatives	**109**	**8**
Financial non-current other liabilities and deferred items	**3,943**	**3,610**
Financial current other liabilities and deferred items with a remaining term of up to one year		
Non-derivatives:		
Financial other liabilities from operating business	32,988	28,567
Interest liabilities	10,009	10,433
Financial other liabilities from non-operating business	7,409	7,445
Liabilities relating to rent	3,095	5,355
Liabilities from compensation claims, legal liability and penalties	0	2,915
Liabilities to related parties	1,683	2,202
Miscellaneous financial current other liabilities and deferred items	226	221
Sub-total: non-derivatives	**55,410**	**57,138**
Derivatives:		
Derivative financial instruments used as hedges	0	96
Derivative financial instruments not used as hedges	1,247	984
Sub-total: derivatives	**1,247**	**1,080**
Financial current other liabilities and deferred items	**56,657**	**58,218**
TOTAL: FINANCIAL OTHER LIABILITIES AND DEFERRED ITEMS	**60,600**	**61,828**
of which non-derivatives	59,244	60,740
of which derivatives	1,356	1,088

Financial current other liabilities from operating business mainly comprise amounts owed to households and respondents (€ 11,657 thousand; 2013: € 12,026 thousand), interviewers (€ 4,992 thousand; 2013: € 5,874 thousand), clients (€ 4,163 thousand; 2013: € 4,413 thousand) as well as suppliers (€ 3,450 thousand; 2013: € 5,749 thousand).

Financial current other liabilities from non-operating business primarily include liabilities for external year-end closing costs (€ 3,087 thousand; 2013: € 2,864 thousand) and legal and consultancy costs (€ 1,721 thousand; 2013: € 1,900 thousand).

Financial other liabilities to other related parties exist particularly towards minority shareholders of GfK subsidiaries.

The breakdown of the partial amount "Non-financial other liabilities and deferred items" is as follows:

	Dec. 31, 2013	Dec. 31, 2014
Non-financial non-current other liabilities and deferred items with a remaining term of more than one year		
Liabilities due to employees	1,172	2,164
Liabilities arising from other taxes	37	90
Miscellaneous non-financial non-current other liabilities and deferred items	3,250	3,893
Non-financial non-current other liabilities and deferred items	**4,459**	**6,147**
Non-financial current other liabilities and deferred items with a remaining term of up to one year		
Liabilities due to employees	74,759	83,149
Liabilities arising from other taxes	30,768	31,941
Miscellaneous non-financial current other liabilities and deferred items	1,056	1,030
Non-financial current other liabilities and deferred items	**106,583**	**116,120**
TOTAL: NON-FINANCIAL OTHER LIABILITIES AND DEFERRED ITEMS	**111,042**	**122,267**

Non-financial current liabilities due to employees mainly comprise liabilities for the payment of bonuses (€ 43,363 thousand; 2013: € 35,352 thousand) and vacation entitlements (€ 12,213 thousand; 2013: € 12,019 thousand) as well as liabilities arising from social security (€ 12,135 thousand; 2013: € 11,683 thousand).

-> 28. FINANCIAL INSTRUMENTS

The tables on pages 112 to 115 list the carrying values, recognition and measurement in the balance sheet and fair values of all financial instruments held by the GfK Group, in accordance with the valuation categories of IAS 39.

In the following, the financial assets and liabilities reported at fair value as at the reporting date are defined according to the importance of the input parameters required for valuation. For this purpose, their carrying amounts are divided into three levels: values observable in active markets (level 1), observable input parameters, which contribute to establishing the fair value on the basis of a valuation model (level 2) and input parameters not based on observable market data (level 3).

The valuation model used to calculate the fair value of financial instruments valued at amortized cost takes into account the fair value of contractually agreed payments, discounted using an observable, risk-adjusted discount rate (level 2).

	Dec. 31, 2013	Level 1	Level 2	Level 3
Financial assets valued at fair value				
Derivative financial instruments not used as hedges	734	0	734	0
Financial liabilities not valued at fair value				
Derivative financial instruments not used as hedges	–1,261	0	–1,261	0
Derivative financial instruments used as hedges	–95	0	–95	0
Purchase price components which depend on future events	–7,061	0	0	–7,061
TOTAL	**–7,683**	**0**	**–622**	**–7,061**

	Dec. 31, 2014	Level 1	Level 2	Level 3
Financial assets valued at fair value				
Derivative financial instruments not used as hedges	2,911	0	2,911	0
Financial liabilities not valued at fair value				
Derivative financial instruments not used as hedges	–984	0	–984	0
Derivative financial instruments used as hedges	–104	0	–104	0
Purchase price components which depend on future events	–7,182	0	0	–7,182
TOTAL	**–5,359**	**0**	**1,823**	**–7,182**

As in the previous year, no material valuation results were recognized in other comprehensive income in financial year 2014 as part of recognizing changes in the value of financial instruments in the available-for-sale category.

Interest income from financial assets and liabilities recognized directly in equity at fair value, which is calculated using the effective interest rate method, amounted to € 2,063 thousand (2013: € 1,356 thousand). At the same time, the corresponding interest expenses amounted to € 20,712 thousand (2013: € 19,987 thousand).

The purchase price components which depend on future events reflect put options and earn-out agreements concluded after December 31, 2009. They are valued as at the reporting date on the basis of market interest rates that are appropriate for the relevant term. As at December 31, 2014, this figure stood at € 7,182 thousand (2013: € 7,061 thousand). In the reporting year, € 2,052 thousand had been added (2013: € 2,762 thousand); € 1,857 thousand had been paid (2013: € 1,063 thousand). The revaluation of liabilities at year-end resulted in earnings of € 550 thousand (2013: € 1,828 thousand) which were credited to other financial income. In contrast, expenses from currency changes and compound interest amounted to € 476 thousand (2013: € 88 thousand). No change in value was recognized in other comprehensive income.

The estimated fair value of liabilities from these earn-out agreements would increase and the financial result would decline if future sales and future EBIT from the companies acquired turned out to be higher and the risk-adjusted discount rate lower. A parallel rise in the interest rate and simultaneous reduction in sales and EBIT would lead to a reduction in the fair value of these liabilities and to an increase in the financial result.

	IAS 39 valuation category	Carrying value as at Dec. 31, 2013
ASSETS		
Other financial assets		
Investments in affiliated companies	Financial assets available for sale	2,979
Other participations	Financial assets available for sale	916
Loans to affiliated companies	Loans and receivables	769
Loans to associates	Loans and receivables	1,409
Other loans	Loans and receivables	112
Other available-for-sale securities	Financial assets available for sale	292
Long-term fixed-term deposits	Loans and receivables	14
Trade receivables	Loans and receivables	373,271
Short-term securities and fixed-term deposits	Loans and receivables	2,323
Financial other assets and deferred items		
Deposits	Loans and receivables	5,601
Receivables from suppliers	Loans and receivables	2,450
Credit balances, refund claims	Loans and receivables	2,217
Bills receivable	Loans and receivables	1,178
Interest receivables	Loans and receivables	369
Derivative financial instruments (with hedging)	–	0
Derivative financial instruments (without hedging)	Financial assets at fair value through profit or loss	734
Miscellaneous financial other assets and deferred items	Loans and receivables	1,561
Cash and cash equivalents	–	69,706
LIABILITIES		
Interest-bearing financial liabilities		
Amounts due to banks	Financial liabilities valued at amortized cost	218,593
Liabilities from finance lease	–	509
	Financial liabilities valued at amortized cost	223,896
Other financial liabilities	Financial liabilities at fair value through profit or loss	7,061
Trade payables	Financial liabilities valued at amortized cost	92,524
Financial other liabilities and deferred items		
Financial other liabilities from operational business	Financial liabilities valued at amortized cost	34,562
Financial other liabilities from non-operational business	Financial liabilities valued at amortized cost	7,409
Liabilities from leasing	Financial liabilities valued at amortized cost	4,469
Liabilities to related parties	Financial liabilities valued at amortized cost	1,696
Interest liabilities	Financial liabilities valued at amortized cost	10,040
Liabilities from compensation claims, legal liabilities and penalties	Financial liabilities valued at amortized cost	794
Derivative financial instruments (with hedging)	–	95
Derivative financial instruments (without hedging)	Financial liabilities at fair value through profit or loss	1,261
Miscellaneous financial other liabilities and deferred items	Financial liabilities valued at amortized cost	274
Thereof aggregated under IAS 39 valuation categories		
Loans and receivables		391,274
Financial assets available for sale		4,187
Financial assets at fair value through profit or loss		734
Financial liabilities valued at amortized cost		594,257
Financial liabilities at fair value through profit or loss		8,322

Recognition and measurement in the balance sheet according to IAS 39				IAS 17 balance sheet basis	Fair value as at Dec. 31, 2013
Amortized costs	Acquisition costs	Fair value recognized directly in equity	Fair value through profit and loss		
	2,979				2,979
	916				916
769					769
1,409					1,409
112					112
		292			292
14					14
373,271					373,271
2,323					2,323
5,601					5,601
2,450					2,450
2,217					2,217
1,178					1,178
369					369
		0			0
			734		734
1,561					1,561
69,706					69,706
218,593					224,049
				509	509
223,896					246,041
			7,061		7,061
92,524					92,524
34,562					34,562
7,409					7,409
4,469					4,469
1,696					1,696
10,040					10,040
794					794
		95			95
			1,261		1,261
274					274
					391,274
					4,187
					734
					621,858
					8,322

	IAS 39 valuation category	Carrying value as at Dec. 31, 2014
ASSETS		
Other financial assets		
Investments in affiliated companies	Financial assets available for sale	4,734
Other participations	Financial assets available for sale	915
Loans to affiliated companies	Loans and receivables	2,019
Loans to associates	Loans and receivables	690
Other loans	Loans and receivables	313
Other available-for-sale securities	Financial assets available for sale	306
Long-term fixed-term deposits	Loans and receivables	10
Trade receivables	Loans and receivables	384,694
Short-term securities and fixed-term deposits	Loans and receivables	945
Financial other assets and deferred items		
Deposits	Loans and receivables	5,778
Receivables from suppliers	Loans and receivables	2,053
Credit balances, refund claims	Loans and receivables	2,247
Bills receivable	Loans and receivables	617
Interest receivables	Loans and receivables	544
Derivative financial instruments (with hedging)	–	0
Derivative financial instruments (without hedging)	Financial assets at fair value through profit or loss	2,911
Miscellaneous financial other assets and deferred items	Loans and receivables	1,167
Cash and cash equivalents	–	93,180
LIABILITIES		
Interest-bearing financial liabilities		
Amounts due to banks	Financial liabilities valued at amortized cost	188,278
Liabilities from finance lease	–	188
	Financial liabilities valued at amortized cost	227,295
Other financial liabilities	Financial liabilities at fair value through profit or loss	7,182
Trade payables	Financial liabilities valued at amortized cost	95,534
Financial other liabilities and deferred items		
Financial other liabilities from operational business	Financial liabilities valued at amortized cost	30,229
Financial other liabilities from non-operational business	Financial liabilities valued at amortized cost	7,445
Liabilities from leasing	Financial liabilities valued at amortized cost	6,460
Liabilities to related parties	Financial liabilities valued at amortized cost	2,215
Interest liabilities	Financial liabilities valued at amortized cost	10,458
Liabilities from compensation claims, legal liabilities and penalties	Financial liabilities valued at amortized cost	3,712
Derivative financial instruments (with hedging)	–	104
Derivative financial instruments (without hedging)	Financial liabilities at fair value through profit or loss	984
Miscellaneous financial other liabilities and deferred items	Financial liabilities valued at amortized cost	221
Thereof aggregated under IAS 39 valuation categories		
Loans and receivables		401,077
Financial assets available for sale		5,955
Financial assets at fair value through profit or loss		2,911
Financial liabilities valued at amortized cost		571,847
Financial liabilities at fair value through profit or loss		8,166

	Recognition and measurement in the balance sheet according to IAS 39				IAS 17 balance sheet basis	Fair value as at Dec. 31, 2014
	Amortized costs	Acquisition costs	Fair value recognized directly in equity	Fair value through profit and loss		
		4,734				4,734
		915				915
	2,019					2,019
	690					690
	313					313
			306			306
	10					10
	384,694					384,694
	945					945
	5,778					5,778
	2,053					2,053
	2,247					2,247
	617					617
	544					544
			0			0
				2,911		2,911
	1,167					1,167
	93,180					93,180
	188,278					201,037
					188	188
	227,295					245,358
				7,182		7,182
	95,534					95,534
	30,229					30,229
	7,445					7,445
	6,460					6,460
	2,215					2,215
	10,458					10,458
	3,712					3,712
			104			104
				984		984
	221					221
						401,077
						5,955
						2,911
						602,669
						8,166

–> 29. RISK MANAGEMENT RELATING TO MARKET, CREDIT AND LIQUIDITY RISKS

As a result of using financial instruments, the GfK Group is exposed to market risks, liquidity risks and default risks.

