

Press release

Date
December 14, 2010

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GfK purchasing power 2011 – increase thanks to economic upturn

Purchasing power in Germany will rise by a substantial EUR 499 per capita in 2011. This development stems from the swift recovery from the financial crisis on the one hand, and higher wage expectations on the other. The regional evaluation of the data shows that Hamburg will benefit in particular. This is one finding of the survey carried out by GfK GeoMarketing.

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GfK purchasing power for Germany in 2011 will total EUR 1,610.2 billion, which is 2.6% more than in 2010. The average German can therefore expect purchasing power of EUR 19,864 in the coming year, to spend on consumption, rent and the costs of living, for example.

According to economic experts, the economy will continue to recover in 2011, partly as a result of the positive trend in the labor market as well as the forecast rise in net wages and pension payments. However, there are factors that could still cause a change in the predicted purchasing power. At the moment, the Bundesbank is expecting an inflation rate of 1.7% for 2011. Therefore, just a few decimal places can affect how much disposable income people actually have. Moreover, higher social contributions are to be expected in many areas in the coming year, such as in health insurance for example.

Federal state comparison: Hamburg catching up

As a result of its positive development, the city state of Hamburg has climbed two places in the federal state rankings this year, moving into the number two spot after Bavaria and pushing both Hesse and Baden-Württemberg down a place respectively.

Despite positive development in the city state of Berlin (growth of 4%), as in the prior year the German capital remains in eleventh place in the federal state rankings. Together with Brandenburg, Berlin is around 10% below the federal average and consequently considerably ahead of Thuringia, Saxony, Mecklenburg-Western Pomerania and Saxony-Anhalt. These are all around 16% below the federal average.

Districts: Hochtaunus and Starnberg unbeatable

In Germany’s urban and rural districts, there is no change in the top ten ranking of the districts with the highest purchasing power. The Hochtaunus district marginally expands its outstanding position with a purchasing power of EUR 28,585 per capita, followed by the Starnberg rural district with EUR 28,048 per capita, the Munich rural district with EUR 27,031 and the Main-Taunus district with EUR 27,022 per capita. It is notable that inhabitants in the district with the greatest purchasing power already have EUR 4,400 more disposable income per year than inhabitants in the district ranked in tenth place.

Top 10 districts

Ranking in 2011	Urban /rural district	GfK purchasing power per inhabitant in 2011 (EUR)	GfK purchasing power index per capita*
1	Hochtaunus rural district	28,585	145.2
2	Starnberg rural district	28,048	142.5
3	Munich rural district	27,031	137.3
4	Main-Taunus rural district	27,022	137.3
5	Munich urban district	26,863	136.5
6	Ebersberg rural district	26,162	132.9
7	Fürstenfeldbruck rural district	24,909	126.5
8	Erlangen urban district	24,667	125.3
9	Dachau rural district	24,383	123.9
10	Stormarn rural district	24,189	122.9

Source: GfK purchasing power 2011, © GfK GeoMarketing

*(country average =100)

Inhabitants in the poorest district in Germany, the Uecker-Randow rural district in Mecklenburg-Western Pomerania, have only just over half the amount available to spend as inhabitants in the wealthiest district.

In the rankings of the 412 districts in Germany, the most prosperous district in Eastern Germany, the Potsdam-Mittelmark rural district in Brandenburg, climbs the highest number of places: From 190th place in 2010, it now ranked 162nd with a net income of EUR 19,584 per capita.

Growth in purchasing power in populous urban districts

Positive changes in the index value are recognizable among the major German urban districts in particular. Of the ten biggest urban districts, nine are showing a clear rise in purchasing power per capita. Only Bremen fails to join in this upward trend.

Development in most populous urban districts

District	Inhabitants	GfK purchasing power per inhabitant in 2011 (EUR)	GfK purchasing power index per capita*	Variance from index 2010
Berlin	3,442,675	17,808	90.5	1.2
Hamburg	1,774,224	21,320	108.3	1.7
Munich	1,330,440	26,863	136.5	0.5
Cologne	998,105	21,788	110.7	1.5
Frankfurt/M	671,927	22,929	116.5	2.1
Stuttgart	601,646	22,131	112.4	0.2
Düsseldorf	586,217	23,708	120.4	0.6
Dortmund	581,308	18,615	94.6	0.7
Essen	576,259	19,829	100.7	0.3
Bremen	