29.1 MARKET RISK

Market risks arise from potential changes in risk factors that result in a decrease in the market value of the transactions affected by these risk factors. For the GfK Group, exchange rate risks and, to a lesser extent, interest rate risks are particularly relevant.

EXCHANGE RATE RISKS

Exchange rate risks can arise in the GfK Group from transactions conducted in a currency other than the respective functional currency. The main currencies are shown in € thousand in the tables below:

Dec. 31, 2013	EUR	USD	GBP	CHF	SGD	JPY
Loans	3,963	200,609	86,902	0	0	2,868
Trade receivables	31,219	25,926	1,928	580	1,758	304
Cash and cash equivalents	7,526	5,147	462	1,342	19	344
Interest-bearing financial liabilities	–5,557	–211,612	–9	0	–14,945	–23,301
Trade payables	–19,590	–20,004	–6,400	–1,085	–2,459	–1,634
Liabilities from orders in progress	–1,344	–4,125	–55	–26	0	0
Derivative financial instruments	–7,480	–3,564	–2,947	–52	12,964	20,339
NET EXPOSURE	**8,737**	**–7,623**	**79,881**	**759**	**–2,663**	**–1,080**

Dec. 31, 2014	EUR	USD	GBP	CHF	SGD	JPY
Loans	11,576	237,611	91,789	0	0	0
Trade receivables	24,256	26,706	2,512	316	1,504	965
Cash and cash equivalents	4,300	3,755	3,322	123	0	0
Interest-bearing financial liabilities	–5,386	–242,101	0	0	–27,380	–28,383
Trade payables	–24,652	–18,402	–10,155	–2,528	–3,248	–1,181
Liabilities from orders in progress	–469	–4,424	–40	0	–50	0
Derivative financial instruments	–2,149	8,808	–4,095	–668	24,078	25,062
NET EXPOSURE	**7,476**	**11,953**	**83,333**	**–2,757**	**–5,096**	**–3,537**

As in the previous year, the loans in pound sterling and the substantial net exposure associated therewith mostly involve a net investment in a foreign operation. Resulting value changes are recognized in other comprehensive income.

The exchange rates of the most important currencies to the euro are shown in Section 3. "Accounting policies".

The sensitivity analysis approximately quantifies the risk that can arise under certain assumed conditions if specific parameters change. The table below shows how equity and net income are affected by a simultaneous parallel appreciation of all foreign currencies of 10 percent against the euro while all other factors remain constant:

	Dec. 31, 2013			Dec. 31, 2014		
	Equity	Income statement	Overall impact	Equity	Income statement	Overall impact
EUR	0	–1,142	–1,142	0	–1,090	–1,090
USD	51	–813	–762	–450	1,540	1,090
GBP	8,197	–269	7,928	8,542	–155	8,387
CHF	0	76	76	–60	–214	–274
SGD	0	–266	–266	–102	–595	–697
JPY	0	–108	–108	–54	–295	–349
TOTAL	**8,248**	**–2,522**	**5,726**	**7,876**	**–809**	**7,067**

The impact of exchange rate fluctuations is concentrated on the US dollar and pound sterling.

INTEREST RATE RISKS

Interest rate risks can impact on variable-rate financial instruments and on fixed-rate financial instruments not valued at amortized cost.

Market value changes in fixed-rate financial assets and liabilities are not recognized in the income statement. Furthermore, there are no interest rate derivatives allocated to fixed-rate instruments as fair value hedging under IAS 39 and disclosed under fair value hedge accounting. A change in interest rates on the reporting date therefore has no impact on the consolidated income statement or the equity as these items are measured at amortized cost.

The tables below provide an overview of variable-rate financial instruments:

		Remaining term		
Dec. 31, 2013	Total amount	Up to one year	One to five years	More than five years
Loans	1,658	1,125	533	0
Financial liabilities	–57,454	–4,269	–13,335	–39,850
Liabilities to related parties	–16,448	–16,448	0	0
Derivatives	12,000	8,000	4,000	0
NET EXPOSURE	**–60,244**	**–11,592**	**–8,802**	**–39,850**

		Remaining term		
Dec. 31, 2014	Total amount	Up to one year	One to five years	More than five years
Loans	2,901	1,364	1,537	0
Financial liabilities	–43,885	–4,011	0	–39,874
Liabilities to related parties	–19,913	–19,913	0	0
Derivatives	12,402	4,000	8,402	0
NET EXPOSURE	**–48,495**	**–18,560**	**9,939**	**–39,874**

The effects before tax on the equity and the consolidated income statement of a change in interest rates for variable-rate financial instruments of 100 basis points are shown in the table below. The minimum interest rate applied to take account of changes in interest rates was 0 percent. This analysis assumes that all other variables, especially exchange rates, remain constant.

Dec. 31, 2013	Equity		Income statement	
Interest rate change in percentage points	+1	–1	+1	–1
Variable-rate instruments	0	0	133	121
Interest rate swaps	61	–62	0	0
CASH FLOW SENSITIVITY	**61**	**–62**	**133**	**121**

Dec. 31, 2014	Equity		Income statement	
Interest rate change in percentage points	+1	–1	+1	–1
Variable-rate instruments	0	0	392	55
Interest rate swaps	0	0	89	–21
CASH FLOW SENSITIVITY	**0**	**0**	**481**	**34**

The column headed "Equity" only shows the impact of changes that are recognized directly in other comprehensive income. Changes which would impact on the consolidated income statement are not shown in the column headed "Equity".

DERIVATIVE FINANCIAL INSTRUMENTS

The GfK Group uses derivative financial instruments to hedge against exchange rate and interest rate risks. If the prerequisites for hedge accounting are met, derivative financial instruments are reported as part of cash flow hedges.

Derivative financial instruments	Dec. 31, 2013		Dec. 31, 2014	
	Carrying value	Nominal value	Carrying value	Nominal value
Assets				
Convertible bonds				
not used as hedges	268	900	0	0
Interest rate currency swaps				
not used as hedges	0	0	1,529	8,402
Currency forward transactions				
not used as hedges	466	36,367	1,382	73,578
Liabilities				
Interest rate swaps				
as cash flow hedges	95	12,000	20	4,000
Currency forward transactions				
not used as hedges	1,261	50,896	984	20,246
as cash flow hedges	0	0	84	8,704

The nominal volume of derivative financial instruments comprises the total of the nominal amounts of individual put and call option contracts. The fair value including accrued interest is calculated on the basis of the valuation of all contracts at the prices recorded on the valuation date.

The GfK Group mostly concludes transactions involving derivatives in line with the global netting agreement included in the German Master Agreement for Financial Derivative Transactions. In principle, amounts due under such agreements from each counterparty on one single day in respect of all outstanding transactions in the same currency are pooled into a single net amount payable by one party to another. In specific cases – for example the occurrence of a credit event such as a default – all outstanding transactions under the agreement in question are terminated, the value at termination is calculated and only the net amount is payable to settle all transactions.

The German Master Agreement does not meet the criteria for netting in the balance sheet. The reason for this is that the GfK Group currently has no legal right to net the amounts involved since the right to such netting can only be asserted if certain future events occur, such as a default on a bank loan or other credit events. The gross amounts reported in the consolidated balance sheet as at December 31, 2014 only differ marginally from the net amounts.

The nominal volume of total interest rate swaps maturing over the next five years is shown in the table below:

	Dec. 31, 2013	Dec. 31, 2014
Up to one year	8,000	4,000
One to two years	4,000	2,801
Two to three years	0	5,601
Three to four years	0	0
Four to five years	0	0
NOMINAL VOLUME OF INTEREST RATE SWAPS	**12,000**	**12,402**

The derivative financial instruments are valued on a mark-to-market basis, in accordance with the market conditions as at the reporting date. In addition, the Group's own calculations are checked for plausibility on the basis of market assessments provided by banks.

As at December 31, 2014, the GfK Group essentially had currency hedging contracts relating to the Japanese yen, Singapore dollar, US dollar and pound sterling.

GfK SE charges its subsidiaries a management fee for central Group services. To protect selected subsidiaries from possible exchange rate risks, GfK SE invoices these Group services in local currency. The resultant exchange risk at GfK SE arising from increases in the euro exchange rate against the foreign currencies of these invoices is eliminated through currency forward transactions with various banks relating to the relevant payment dates. As at December 31, 2014, the nominal volume of these transactions was € 8,704 thousand with a negative carrying amount of € 84 thousand.

The GfK Group used net investment hedging to hedge net investments in foreign subsidiaries. In the year under review, effective changes in the value of a loan in US dollars, which was concluded as part of the acquisition of Knowledge Networks Inc. in January 2012, of € –901 thousand before tax (2013: € 509 thousand) and € –617 thousand after tax (2013: € 349 thousand) were recognized in other reserves. This hedging relationship will remain in place until after the loan falls due in May 2015. Thereafter, the figures will remain under other provisions until the disposal of the participation.

In the case of derivatives used as part of cash flow hedges, changes in value are reported under other comprehensive income. In the year under review, the change in other reserves from cash flow hedges amounted to a total of € –214 thousand before tax (2013: € –88 thousand) and € –147 thousand after tax (2013: € –60 thousand). The change includes € 187 thousand from a cancellation releasing the interest income in connection with the cash flow interest rate hedge for a bond arranged in 2011.

Liabilities which are hedged against interest rate fluctuations by cash flow hedges have a carrying amount of € 4,000 thousand (2013: € 12,000 thousand). The expected outflow of interest from the underlying transactions, which have been hedged by these cash flow hedges, amounted to € 28 thousand (2013: € 188 thousand). Of this, € 14 thousand (2013: € 157 thousand) will be recognized in the income statement within a period of up to one year.

In 2014, an intragroup cross-currency-interest-swap was concluded to hedge the interest rate and currency risks inherent in a US dollar loan raised by a subsidiary in Brazil. The nominal value was € 8,402 thousand with a positive carrying value of € 1,529 thousand.

For the issue of the bond of € 200 million described in more detail in Section 26. "Interest-bearing financial liabilities", interest hedging of 50 percent of the loan volume was executed in advance in 2011. This cash flow hedge was dissolved on the day the interest for the bond was fixed. The market value of interest hedging which was recorded in other comprehensive income will be dissipated in the income statement over the term of the loan. The expected outflow of interest from the loan, which is hedged by this cash flow hedge, amounted to € 10,000 thousand (2013: € 15,000 thousand). Of this, € 2,500 thousand (2013: € 5,000 thousand) will be recognized in the income statement within a period of up to one year and € 1,458 thousand (2013: € 6,458 thousand) within a period of between one and five years.

In the reporting year, no material ineffective portions were recorded in relation to cash flow hedges and net investment hedges.

The gains and losses from derivative financial instruments are mostly posted in other financial income or expenses respectively. The income from financial instruments contained in this figure, which was not reported as part of hedge accounting, amounted to a total of € 1,733 thousand (2013: € 5,488 thousand), while expenses amounted to € 95 thousand (2013: € 18,215 thousand).

29.2 CREDIT RISKS

The default risk linked to the positive fair value of the derivatives is estimated to be low, as transactions are only concluded with reputable German and foreign banks. Furthermore, the default risk is reduced by spreading the transactions across several banks.

Essentially, the maximum default risk of the GfK Group amounts to the carrying value of all financial assets. The global activities of the GfK Group and the large number of clients, which includes many established major companies, reduce the concentration of default risk.

29.3 LIQUIDITY RISKS

GfK only concludes financing transactions with reputable German and foreign banks. The default risk and risk concentration are further reduced by spreading the transactions across several banks.

As at December 31, 2014, the GfK Group had committed loans, a corporate bond and credit lines of € 669,392 thousand (2013: € 668,347 thousand). Of this amount, € 280,007 thousand (2013: € 254,745 thousand) was undrawn. This includes a revolving credit facility of € 200 million. This facility was renegotiated on better terms in 2014 and will be available to the Group until at least May 2019.

GfK has undertaken to meet certain financial covenants as part of a syndicated credit facility and the issue of a loan note. The ratio of net indebtedness to modified EBITDA, which is established on the basis of specific criteria, must be lower than 3.25. The ratio of modified EBITDA to interest expenses must be higher than 4.0. In the event of these financial covenants being breached, the credit margin of the financing banks increases and a new agreement on the financial covenants to be met in future must be concluded with the creditors. The GfK Group comfortably fulfilled both financial covenants as at December 31, 2014.

The tables below show the contractually agreed, undiscounted interest and principal repayments on primary financial liabilities and derivative financial instruments of GfK at negative fair value for 2013 and 2014.

			Remaining term up to				
	Dec. 31, 2013 Carrying value	Gross outflows	2014	2015	2016	2017	> 2017
Non-derivative financial liabilities							
Amounts due to banks	218,593	253,428	28,288	77,252	3,839	3,809	140,240
Liabilities under finance leases	509	550	364	170	15	1	0
Other financial liabilities	230,957	263,712	28,904	12,959	212,428	7,378	2,043
of which valued at fair value through profit or loss	7,061	7,229	2,242	2,559	2,428	0	0
Trade payables	92,524	92,524	92,524	0	0	0	0
Miscellaneous financial liabilities	59,244	59,333	55,499	3,834	0	0	0
Derivative financial liabilities	1,356	1,356	1,247	109	0	0	0
of which valued at fair value through profit or loss	1,261	1,261	1,247	14	0	0	0
TOTAL	**603,183**	**670,903**	**206,826**	**94,324**	**216,282**	**11,188**	**142,283**

			Remaining term up to				
	Dec. 31, 2014 Carrying value	Gross outflows	2015	2016	2017	2018	> 2018
Non-derivative financial liabilities							
Amounts due to banks	188,278	218,958	44,357	4,304	4,273	4,288	161,736
Liabilities under finance leases	188	200	178	21	1	0	0
Other financial liabilities	234,477	256,737	34,578	213,148	7,301	161	1,549
of which valued at fair value through profit or loss	7,182	7,591	3,997	2,743	690	161	0
Trade payables	95,534	95,534	95,534	0	0	0	0
Miscellaneous financial liabilities	60,740	60,740	57,138	3,602	0	0	0
Derivative financial liabilities	1,088	1,088	1,080	8	0	0	0
of which valued at fair value through profit or loss	984	984	984	0	0	0	0
TOTAL	**580,305**	**633,257**	**232,865**	**221,083**	**11,575**	**4,449**	**163,285**

This presentation does not indicate budgeted figures. It reflects the financial instruments held as at the reporting date and for which contractual agreements regarding payments are in place. Foreign currency amounts were translated with the exchange rate as at the reporting date.

No material financial assets were provided as collateral.

29.4 CAPITAL MANAGEMENT

The Group aims to maintain a strong capital base to ensure the confidence of investors, shareholders and clients, and to secure the sustainable development of the GfK Group.

As at December 31, 2014, the equity ratio stood at 39.9 percent (2013: 39.1 percent), which is fairly high in relation to competitors. The Management Board regularly monitors the return on equity.

One of the most vital economic aims of the GfK Group is to adhere to the financial covenants in existing lending agreements and maintaining these figures is given the highest priority. The Management Board strives in the long term to keep the level of debt to a maximum of 2.50.

-> 30. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement is presented at the front of these Notes. It shows changes in the GfK balance sheet item "Cash and cash equivalents" in the year under review. In accordance with IAS 7, Cash Flow Statement, a distinction is made between cash flows from operating, investing and financing activity. The funding sources covered in the cash flow statement comprise cash and cash equivalents. They encompass cash in hand, checks, cash equivalents and fixed-term deposits, where they are available within three months.

The cash flow from operating activity amounted to € 196,928 thousand (2013: € 164,045 thousand). The continuing positive trend in working capital as well as changes in other non-cash income and expenses and taxes paid had a major impact on this figure. Overall, the reduction in working capital led to an inflow of funds of € 6,545 thousand (2013: € 2,914 thousand).

Income tax payments resulted overall in a cash outflow of € 34,998 thousand in financial year 2014 (2013: € 48,668 thousand).

The cash flow from operating activity covered investments in tangible and intangible assets of € 89,193 thousand (2013: € 80,352 thousand) in full. Disbursements for the acquisition of consolidated companies and other business units, which are also included in the cash flow from investment activity, include purchase price outflows in connection with business combinations of € 6,584 thousand (2013: € 36,116 thousand). In the reporting year, cash outflows of this kind were almost exclusively related to already fully consolidated subsidiaries, as a result of which GfK only acquired financial funds of € 94 thousand in 2014 through the acquisition of subsidiaries (2013: € 242 thousand).

By netting the loans that were raised and the loan repayments, net loans of € 28,551 thousand were repaid (2013: net loans of € 18,349 thousand were raised). Last year, this figure included the raising of a loan note worth € 125 million.

Dividends totaling € 29,328 thousand (2013: € 30,146 thousand) were paid to shareholders of GfK SE and minority shareholders in subsidiaries. The dividend payment and the net loan repayment led to a negative cash flow from financing activity overall of € –75,548 thousand (2013: € –31,456 thousand). At € 19,162 thousand (2013: € 19,893 thousand), interest paid has fallen slightly against the previous year.

Cash and cash equivalents reported in the balance sheet rose by € 23,474 thousand (2013: € 3,330 thousand). In the previous year, this rise was influenced by substantial negative exchange rate effects.

-> 31. RELATED PARTIES

Related parties are companies or persons, which could be influenced by the GfK Group or have significant influence on the GfK Group. The GfK Group's related parties can be divided into subsidiaries, associated companies, joint ventures, members of the management in key positions as well as other related parties.

Unless stated otherwise, amounts owed to and by related parties mainly have a remaining term of less than one year.

SUBSIDIARIES, ASSOCIATED COMPANIES AND OTHER PARTICIPATIONS

Under normal business activity, GfK maintains relationships with non-consolidated subsidiaries. As at the reporting date, liabilities from significant transactions totaled € 1,137 thousand (2013: € 1,472 thousand); operating expenses also arose during the financial year and came to € 2,482 thousand (2013: € 4,022 thousand). Significant income from participations in associated companies amounted to € 3,206 thousand (2013: € 2,622 thousand). As in the previous year, there were no non-operating expenses in connection with associated companies or other participations in 2014.

MEMBERS OF THE MANAGEMENT IN KEY POSITIONS

Members of the management in key positions include members of the Management Board and the Supervisory Board of GfK SE, who are responsible for planning, managing and monitoring the GfK Group.

Payments subject to disclosure under IAS 24, Related Party Disclosures, made to members of the management in key positions cover the remuneration for the Management Board and Supervisory Board of GfK SE.

The following table shows information concerning the remuneration of the Management Board:

	Non-performance-related remuneration and one-year variable remuneration (STI) - Short-term due payments		Pension expenses - Payments upon ending of employment		Expenses on long-term ROCE components - Other payments of long-term nature		Expenses on long-term remuneration (LTI) - Share price-based remuneration		Payments upon ending of employment		Total remuneration	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Matthias Hartmann	1,119	1,211	142	146	164	–110	200	84	0	0	1,625	1,331
Christian Diedrich	–	521	–	24	–	1	–	7	–	0	–	553
Dr. Gerhard Hausruckinger	741	850	183	188	158	–142	161	130	0	0	1,243	1,026
Pamela Knapp	781	614	194	200	211	–163	241	330	0	1,878	1,427	2,859
Debra A. Pruent	785	779	118	1,376	211	–233	243	88	0	0	1,357	2,010
TOTAL REMUNERATION	**3,426**	**3,975**	**637**	**1,934**	**744**	**–647**	**845**	**639**	**0**	**1,878**	**5,652**	**7,779**

remuneration of the Supervisory Board only comprises current earnings. This relates to short-term employee benefits as defined in IAS 24.17. The Supervisory Board holds 2,581 GfK shares and its members hold no GfK stock options.

Information on the individual total payments to members of the Management and Supervisory Boards of GfK SE and explanations on the features of the remuneration system for total payments are given in Section 4.7 of the Group Management Report.

No loans or advances were given to Management and Supervisory Board Members of GfK SE. As in the previous year, no contingencies were made for this group.

Disclosures under IAS 24 on the remuneration of management members in key positions are based on expense-related considerations, while disclosures under the German Commercial Code (HGB) DRS 17, Reporting on Remuneration of Members of Governing Bodies, are subject to prescribed regulations which differ.

Remuneration for the Management Board's activity in financial year 2014 disclosed under Section 314 (1) No. 6a of the German Commercial Code (HGB) amounted to € 5,173 thousand (2013: € 4,283 thousand). As at December 31, 2014, the Management Board held 6,000 GfK shares in total and no GfK stock options. Pamela Knapp, CFO, resigned from the Management Board in the year under review. Christian Diedrich was appointed CFO effective October 15, 2014.

Former members of the management of GfK GmbH, Nuremberg, of the Management Board of GfK Aktiengesellschaft, Nuremberg, and of the Management Board of GfK SE, Nuremberg, along with their surviving dependents, received total payments of € 3,550 thousand (2013: € 2,619 thousand). Provisions of € 42,423 thousand (2013: € 36,598 thousand) have been set up for pension commitments to this group.

The total payments to the Supervisory Board in the financial year amounted to € 828 thousand (2013: € 910 thousand). The

OTHER RELATED PARTIES

Other related parties comprise the majority shareholder of GfK SE, GfK-Nürnberg, Gesellschaft für Konsum-, Markt- und Absatzforschung e.V., Nuremberg, as well as other joint partners of GfK subsidiaries. In the year under review, the following major transactions were carried out with other related parties:

Loan obligations amounting to € 19,913 thousand (2013: € 16,325 thousand) were due to the majority shareholder of GfK SE, consisting of a short-term loan of € 6,590 thousand, which is regularly extended and had a variable interest rate of 0.60 percent as at end of 2014 and several fixed-rate loans for a total of € 13,322 thousand, which are due by May 28, 2015 at an average interest rate of 1.57 percent. The corresponding interest expenses stood at € 273 thousand (2013: € 242 thousand). In addition, sales of € 1,858 thousand (2013: € 2,084 thousand) were realized with this shareholder.

Furthermore, there were liabilities vis-à-vis minority shareholders of GfK subsidiaries relating to as yet unpaid profit shares of € 1,941 thousand (2013: € 1,528 thousand).

No major proportion of Group equity, consolidated income or consolidated total income is attributable to the non-controlling shares in subsidiaries.

-> 32. CONTINGENT LIABILITIES AND OTHER FINANCIAL COMMITMENTS

The contingent liabilities and other financial commitments that are not carried as liabilities in the consolidated balance sheet are valued at their nominal values and break down as shown in the following table:

	Dec. 31, 2013	Dec. 31, 2014
Commitments arising from		
Maintenance, service and license agreements	5,331	1,524
Guarantees and sureties	3,309	3,348
Order commitments	1,320	1,480

Of these commitments, €3,462 thousand (2013: €6,370 thousand) have a remaining term of less than one year.

The decline in obligations under maintenance, service and license agreements mainly reflects the reduction in obligations under service agreements of €3,500 thousand.

In addition, there are the following contingent liabilities and financial commitments:

bwv Holding AG, St. Gallen, Switzerland, a former subsidiary of GfK, sold holdings in two Swiss and one Austrian joint stock companies with agreement dated July 28, 2004. GfK had assumed a purchase price payment obligation of up to €6,238 thousand (CHF 7,500 thousand) to cover claims by the purchaser arising from contractual infringements. This guarantee ended on December 31, 2014.

Following the acquisition of the NOP World Group in 2005, the GfK Group was restructured in part and sub-groups and intermediate holding companies were established. GfK SE has issued a conditional declaration to two of the managing directors of the holding companies, which releases them from any future claims that may be made by third parties in connection with their positions as managing directors of these companies.

GfK SE has issued a conditional declaration to three of the managing directors of the Turkish subsidiary GfK Arastırma Hizmetleri A.S., Istanbul, releasing them from future claims which may be brought against them by Turkish tax and social security authorities in connection with the actions of the former management of the same company.

A similar declaration was also issued for the managing director of the subsidiary TRMR Vermögensverwaltungs GmbH, Nuremberg, which exercises a management function in the Turkish subsidiary mentioned.

Naturally, the internal service charges of an international concern and the optimization of the Tax Group structure will be liable to tax audit risks. It is possible that subsequent tax payments may be necessary following future tax audits at GfK Group companies. This also applies in terms of contingent liabilities to social security agencies. The probability of occurrence and amount of such future liabilities cannot be estimated with certainty.

Future commitments arising from lease agreements are described in Section 17. “Tangible assets” under the sub-heading “Leasing”.

-> 33. SEGMENT REPORTING

In accordance with IFRS 8, Segment Reporting, external segment reporting is based on the Group’s internal organizational and management structures as well as internal financial reporting to the chief operating decision-makers. At the GfK Group, the Management Board is responsible for the valuation and management of business performance in the operating sectors, which correspond to the segments pursuant to IFRS 8 in the GfK Group, and is considered to be the top management body for the purposes of IFRS 8.

The GfK Group is organized into two sectors, Consumer Experiences and Consumer Choices, complemented by the Other category.

The Consumer Experiences sector deals with consumers’ behavior and attitudes. It specializes in operational and strategic questions for virtually all industries and markets. It uses creative, robust and flexible methods to investigate consumer behavior. Consumers are the main source of data, but also media.

Consumer Choices focuses on market sizing, market currencies, convergent media and sales channels. This involves highly detailed, accurate and timely data which reflects the choices and actions of consumers. In particular, it offers continuous analyses and studies for which the retail industry and all types of media provide the data.

The sectors are complemented by Other, which comprises, in particular, the head office services of GfK for its subsidiaries and other non-market research-related services.

The Group measures the success of its sectors by reference to the adjusted operating income according to internal reporting. The adjusted operating income of a sector is determined on the basis of the operating income before interest and taxes by deducting the following expense and income items: “Write-downs on goodwill”, “Write-ups and write-downs of additional assets identified on acquisitions”, “Income and expenses in connection with share and asset deals”, “Income and expenses in connection with reorganization and improvement projects”, “Personnel expenses for share-based incentive payments", "Currency conversion differences" as well as "Income and expenses related to one off effects and other exceptional circumstances".

Income from third parties comprises sales established in accordance with IFRS. Sector incomes include supply of market research data and other support services. Amortization and depreciation comprises amortization and depreciation on intangible and tangible assets in accordance with IFRS, excluding write-downs on additional assets identified on acquisitions and amortization and depreciation included in other operating expenses. Impairments and reversals of impairments include all impairments and reversals of impairments on intangible assets and tangible assets.

Segment information about the sectors for financial years 2013 and 2014 is shown in the tables below:

	Income from third parties		Intersectoral income		Sector income	
	2013	2014	2013	2014	2013	2014
Consumer Experiences	881,324	826,016	5,990	6,536	887,314	832,552
Consumer Choices	607,781	623,587	2,569	2,553	610,350	626,140
Total operating sectors	**1,489,105**	**1,449,603**	**8,559**	**9,089**	**1,497,664**	**1,458,692**
Exclusion of intersectoral income	–	–	–	–	–8,559	–9,089
Reconciliation	5,688	3,320	–	–	5,688	3,320
GROUP	**1,494,793**	**1,452,923**	**8,559**	**9,089**	**1,494,793**	**1,452,923**

	Adjusted operating income		Amortization / Depreciation		Impairments		Reversal of impairments	
	2013	2014	2013	2014	2013	2014	2013	2014
Consumer Experiences	58,603	57,562	12,933	12,547	126,938	68,335	0	–2,422
Consumer Choices	144,362	137,680	24,292	30,296	10,751	1,904	–1	–2,036
Reconciliation	–12,567	–16,410	10,888	14,024	0	0	0	0
GROUP	**190,398**	**178,832**	**48,113**	**56,867**	**137,689**	**70,239**	**–1**	**–4,458**

The item "Reconciliation", which entails the reconciliation of the Consumer Experiences and Consumer Choices sectors with Group figures, includes the Other category. Services not relating to market research included here are of minor importance.

The reconciliation of amortization and depreciation in relation to the additions stated under amortization and depreciation for tangible and intangible assets in the consolidated schedule of movement in assets is as follows:

	2013	2014
Amortization / depreciation according to segment reporting	–48,113	–56,867
Amortization on additional assets identified on acquisitions	–10,506	–7,413
Amortization / depreciation in other net income	–171	–193
AMORTIZATION / DEPRECIATION IN CONSOLIDATED SCHEDULES OF MOVEMENT IN ASSETS (SEE SECTIONS 16. AND 17.)	**–58,790**	**–64,473**

With regard to the reconciliation of adjusted operating income to operating income, reference is made to Section 11. of the Notes.

Information about geographical regions comprises details about the regions in which the GfK Group is active. These are Northern Europe, Southern and Western Europe, Central Eastern Europe / META, North America, Latin America, Asia and the Pacific.

The regions Southern and Western Europe as well as Central Eastern Europe / META comprise all the countries in the European Union as well as other European countries where the GfK Group is represented with the exception of Denmark, Germany, Latvia, Malta, Norway, Sweden, Switzerland and the United Kingdom. The latter are part of the Northern Europe region. In addition, African countries Egypt and South Africa as well as Kazakhstan, Russia, Pakistan and the United Arab Emirates are allocated to the segment Central Eastern Europe / META. The North America region includes the United States of America and Canada. Argentina, Brazil, Chile, Colombia, Ecuador, Mexico and Peru are allocated to the Latin America region. Asia and the Pacific includes subsidiaries in the countries Australia, China, India, Indonesia, Japan, Malaysia, Singapore, South Korea, Thailand and Vietnam.

The information about geographical regions is based on financial information, which is used to prepare the consolidated financial statements. In accordance with IFRS 8, the non-current assets do not comprise financial instruments, deferred tax assets, services after termination of employment and rights arising from insurance policies.

The information about the regions for financial years 2013 and 2014 is shown in the table below. Income from third parties has been allocated to the individual regions according to where the relevant subsidiary's head office is located. Non-current assets also include shares in associated companies.

	Income from third parties		Non-current assets	
	2013	2014	Dec. 31, 2013	Dec. 31, 2014
Northern Europe	607,750	574,895	524,251	561,162
Southern and Western Europe	272,629	265,406	138,586	129,260
Central and Eastern Europe/META	127,663	127,484	139,995	116,540
North America	265,868	262,992	241,306	258,617
Latin America	66,519	61,189	24,985	43,359
Asia and the Pacific	154,364	160,957	80,791	72,056
GROUP	**1,494,793**	**1,452,923**	**1,149,914**	**1,180,994**

The reconciliation of non-current assets to the consolidated balance sheet is as follows:

	Dec. 31, 2013	Dec. 31, 2014
Non-current assets	1,149,914	1,180,994
Other financial assets	6,491	8,988
Deferred tax assets	38,154	41,373
NON-CURRENT ASSETS ACCORDING TO THE CONSOLIDATED BALANCE SHEET	**1,194,559**	**1,231,355**

Additions to tangible assets and other intangible assets are split as follows between the sectors:

	Additions to fixed assets	
	2013	2014
Consumer Experiences	18,897	16,182
Consumer Choices	38,511	59,928
Other / reconciliation	25,628	16,310
GROUP	**83,036**	**92,420**

The division of income from third parties according to groups of comparable services corresponds to the above segment information for the Consumer Experiences and Consumer Choices sectors.

More than 10 percent of non-current assets are attributable to the following countries:

	Non-current assets	
	Dec. 31, 2013[1)]	Dec. 31, 2014
Germany	151,709	163,522
USA	99,032	97,911

1) Previous year's figure adjusted

The non-current assets shown here do not include goodwill, since this is not carried at country level.

More than 10 percent of consolidated sales were achieved in each of the following countries:

	Income from third parties	
	2013	2014
Germany	390,912	381,555
USA	256,645	256,033

As in the previous year, no single client in any part of the Group accounted for income from third parties in excess of 10 percent of consolidated sales in the period under review.

-> 34. PENDING LITIGATION AND CLAIMS FOR COMPENSATION

GfK is involved in legal proceedings for different reasons in various countries. From the point of view of the Management Board, these disputes do not pose any material risk for the GfK Group. Risks arising from claims for compensation and issues of liability are either insured through insurances applicable locally or groupwide or the necessary provisions have been set aside.

-> 35. EVENTS AFTER THE BALANCE SHEET DATE

At the start of February, a global framework agreement for the expansion of the existing collaboration was concluded with Google. It relates to cross-media research through the single source GfK Crossmedia Link panel.

A hearing took place before a Turkish tax court on December 23, 2014. GfK was appealing against a decision issued in mid-2014 regarding tax and penalty payments to be made by GfK. GfK was informed of the Turkish tax court's decision on March 4, 2015. The ruling did not meet GfK's expectations, so GfK is now considering the next legal steps to be taken. An appropriate amount to meet the consequences of this ruling has been provided for in GfK's 2014 financial statements.

On March 6, 2015, GfK SE cancelled the variable portion of its loan note amounting to €40 million. This amount was at the same time fully funded through a new loan note of €90 million with a term of between three and five years.

No other major events with a significant impact on the GfK Group have occurred since the balance sheet reporting date.

-> 36. AMENDMENTS TO IFRS STANDARDS AND INTERPRETATIONS

36.1 FIRST-TIME APPLICATION OF STANDARDS OR INTERPRETATIONS

Changes in accounting policies arising from a new standard or new interpretation are outlined in the following where they are relevant to the GfK Group.

IFRS 10 – CONSOLIDATED FINANCIAL STATEMENTS

The term "control" is newly and comprehensively defined with this standard. If a company controls another company, the parent company must consolidate the entity. Under the new concept, control is presumed if the potential parent company has decision-making powers based on voting rights or other rights over the potential subsidiary. It participates in positive or negative variable returns from the subsidiary and can influence these returns through its decision-making powers.

Pursuant to the transitional provisions of IFRS 10, the Group reassessed the control it exercises over its participations as at January 1, 2014. This had no impact on the scope of companies to be consolidated in the GfK Group.

IFRS 11 – JOINT ARRANGEMENTS

New rules governing the reporting of joint arrangements have been issued with IFRS 11. Under the new concept, a decision has to be made as to whether the entity involved is a joint operation or a joint venture. A joint operation exists if the jointly controlling parties have direct rights to the assets and obligations for the liabilities. The individual rights and obligations are accounted for on a proportionate basis in the consolidated financial statements. By contrast, in a joint venture, the jointly controlling parties have rights to the net assets. This right is depicted in the consolidated financial statements by applying the equity method. The option of a pro rata inclusion in the consolidated financial statements therefore no longer applies.

The joint arrangements, which are relevant to the GfK Group, are mostly joint ventures as per IFRS 11. Since joint ventures were already previously depicted in the GfK Group by applying the equity method, scrapping the option of proportionate consolidation has no impact.

IFRS 12 – DISCLOSURE OF INTERESTS IN OTHER ENTITIES

IFRS 12 governs the disclosure requirements with regard to shares in other enterprises. The disclosures are far more extensive than the previous disclosures required under IAS 27, IAS 28 and IAS 31.

The GfK Group has complied with the more extensive disclosure requirements.

AMENDMENTS TO IFRS 10, IFRS 11 AND IFRS 12 – TRANSITIONAL PROVISIONS

The changes include a clarification and additional relief for the transition to IFRS 10, IFRS 11 and IFRS 12. For example, adjusted comparative information is only required for the previous comparative period. In addition, comparatives for disclosures relating to unconsolidated structured companies are not required for periods prior to the period in which the amendment to IFRS 12 is first effective.

The GfK Group has made use of the relief included in the transitional provisions.

AMENDMENT TO IAS 28 – INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

As part of the adoption of IFRS 11, Joint Arrangements, IAS 28 was also adjusted. IAS 28 will continue to regulate application of the equity method. However, the scope will be extended considerably through the adoption of IFRS 11, since it is now not only investments in associates that must be measured according to the equity method but also interests in joint ventures. The application of proportionate consolidation for joint ventures will no longer be permitted.

A further amendment relates to reporting under IFRS 5 when only part of a stake in an associate or a joint venture is earmarked for sale. In this case, IFRS 5 must be applied to the stake earmarked for sale, while the remaining retained stake must continue to be consolidated using the equity method until it is sold off.

Since joint ventures in the GfK Group were already depicted previously using the existing option of applying the equity method, scrapping the option of proportionate consolidation has no impact.

AMENDMENT TO IAS 32 – FINANCIAL INSTRUMENTS: PRESENTATION

The addition to IAS 32 clarifies the preconditions for offsetting financial instruments. It also clarifies the significance of the current legal right of set-off and a definition is provided as to which gross settlement mechanisms can be viewed as net settlement for the purposes of the standard.
The amendment has no material impact on the consolidated financial statements of the GfK Group.

AMENDMENT TO IAS 36 – IMPAIRMENT OF ASSETS

As a result of a subsequent amendment to IFRS 13, a new disclosure requirement had been introduced for the goodwill impairment test under IAS 36 for 2013: The recoverable amount of cash generating units had to be disclosed regardless of whether any impairment was actually recognized. The disclosure in the Notes was dropped again with this amendment. This amendment will now also result in additional disclosures if any impairment was actually recognized and the recoverable amount was determined on the basis of fair value.

The GfK Group has complied with the disclosure requirements specified in the amendment.

AMENDMENT TO IAS 39 – FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT

As a result of this change, in spite of a novation of a hedging instrument to a central counterparty arising as a consequence of laws or regulations, under certain circumstances, derivatives will continue to be designated as hedging instruments in ongoing hedging relationships.

The amendment has no material impact on the consolidated financial statements of the GfK Group.

36.2 STANDARDS AND INTERPRETATIONS, WHICH HAVE BEEN ADOPTED BY THE EU BUT WHICH ARE NOT YET COMPULSORY FOR FINANCIAL YEARS STARTING FROM JANUARY 1, 2014

The GfK Group does not plan to apply the new or amended standards and interpretations explained below prematurely. Unless stated otherwise, the impact on the consolidated financial statements of the GfK Group is currently being examined.

IFRIC 21 – LEVIES

IFRIC 21 is an interpretation of IAS 37. In particular, it provides clarification of the question as to when a present obligation arises in the case of levies collected by the public sector and consequently when a provision or a liability must be recognized. The interpretation does not cover fines and penalties arising from contracts governed by public law or those covered by other standards, such as IAS 12. Under IFRIC 21, a liability must be recognized for levies when the event triggering the obligation to pay the levy occurs. This obligating event, which establishes the obligation, emerges in turn from the text of the underlying standard. Its wording is therefore crucial to the accounting.
The amendments must be applied for the first time to financial years starting on or after June 17, 2014.

ANNUAL IMPROVEMENTS TO IFRSs 2011-2013 CYCLE

Four standards were amended with the framework of the "Annual improvements to the IFRS cycle 2011–2013" project. The amendment of the wording of individual standards aims to clarify existing regulations. The standards in question are IFRS 1, IFRS 3, IFRS 13 and IAS 40.

The amendments must be applied for the first time to financial years starting on or after January 1, 2015.

ANNUAL IMPROVEMENTS TO IFRSs 2010-2012 CYCLE

Several standards were amended within the framework of the "Annual improvements to the IFRS cycle 2010–2012". The amendment of the wording of individual standards aims to clarify existing regulations. The standards in question are IFRS 2, IFRS 3, IFRS 8, IFRS 13 and IAS 16, IAS 24 and IAS 38.

The amendments must be applied for the first time in financial years starting on or after February 1, 2015.

AMENDMENTS TO IAS 19 – EMPLOYEE BENEFITS

The amendments clarify the provisions governing the allocation of employee contributions and contributions from third parties to periods of service, if the contributions are linked to length of service. They also simplify recognition of contributions that are not dependent on the number of years served.

The amendments must be applied for the first time in financial years starting on or after February 1, 2015.

-> 37. SUPPLEMENTARY DISCLOSURES

37.1 AUDITOR'S SERVICE FEE

In 2014, the cost of the auditor's fee for GfK SE was € 1,373 thousand (2013: € 1,320 thousand). The fee comprises the auditing of the annual financial statements of GfK SE in accordance with the German Commercial Code (HGB), the Group reporting package in accordance with IFRS as well as the IFRS consolidated financial statements and the Group Management Report. In addition, the fee included the financial statements audited by the auditor for German, Moroccan and North American subsidiaries in accordance with national legislation (where required) as well as the IFRS reporting package.

The cost of tax advice from the auditors in Germany was € 429 thousand (2013: € 482 thousand) and € 280 thousand (2013: € 123 thousand) for other services provided by the auditors.

37.2 EXEMPTION OF SUBSIDIARIES FROM THE OBLIGATION TO PREPARE FINANCIAL STATEMENTS

Pursuant to Section 264 (3) of the German Commercial Code (HGB), GfK Retail and Technology GmbH, Nuremberg, ENCODEX International GmbH, Nuremberg, and GfK GeoMarketing GmbH, Bruchsal, are exempt from preparing, having audited and disclosing annual financial statements and a Group Management Report in accordance with the provisions for joint stock companies pursuant to Sections 264 ff. of the HGB.

37.3 NUMBER OF STAFF

In the year under review, an average of 13,254 (2013: 12,904) staff were employed. The annual average number of staff was determined on the basis of the full-time equivalent. The average was calculated using the key dates of March 31, June 30, September 30 and December 31.

The allocation of staff to the sectors, including the Other category, is shown in the table below:

	2013	2014
Consumer Experiences	6,471	6,242
Consumer Choices	4,701	5,222
Other	1,732	1,790
FULL-TIME EMPLOYEES	12,904	13,254

The table above included 107 managing directors and Management Board members in the year under review (2013: 100).

From the year under review, staff fulfilling a support role for the operational sectors have been allocated to the Other category, having previously been allocated to the Consumer Choices and Consumer Experiences sectors. The previous year's figures were amended as follows:

	Full-time employees 2013		
	Structure until 2013	Reconciliation	Structure from 2014
Consumer Experiences	7,136	–665	6,471
Consumer Choices	5,143	–442	4,701
Other	463	1,269	1,732
	12,742	162	12,904
Managing directors/ Management Board members	100	–100	
Trainees	62	–62	
FULL-TIME EMPLOYEES	12,904	0	

–> 38. SUPERVISORY BOARD

DR. ARNO MAHLERT
Chairman of the Supervisory Board
Non-Executive Director

Seats held on other supervisory boards and comparable supervisory bodies:
> Franz Cornelsen Bildungsholding KG, Berlin, Germany (Chairman)
> DAL Deutsche Afrika-Linien GmbH & Co. KG, Hamburg, Germany
> maxingvest AG, Hamburg, Germany
> Peek & Cloppenburg KG, Hamburg, Germany
> Zeitverlag Gerd Bucerius GmbH & Co. KG, Hamburg, Germany

DR. BERNHARD DÜTTMANN
Deputy Chairman of the Supervisory Board
Member of the Management Board and CFO of Lanxess AG, Cologne, Germany

DR. CHRISTOPH ACHENBACH (UNTIL MAY 27, 2014)
Managing Partner at BfUN Beratung für Unternehmensführung und -nachfolge GmbH, Cologne, Germany

Seats held on other supervisory boards and comparable supervisory bodies:
> Eugen Block Holding GmbH, Hamburg, Germany (Chairman of the Advisory Board; since January 1, 2014)
> EFCO Maschinenbau GmbH, Düren, Germany
> Peek & Cloppenburg KG, Hamburg, Germany

DR. WOLFGANG C. BERNDT
Non-Executive Director

Seats held on other supervisory boards and comparable supervisory bodies:
> MIBA AG, Laakirchen, Austria (Chairman)
> MIBA Beteiligungs AG, Laakirchen, Austria (Chairman)
> OMV AG, Vienna, Austria (Deputy Chairman)
> LPC Capital Partners GmbH (formerly BAST AG), Vienna, Austria

HANS VAN BYLEN
Member of the Management Board of Henkel Management AG & Co. KGaA, Düsseldorf, Germany

Seats held on other supervisory boards and comparable supervisory bodies:
> Dial Corporation, Scottsdale, Arizona, USA (Chairman)

SANDRA HOFSTETTER
Independent Works' Council representative at GfK SE, Nuremberg, Germany
Chairman of the European GfK SE Works' Council

ALIZA KNOX (SINCE MAY 27, 2014)
Managing Director, Online Sales, Asia Pacific, Twitter, Singapore, Singapore

Seats held on other supervisory boards and comparable supervisory bodies:
- Invocare Limited, North Sydney, Australia
- Singapore Post Ltd., Singapore, Singapore

STEPHAN LINDEMAN
Research Director, Intomart GfK B.V., Hilversum, Netherlands
Chairman of the Works' Council at Intomart GfK B.V., Hilversum, Netherlands
Deputy Chairman of the European GfK SE Works' Council

SHANI ORCHARD
Human Resources and Facilities Director at GfK Retail and Technology UK Ltd., Woking/Surrey, UK
Member of the Steering Committee of the European GfK SE Works' Council

HAUKE STARS
Member of the Management Board of Deutsche Börse AG, Frankfurt/Main, Germany

Seats held on other supervisory boards and comparable supervisory bodies:
- Clearstream Banking AG, Frankfurt, Germany (Deputy Chairman)* (until June 30, 2014)
- Clearstream Banking S.A., Luxembourg, Luxembourg* (until June 30, 2014)
- Clearstream Services S.A., Luxembourg, Luxembourg*
- Eurex Frankfurt AG, Frankfurt, Germany*
- Eurex Zürich AG, Zurich, Switzerland*
- International Securities Exchange LLC, New York City, New York, USA*
- ISE Gemini, LLC, New York City, New York, USA*
- Klöckner & Co SE, Duisburg, Germany

*(Group responsibility at Deutsche Börse AG, Eschborn, Germany)

DIETER WILBOIS
Works' Council representative at GfK SE, Nuremberg, Germany
Chairman of the Group Works' Council
Deputy Chairman of the European GfK SE Works' Council

-> 39. MANAGEMENT BOARD

MATTHIAS HARTMANN
Chief Executive Officer (CEO)
Responsible for the corporate functions Strategy and Innovation, IT (Strategy, Enterprise Applications, Infrastructure), Human Resources (including Executives Development and Compensation), Integrity, Compliance and Intellectual Property, Internal Audit, Investor Relations and Marketing and Communications.

CHRISTIAN DIEDRICH (SINCE OCTOBER 15, 2014)
Chief Financial Officer (CFO)
Responsible for the corporate functions Finance (Accounting, Controlling, Finance IT), Finance Administration (Corporate Shareholder Management, Investment Controlling, Risk Management, Mergers and Acquisitions, Tax), Treasury, Legal, Central Services, Procurement and Sector Finance.

PAMELA KNAPP (UNTIL OCTOBER 14, 2014)
Chief Financial Officer (CFO)
Responsible for the corporate functions Finance (Accounting, Controlling, Finance IT), Finance Administration (Corporate Shareholder Management, Investment Controlling, Risk Management, Mergers and Acquisitions, Tax), Treasury, Legal, Human Resources, Central Services and Procurement.

Seats held on supervisory boards and comparable supervisory bodies:
- Peugeot-Citroën S.A., Paris, France
- hkp group AG (formerly Hofstetter, Kramasch & Partner Holding AG), Zurich, Switzerland
- Compagnie de Saint-Gobain S.A., Courbevoie, France

DR. GERHARD HAUSRUCKINGER
Chief Operating Officer (COO)
Consumer Choices sector

Seats held on supervisory boards and comparable supervisory bodies:
- FehrAdvice & Partners AG, Zurich, Switzerland (until December 31, 2013)
- Douglas Holding AG, Hagen, Germany, Member of the Strategic Advisory Board (until December 31, 2013)

DEBRA A. PRUENT
Chief Operating Officer (COO)
Consumer Experiences sector

-> 40. SHAREHOLDINGS OF THE GfK GROUP

INFORMATION IN ACCORDANCE WITH THE GERMAN COMMERCIAL CODE (HGB). AS AT DECEMBER 31, 2014

AFFILIATED COMPANIES (GERMANY) INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS (DETAILS ACCORDING TO IFRS COMMERCIAL BALANCE SHEET II)

Company name and registered office	Share in the capital in percent	Financial year	Equity (in € '000)
ENCODEX International GmbH, Nuremberg	95.00	2014	–711 11)
GfK Beteiligungsgesellschaft mbH, Nuremberg	100.00	2014	21
GfK Entertainment GmbH, Baden-Baden	100.00 4)	2014	6,400 11)
GfK GeoMarketing GmbH, Bruchsal	100.00	2014	743 11)
GfK Media and Communication Research GmbH & Co. KG, Frankfurt/Main	100.00	2014	–1,878
GfK Middle East CR Holding GmbH, Nuremberg	100.00	2014	4,998
GfK North America Holding GmbH, Nuremberg	100.00	2014	426,892 11)
GfK nurago GmbH, Hanover	100.00	2014	–5,469
GfK Retail and Technology GmbH, Nuremberg	95.00 9)	2014	153,372 11)
IFR Deutschland GmbH, Dusseldorf	100.00 3)	2014	–2,424

AFFILIATED COMPANIES (ABROAD) INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS (DETAILS ACCORDING TO IFRS COMMERCIAL BALANCE SHEET II)

Company name and registered office	Share in the capital in percent	Financial year	Equity (in € '000)
Adimark S.A., Providencia, Santiago, Chile	100.00	2014	1,395
Beijing Sino Market Research Co., Ltd., Beijing, China	100.00 3)	2014	6,676
China Market Monitor Co., Ltd., Beijing, China	100.00 3)	2014	6,257
Cogenta Systems Ltd., Windsor, Berkshire, United Kingdom	100.00	2014	272
Corporación Empresarial ASA, S.A.P.I. de C.V., Mexico City, Mexico	100.00 3)	2014	870
Etilize (Private) Limited, Karachi, Pakistan	100.00 3)	2014	932
G F K Egypt LTD, Cairo, Egypt	100.00 3)	2014	393
Genius Digital Ltd., Reading, Berkshire, United Kingdom	75.00	2014	–501
GfK - Centar za istraživanje tržišta d.o.o., Zagreb, Croatia	100.00 3)	2014	956
GfK - Conecta S.A.C., Lima, Peru	100.00 3)	2014	857
GfK (U.K.) Ltd., London, United Kingdom	100.00 3)	2014	6,387
GfK Adimark Chile S.A., Providencia, Santiago, Chile	100.00 3)	2014	5,617
GfK Arastirma Hizmetleri A.S., Istanbul, Turkey	100.00	2014	5,463
GfK Ascent-MI Limited, West Byfleet, Surrey, United Kingdom	100.00	2014	90
GfK Asia Pte Ltd., Singapore, Singapore	100.00 3)	2014	56,962
GfK Australia Pty. Ltd., Sydney, Australia	100.00	2014	3,691
GfK Austria GmbH, Vienna, Austria	95.10 3) 9)	2014	10,928
GfK Belgium NV, Leuven, Belgium	100.00 3)	2014	8,724
GfK Belgrade d.o.o., Belgrade, Serbia	100.00 3)	2014	784
GfK BH d.o.o., Sarajevo, Bosnia-Herzegovina	100.00 3)	2014	274
GfK Blue Moon Quantitative Research Pty. Limited, St Leonards, Australia	100.00 3)	2014	324
GfK Blue Moon Research and Planning Pty. Limited, St Leonards, Australia	100.00 3)	2014	915
GfK Boutique Research Inc., Boston, Massachusetts, USA	100.00 3)	2014	6,286
GfK CE ARGENTINA S.A., Buenos Aires, Argentina	100.00 4)	2014	235
GfK Chart-Track Limited, London, United Kingdom	100.00 3)	2014	563

1) Details from 2012 2) Details from 2013 3) Full indirect shareholding 4) Partial indirect shareholding 5) Details not available
6) Newly established in 2014 7) In liquidation 8) Rump financial year 9) Shareholding of the minority shareholder is regulated by separate agreement
10) An evaluation at equity was not carried out for reasons of materiality 11) Profit and loss transfer agreement

Company name and registered office	Share in the capital in percent	Financial year	Equity (in € '000)
GfK Colombia S.A., Bogotá, Colombia	99.40 3)	2014	396
GfK Custom Research Baltic, Riga, Latvia	100.00 3)	2014	–495
GfK Custom Research Beijing Co., Ltd., Beijing, China	90.00	2014	3,981
GfK Custom Research Brasil Pesquisa de Mercado Ltda., São Paulo, Brazil	95.00	2014	1,048
GfK Custom Research Japan KK, Tokyo, Japan	86.00	2014	–473
GfK Custom Research Korea, Ltd., Seoul, South Korea	100.00	2014	–2,583
GfK Custom Research Latam Holding, S.L., Valencia, Spain	100.00	2014	886
GfK Custom Research Pte. Ltd., Singapore, Singapore	100.00	2014	9,375
GfK Custom Research, LLC, New York City, New York, USA	100.00 3)	2014	71,336
GfK Czech, s.r.o., Prague, Czech Republic	100.00 3)	2014	–585
GfK Danmark A/S, Frederiksberg, Denmark	100.00	2014	122
GfK EMER Ad Hoc Research, S.L., Valencia, Spain	50.10	2014	6,136
GfK Etilize, Inc., Rolling Hills Estates, California, USA	100.00 3)	2014	10,152
GfK Eurisko S.r.l., Milan, Italy	100.00 3)	2014	3,794
GFK HELLAS E.P.E., Athens, Greece	100.00	2014	1,879
GFK HOLDING MEXICO, S.A. DE C.V., Mexico City, Mexico	100.00	2014	7,796
GfK Holding, Inc., Wilmington, Delaware, USA	100.00 3)	2014	252,840
GfK Hungária Piackutató Kft., Budapest, Hungary	100.00 3)	2014	1,796
GfK Immobilier SAS, Suresnes, France	100.00 3)	2014	–373
GfK Intomart B.V., Hilversum, Netherlands	100.00 3)	2014	10,634
GFK ISL, CUSTOM RESEARCH FRANCE SAS, Suresnes, France	100.00	2014	–2,530
GfK Kasachstan TOO, Almaty, Kazakhstan	100.00 3)	2014	–182
GfK Kynetec France SAS, Saint Aubin, France	100.00 3)	2014	–105
GfK Kynetec Group Limited, St Peter Port, Guernsey, United Kingdom	100.00 4)	2014	32,258
GfK Kynetec Limited, London, United Kingdom	100.00 3)	2014	3,646
GFK LATINOAMERICA HOLDING, S.L., Valencia, Spain	51.00 3)	2014	3,431
GfK LifeStyle Tracking Japan KK, Tokyo, Japan	100.00	2014	3,075
GfK Malta Holding Limited, Portomaso, Malta	100.00 4)	2014	236,436
GfK Malta Services Limited, Portomaso, Malta	100.00 4)	2014	109,769
GfK Market Consulting (Beijing) Co. Ltd., Beijing, China	99.00 3)	2014	1,486
GfK Market Research Brasil Pesquisa de Mercado Ltda., São Paulo, Brazil	100.00 4)	2014	8,639
GfK Marketing Services Japan K.K., Tokyo, Japan	84.21 3)	2014	25,278
GfK MarketWise Ltd., Bangkok, Thailand	100.00 4)	2014	396
GfK Middle East and Africa FZ-LLC, Dubai, United Arab Emirates	100.00 3)	2014	1,530
Gfk Middle East FZ-LLC, Dubai, United Arab Emirates	100.00 3)	2014	–107
GfK Mode Pvt Ltd, Kolkata, India	100.00 3)	2014	5,970
GfK Mystery Shopping Services Ltd., London, United Kingdom	100.00 3)	2014	387
GfK Nielsen India Private Limited, Mumbai, India	50.10 3)	2014	4,633
GfK NOP Field Interviewing Services Limited, London, United Kingdom	100.00 3)	2014	748
GfK NOP Field Marketing Services Limited, London, United Kingdom	100.00 3)	2014	349
GfK NOP Limited, London, United Kingdom	100.00 3)	2014	90,889
GfK NOP Mystery Shopping Services Limited, London, United Kingdom	100.00 3)	2014	248
GfK NOP Services Limited, London, United Kingdom	100.00 3)	2014	617
GfK NOP Telephone Interviewing Services Limited, London, United Kingdom	100.00 3)	2014	1,030
GfK NOP U.K. Holding Limited, London, United Kingdom	100.00 3)	2014	16,629
GfK Norge A/S, Oslo, Norway	100.00	2014	1,285
GfK North America Holding, LLC, Wilmington, Delaware, USA	100.00 3)	2014	235,900
GfK Panelservices Benelux B.V., Dongen, Netherlands	100.00 3)	2014	9,503
GfK Polonia Sp. z o.o., Warsaw, Poland	100.00 3)	2014	5,132
GfK PORTUGAL - Marketing Services, S.A., Lisbon, Portugal	80.00 3)	2014	2,775
GfK Research Dynamics, Inc., Mississauga, Canada	100.00	2014	1,325
GfK Retail and Technology (Cyprus) LTD, Nicosia, Cyprus	100.00 3)	2014	1,095

1) Details from 2012 2) Details from 2013 3) Full indirect shareholding 4) Partial indirect shareholding 5) Details not available
6) Newly established in 2014 7) In liquidation 8) Rump financial year 9) Shareholding of the minority shareholder is regulated by separate agreement
10) An evaluation at equity was not carried out for reasons of materiality 11) Profit and loss transfer agreement

Company name and registered office	Share in the capital in percent	Financial year	Equity (in € '000)
GfK Retail and Technology (Thailand) Ltd., Bangkok, Thailand	100.00 3)	2014	384
GfK Retail and Technology Argentina S.A., Buenos Aires, Argentina	95.10 3)	2014	766
GfK Retail and Technology Asia Holding B.V., Amsterdam, Netherlands	89.48 3)	2014	1,801
GfK Retail and Technology Baltic SIA, Riga, Latvia	100.00 3)	2014	1,738
GfK Retail and Technology Benelux B.V., Amstelveen, Netherlands	100.00 3)	2014	11,910
GfK Retail and Technology Brasil Ltda., São Paulo, Brazil	95.00 3)	2014	4,331
GfK Retail and Technology Chile Limitada, Santiago, Chile	100.00 3)	2014	1,779
GfK Retail and Technology China Co. Ltd., Shanghai, China	100.00 3)	2014	23,387
GfK Retail and Technology España, S.A., Valencia, Spain	50.07 3)	2014	10,494
Gfk Retail and Technology France SAS, Suresnes, France	100.00 3)	2014	13,584
GfK Retail and Technology Hong Kong Limited, Hong Kong, China	100.00 3)	2014	662
GfK Retail and Technology Italia S.r.l., Milan, Italy	100.00 3)	2014	8,441
GfK Retail and Technology Korea Limited, Seoul, South Korea	100.00 3)	2014	6,751
GfK Retail and Technology Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	100.00 3)	2014	1,254
GfK Retail and Technology Market Research Vietnam Limited, Ho Chi Minh City, Vietnam	100.00 3)	2014	315
GfK Retail and Technology North Africa SARL, Casablanca, Morocco	100.00 3)	2014	120
GfK Retail and Technology Peru S.A.C., Lima, Peru	100.00 3)	2014	746
GfK Retail and Technology Taiwan Ltd, Taipei, Taiwan, China	100.00 3)	2014	2,545
GfK Retail and Technology UK Ltd., London, United Kingdom	100.00 3)	2014	13,090
GfK Retail and Technology, Australia Pty. Limited, Sydney, Australia	100.00 3)	2014	16,857
GfK Romania-Institut de Cercetare de Piata Srl, Bucharest, Romania	100.00 3)	2014	2,044
GfK Slovakia s.r.o., Bratislava, Slovakia	100.00 3)	2014	–891
GFK SLOVENIJA, tržne raziskave d.o.o., Ljubljana, Slovenia	100.00 3)	2014	480
GfK South Africa (Pty), Sandton, South Africa	100.00 3)	2014	970
GfK Sverige Aktiebolag, Lund, Sweden	100.00	2014	4,259
GfK Switzerland AG, Hergiswil, Switzerland	100.00	2014	16,707
GfK Turkey Danismanlik ve Pazar Arastirma Hizmetleri A.S., Istanbul, Turkey	100.00 3)	2014	–3,821
GfK UK Entertainments Ltd., London, United Kingdom	100.00	2014	1,442
GfK Ukraine, Kiev, Ukraine	100.00 3)	2014	1,767
GfK US Holdings, Inc., Wilmington, Delaware, USA	100.00 3)	2014	342,568
GfK US, LLC, New York City, New York, USA	100.00 3)	2014	40,308
GfK-Bulgaria, Institut für Marktforschung EGmbH, Sofia, Bulgaria	100.00 3)	2014	2,322
GFKEcuador S.A. Investigacion Estrategica, Quito, Ecuador	99.91 3)	2014	556
GfK-Media Research Middle East SA, Hergiswil, Switzerland	67.00 3)	2014	–619
GfK-RUS Gesellschaft mbH, Moscow, Russia	100.00 3)	2014	8,060
IFR Europe Ltd., London, United Kingdom	100.00 3)	2014	–3,245
IFR Italia S.r.L., Milan, Italy	100.00 3)	2014	–69
IFR Marketing España S.L., Madrid, Spain	100.00 3)	2014	–624
IFR Monitoring Canada Inc., Niagara Falls, Canada	100.00 3)	2014	127
IFR Monitoring USA Inc., Niagara Falls, New York, USA	100.00 3)	2014	25
IFR South America, SA, Buenos Aires, Argentina	100.00 3)	2014	1,159
INCOMA GfK, s.r.o., Prague, Czech Republic	85.00 3)	2014	32
Institut Français de Recherche-I.F.R. S.A.S, Suresnes, France	100.00	2014	11,140
INTERCAMPUS-RECOLHA, TRATAMENTO E DISTRIBUIÇÃO DE INFORMAÇÃO, S.A., Lisbon, Portugal	74.10 3)	2014	992
MERC Analistas de Mercados, S.A.P.I. de C.V., Mexico City, Mexico	100.00 3)	2014	5,438
METRIS-MÉTODOS DE RECOLHA E INVESTIGAÇÃO SOCIAL, S.A., Lisbon, Portugal	71.00 3)	2014	1,176
NOP World Limited, London, United Kingdom	100.00 3)	2014	57,804
Numbers Services Limited, London, United Kingdom	100.00 3)	2014	1,063
PT. GfK Retail and Technology Indonesia, Jakarta, Indonesia	100.00 3)	2014	60
Shopping Brasil Tecnologia da Informação Ltda, Porto Alegre, Brazil	86.03 3)	2014	1,259

1) Details from 2012 2) Details from 2013 3) Full indirect shareholding 4) Partial indirect shareholding 5) Details not available
6) Newly established in 2014 7) In liquidation 8) Rump financial year 9) Shareholding of the minority shareholder is regulated by separate agreement
10) An evaluation at equity was not carried out for reasons of materiality 11) Profit and loss transfer agreement

AFFILIATED COMPANIES (GERMANY) NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS (DETAILS ACCORDING TO HGB COMMERCIAL BALANCE SHEET I)

Company name and registered office	Share in the capital in percent	Financial year	Equity (in € '000)
1-2-3 MysteryWorldNet GmbH, Hamburg	100.00	2014	44
GfK Media and Communication Research Verwaltungs-GmbH, Frankfurt/Main	100.00	2014	28
GfK Siebte Vermögensverwaltungs GmbH, Nuremberg	100.00	2014	24
GfK Vierte Vermögensverwaltungs GmbH, Nuremberg	100.00	2014	25 11)
TRMR Vermögensverwaltungs GmbH, Nuremberg	100.00	2014	23

AFFILIATED COMPANIES (ABROAD) NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company name and registered office	Share in the capital in percent	Financial year	Equity (in € '000)
Adfinders B.V., Hoofddorp, Netherlands	100.00 3)	2014	–654
G F K Lanka (Private) Limited, Colombo, Sri Lanka	100.00 3)	2014	80
GfK - Retail and Technology Colombia Limitada, Bogotá, Colombia	99.50 3)	2014	810
GfK Albania, Tirana, Albania	100.00 3)	2014	268
GfK Client Solutions Ltd., Tel Aviv, Israel	100.00 3)	2014	83
GfK Ecuador Investigación de Mercado CIA. LTDA., Quito, Ecuador	100.00 3)	2014	–30
GfK Entertainment AG, Zurich, Switzerland	100.00 3)	2014	305
GfK Levant s.a.r.l., Beirut, Lebanon	100.00 3)	2014	38
GfK Marketing Services Eastern Europe Holding spol. z o. o., Warsaw, Poland	100.00 3) 7)	2014	3
GFK PANAMA S.A., Panama City, Panama	100.00 3)	2014	–174
GfK Philippines Corporation, City of Makati, Philippines	100.00 6)	2014	165 8)
GFK Retail & Technology Egypt, L.L.C., Cairo, Egypt	100.00 3)	2014	242
GfK Retail & Technology Ltd., Ramat Gan, Israel	100.00 3)	2014	–675
GfK Retail and Technology East Africa Limited, Nairobi, Kenya	100.00 3)	2014	109
GfK Retail and Technology Panama S.A., Panama City, Panama	100.00 3)	2014	–468
GFK Skopje DOO Skopje, Skopje, Macedonia	100.00 3)	2014	347
GfK Stratégie et développement Groupement d'intérêt Economique, Suresnes, France	100.00 3)	2014	101
GfK-RT Nigeria Limited, Lagos, Nigeria	100.00 3)	2014	252
IFR Asia Co. Ltd., Beijing, China	100.00 3)	2014	38
IFR Central Europe Market Research LLC, Budapest, Hungary	100.00 3) 7)	2014	–58
IFR Polska Sp. z o.o., Warsaw, Poland	100.00 3)	2014	–20
IFR RUS Limited, Moscow, Russia	100.00 3)	2014	115
IFR U.K. Ltd., London, United Kingdom	100.00 3)	2014	–397
Intomart DataCall B.V., Hilversum, Netherlands	100.00 3) 7)	2014	–337
MERC Analistas de Mercados C.A., Caracas, Venezuela	100.00 3)	2014	28
TerrEtude S.A.S., Mouchamps, France	100.00 3)	2014	565

1) Details from 2012 2) Details from 2013 3) Full indirect shareholding 4) Partial indirect shareholding 5) Details not available
6) Newly established in 2014 7) In liquidation 8) Rump financial year 9) Shareholding of the minority shareholder is regulated by separate agreement
10) An evaluation at equity was not carried out for reasons of materiality 11) Profit and loss transfer agreement

ASSOCIATED COMPANIES (GERMANY) (DETAILS ACCORDING TO HGB COMMERCIAL BALANCE SHEET I)

Company name and registered office	Share in the capital in percent	Financial year	Equity (in € '000)
USEEDS GmbH, Berlin	50.00 [3)]	2014	1,223

ASSOCIATED COMPANIES (ABROAD)

Company name and registered office	Share in the capital in percent	Financial year	Equity (in € '000)
AGB Nielsen, medijske raziskave, d.o.o., Ljubljana, Slovenia	21.00 [3)10)]	2014	1,017
Common Technology Centre EEIG, London, United Kingdom	25.00 [3)10)]	2014	0 [1)]
Consumer Zoom SAS, Suresnes, France	30.00	2014	–2,656
Europanel Raw Database GIE, Brussels, Belgium	50.00 [4)10)]	2014	– [5)]
MarketingScan International SAS, Suresnes, France	50.00	2014	2,207
Media Focus Schweiz GmbH, Zurich, Switzerland	49.00 [3)]	2014	849
MRC-Mode Pvt. Limited, Dhaka, Bangladesh	36.00 [3)10)]	2013/2014	– [5)]
NPD Intelect, L.L.C., Port Washington, New York, USA	25.00 [3)]	2013/2014	54,020
Oz Toys Marketing Services Pty. Ltd., Sydney, Australia	25.00 [3)10)]	2013/2014	–359
Sports Tracking Europe B.V., Amstelveen, Netherlands	25.00	2013/2014	–10,694
St. Mamet Saisie Informatique (SMSI) S.A.R.L., Saint Mamet la Salvetat, France	20.40 [3)]	2014	564
Starch Research Services Limited, Toronto, Ontario, Canada	20.00 [3)10)]	2014	82

OTHER PARTICIPATIONS (ABROAD)

Company name and registered office	Share in the capital in percent	Financial year	Equity (in € '000)
Information Resources (UK) Limited, Maidenhead, Berkshire, United Kingdom	5.80 [4)]	2014	–60,413 [2)]
Qosmos SA, Amiens, France	14.81	2014	9,954

1) Details from 2012 2) Details from 2013 3) Full indirect shareholding 4) Partial indirect shareholding 5) Details not available
6) Newly established in 2014 7) In liquidation 8) Rump financial year 9) Shareholding of the minority shareholder is regulated by separate agreement
10) An evaluation at equity was not carried out for reasons of materiality 11) Profit and loss transfer agreement

-> 41. DECLARATION ON THE GERMAN CORPORATE GOVERNANCE CODE

The declaration prescribed by Section 161 of the German Stock Corporation Act (AktG) has been issued by the Management Board and the Supervisory Board and made permanently available to shareholders at
> *http://www.gfk.com/declaration-on-corporate-governance*

-> 42. RELEASE FOR PUBLICATION

The Management Board of GfK SE released the consolidated financial statements for passing on to the Supervisory Board on March 6, 2015. It is the duty of the Supervisory Board to check the consolidated financial statements and declare whether it approves the consolidated financial statements.

Nuremberg, March 6, 2015

The Management Board

MATTHIAS HARTMANN

CHRISTIAN DIEDRICH

DR. GERHARD HAUSRUCKINGER

DEBRA A. PRUENT

AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by the GfK SE, Nuremberg, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement, the consolidated equity change statement and the Notes to the consolidated financial statements, together with the group management report for the business year from 1 January 2014 to 31 December 2014. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB [Handelsgesetzbuch "German Commercial Code"] (and supplementary provisions of the articles of incorporation) are the responsibility of the parent company`s management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB [Handelsgesetzbuch „German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB (and supplementary provisions of the articles of incorporation) and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Nuremberg, March 9, 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

Maurer	Dr. Faul
German Public Auditor	German Public Auditor

STATEMENT BY THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and income of the Group, and the Management Report of the Group includes a fair review of the development and performance of the business and position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

The Management Board

MATTHIAS HARTMANN

CHRISTIAN DIEDRICH

DR. GERHARD HAUSRUCKINGER

DEBRA A. PRUENT

D

>

ADDITIONAL INFORMATION

8-YEAR OVERVIEW

2007 TO 2014 ACCORDING TO IFRS

KEY INDICATORS – INCOME STATEMENT

	Unit	2007	2008	2009	2010	2011	2012	2013	2014
Sales	€ million	1,162.1	1,220.4	1,164.5	1,294.2	1,373.9	1,514.7	1,494.8	1,452.9
Personnel expenses	€ million	465.2	494.3	510.5	550.7	593.4	685.5	677.6	705.4
Amortization/depreciation [1]	€ million	59.7	59.2	66.3	55.1	79.9	63.8	196.5	130.3
Adjusted operating income	€ million	157.6	158.7	147.2	185.0	187.7	187.4	190.4	178.8
EBITDA	€ million	188.4	192.0	159.1	200.4	223.2	194.1	225.4	202.2
Operating income	€ million	125.6	128.9	88.9	141.4	138.9	129.4	26.5	68.0
Income from participations	€ million	3.0	3.9	3.9	3.9	4.4	1.0	2.4	4.0
EBIT	€ million	128.6	132.8	92.8	145.2	143.3	130.3	28.9	71.9
Income from ongoing business activity	€ million	104.2	113.0	75.5	124.8	125.6	108.2	4.2	47.6
Consolidated total income	€ million	78.9	82.0	60.5	84.0	88.1	64.1	–42.1	19.4
Tax ratio [2]	percent	24.3	27.4	19.8	32.7	29.8	40.8	38.9	26.3

1) Tangible assets and intangible assets
2) Figures for 2013 and 2014 exclude goodwill impairment

8-YEAR OVERVIEW

2007 TO 2014 ACCORDING TO IFRS

BALANCE SHEET RATIOS

	Unit	2007	2008	2009	2010	2011	2012	2013	2014
Non-current assets	€ million	1,088.3	1,085.0	1,157.9	1,232.2	1,255.7	1,361.0	1,194.6	1,231.4
Current assets	€ million	382.5	361.6	363.5	417.7	489.9	518.8	501.8	536.1
Asset structure	percent	284.5	300.1	318.5	295.0	256.3	262.3	238.0	229.7
Investments	€ million	73.7	101.5	106.7	89.6	77.3	177.8	118.4	99.7
of which intangible assets [1]	€ million	49.2	50.5	49.0	48.6	62.7	70.7	80.4	89.2
of which in financial assets	€ million	24.5	51.0	57.7	41.0	14.6	107.1	38.0	10.5
Equity	€ million	509.6	500.3	553.0	677.5	760.8	782.0	663.7	705.3
Liabilities	€ million	961.2	946.3	968.4	972.4	984.8	1,097.8	1,032.7	1,062.2
Balance sheet total	€ million	1,470.8	1,446.6	1,521.4	1,649.9	1,745.6	1,879.8	1,696.4	1,767.4
Net debt	€ million	–472.9	–481.5	–499.8	–428.5	–363.9	–461.8	–427.5	–393.1

1) Tangible assets and intangible assets

CASHFLOW RATIOS

	Unit	2007	2008	2009	2010	2011	2012	2013	2014
Cash flow from operating activity	€ million	168.1	145.8	134.7	172.0	170.5	115.0	164.0	196.9
Cash flow from investing activity	€ million	–64.6	–100.4	–104.4	–86.2	–72.9	–177.4	–117.5	–98.9
Cash flow from financing activity	€ million	–112.9	–46.4	–26.2	–76.9	–49.0	22.8	–31.5	–75.5
Free cash flow	€ million	118.9	95.4	85.7	123.4	107.9	44.3	83.7	107.7

8-YEAR OVERVIEW

2007 TO 2014 ACCORDING TO IFRS

PROFITABILITY RATIOS

	Unit	2007	2008	2009	2010	2011	2012	2013	2014
AOI margin = Adjusted operating income/sales	percent	13.6	13.0	12.6	14.3	13.7	12.4	12.7	12.3
EBITDA margin = EBITDA/sales	percent	16.2	15.7	13.7	15.5	16.2	12.8	15.1	13.9
EBIT margin = EBIT/sales	percent	11.1	10.9	8.0	11.2	10.4	8.6	1.9	5.0
Return on sales = Consolidated total income/sales	percent	6.8	6.7	5.2	6.5	6.4	4.2	–2.8	1.3
Personnel expenses ratio = Personnel expenses/sales	percent	40.0	40.5	43.8	42.6	43.2	45.3	45.3	48.5
ROCE = EBIT adjusted/average net capital employed	percent	12.5	12.8	9.7	14.1	14.0	11.9	8.8	10.2
Total return on capital employed = EBIT/average balance sheet total	percent	8.7	9.1	6.3	9.2	8.4	7.2	1.6	4.2
Pay-out ratio = Total dividend/consolidated total income	percent	20.5	20.2	17.8	20.7	26.9	37.0	–56.4	122.4
Dynamic debt-equity ratio = Net debt/free cash flow	Years	4.0	5.1	5.8	3.5	3.4	10.4	5.1	3.6

KEY INDICATORS PER SHARE

	Unit	2007	2008	2009	2010	2011	2012	2013	2014
Earnings per share [1]	€	1.98	2.04	1.42	1.99	2.06	1.43	–1.48	0.16
Adjusted earnings per share [1]	€	2.88	2.87	3.04	3.20	3.40	3.02	3.01	3.20
Free cash flow per share [1]	€	3.33	2.66	2.38	3.43	2.96	1.21	2.29	2.95
Dividend per share	€	0.45	0.46	0.30	0.48	0.65	0.65	0.65	0.65
Total dividend	€ million	16.1	16.5	10.8	17.4	23.7	23.7	23.7	23.7
Dividend yield	percent	1.64	2.09	1.24	1.28	2.12	1.68	1.61	1.91
Year-end price [1]	€	27.50	22.02	24.13	37.60	30.63	38.59	40.31	34.00
Weighted number of shares	in thousands	35,682	35,884	35,947	35,967	36,407	36,504	36,504	36,504

1) Adjusted for capital increase

NET DEBT RATIOS

	Unit	2007	2008	2009	2010	2011	2012	2013	2014
Net debt to									
Equity (gearing)	percent	92.8	96.2	90.4	63.2	47.8	59.1	64.4	55.7
EBIT	percent	367.5	362.6	538.6	295.0	253.9	354.3	1,478.7	546.4
EBITDA	percent	251.0	250.8	314.2	213.8	163.1	237.9	189.7	194.4
Free cash flow	percent	397.8	505.0	583.4	347.2	337.4	1,041.5	510.8	364.9

8-YEAR OVERVIEW

2007 TO 2014 ACCORDING TO IFRS

SALES BY SECTOR AND REGION

	Unit	2007	2008	2009	2010	2011	2012	2013	2014
Sectors (old structure up to 2011)									
Custom Research	€ million	773.0	782.8	709.2	785.6	829.2			
Retail and Technology	€ million	260.8	304.1	325.8	370.8	407.0			
Media	€ million	124.5	130.1	126.4	133.1	132.9			
Sectors (new structure from 2012) [1]									
Consumer Experiences	€ million					829.2	907.8	881.3	826.0
Consumer Choices	€ million					539.8	601.6	607.8	623.6
Regions (old structure up to 2011)									
Germany	€ million	290.3	316.1	301.3	340.8	376.6			
Western Europe/Middle East/Africa	€ million	480.5	487.2	458.1	483.0	520.5			
Central and Eastern Europe	€ million	73.1	87.2	71.7	89.7	97.6			
North America	€ million	240.7	219.7	207.2	219.3	200.3			
Latin America	€ million	26.7	35.5	39.4	54.9	59.4			
Asia and the Pacific	€ million	50.8	74.8	86.9	106.5	119.5			
Regions (new structure from 2012) [1]									
Northern Europe	€ million					596.3	622.4	607.7	574.9
Southern and Western Europe	€ million					280.4	282.1	272.6	265.4
Central Eastern Europe/META	€ million					118.0	121.8	127.7	127.5
North America	€ million					200.3	266.8	265.9	263.0
Latin America	€ million					59.4	66.6	66.5	61.2
Asia and the Pacific	€ million					119.5	155.0	154.4	161.0

1) Please refer to Section 2 of the Group Management Report for explanations of the new structure

ADJUSTED OPERATING INCOME BY SECTOR

	Unit	2007	2008	2009	2010	2011	2012	2013	2014
Sectors (old structure up to 2011)									
Custom Research	€ million	66.1	56.0	39.5	63.2	65.0			
Retail and Technology	€ million	67.3	82.6	95.8	113.9	123.5			
Media	€ million	25.7	23.8	16.6	15.6	10.8			
Sectors (new structure from 2012) [1]									
Consumer Experiences	€ million					63.3	58.9	58.6	57.6
Consumer Choices	€ million					136.0	139.3	144.4	137.7

1) Please refer to Section 2 of the Group Management Report for explanations of the new structure

NUMBER OF EMPLOYEES AT THE YEAR-END

	Unit	2007	2008	2009	2010	2011	2012	2013	2014
Total	Employees	9,070	9,692	10,058	10,546	11,457	12,678	12,940	13,380
Sectors (old structure up to 2011)									
Custom Research	Employees	5,632	5,876	5,837	6,018	6,594			
Retail and Technology	Employees	2,458	2,757	3,224	3,507	3,768			
Media	Employees	559	594	552	554	612			
Other	Employees	421	465	445	467	483			
Sectors (new structure from 2012) [1]									
Consumer Experiences	Employees					6,578	7,180	7,125	6,229
Consumer Choices	Employees					4,396	5,002	5,287	5,327
Other	Employees					483	496	528	1,824

1) Please refer to Section 2 of the Group Management Report for explanations of the new structure

LIST OF GfK COMPANIES MENTIONED

Cogenta
Cogenta Systems Ltd., Windsor, Berkshire, United Kingdom

Genius Digital
Genius Digital Ltd., Reading, Berkshire, United Kingdom

GfK Arastirma Hizmetleri A.S.
GfK Arastirma Hizmetleri A.S., Istanbul, Turkey

GfK Entertainment
GfK Entertainment GmbH, Baden-Baden, Germany

GfK Switzerland
GfK Switzerland AG, Hergiswil, Switzerland

GfK USA
GfK US, LLC, New York City, New York, USA

GfK Verein, GfK-Nürnberg Gesellschaft für Konsum-, Markt- und Absatzforschung e. V.
GfK-Nürnberg Gesellschaft für Konsum-, Markt- und Absatzforschung e.V., Nuremberg, Germany

IFR South America
IFR South America, SA, Buenos Aires, Argentina

Intercampus Mozambique
INTERCAMPUS ESTUDOS DE MERCADO, LDA, Maputo, Mozambique

PanelVet
PanelVet EURL, Lyon, France

PT Primera Indonesia
PT Primera Indonesia, Jakarta, Indonesia

TerrEtude
TerrEtude S.A.S., Mouchamps, France

INDEX

ACKNOWLEDGEMENTS AND CONTACTS

This Annual Report is available in German and English.
The online version can be found at:
> http://www.gfk.com/annual-report

Annual reports from prior years and further information can be found online at:
> http://www.gfk.com/investor-relations-reports

The deadline for this Annual Report was March 6, 2015. Parts of the chapter "GfK Group", "Group Management Report" and "Notes to the consolidated financial statements" were published at the Accounts Press Conference on March 13, 2015.

Annual reports, interim reports and press information are available from:

investor.relations@gfk.com
public.relations@gfk.com

CONTACTS

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

Jan Saeger
Corporate Communications
Tel. +49 911 395-4440
Fax. +49 911 395-4041
jan.saeger@gfk.com

PUBLISHER

GfK SE
Nordwestring 101
90419 Nuremberg
Germany
> www.gfk.com

CONCEPTUAL DESIGN AND REALIZATION

Strichpunkt Design GmbH

EDITORIAL SUPPORT

Harald Willenbrock

PHOTOGRAPHY

Robert Brembeck

ILLUSTRATIONS

Bernd Schifferdecker

TRANSLATION

arb limited, London,
United Kingdom

Provisional key dates in the financial calendar

> 2015

MAY 13	> INTERIM QUARTERLY REPORT As at March 31, 2015
MAY 28	> ANNUAL GENERAL ASSEMBLY Fürth, Germany
AUGUST 14	> INTERIM HALF-YEAR REPORT As at June 30, 2015
NOVEMBER 13	> INTERIM NINE-MONTH REPORT As at September 30, 2015

> 2016

JANUARY 29	> TRADING STATEMENT
MARCH 15	> ACCOUNTS PRESS CONFERENCE Nuremberg, Germany
MAY 13	> INTERIM QUARTERLY REPORT As at March 31, 2016
MAY 20	> ANNUAL GENERAL ASSEMBLY Fürth, Germany
AUGUST 12	> INTERIM HALF-YEAR REPORT As at June 30, 2016
NOVEMBER 14	> INTERIM NINE-MONTH REPORT As at September 30, 2016

www.gfk.com

CLARITY

THE GfK GROUP

NORDWESTRING 101
90419 NUREMBERG, GERMANY
TEL. +49 911 395–0
EMAIL gfk@gfk.com

FOLLOW US!

www.gfk.com / facebook / twitter / linked.in / you.tube / google +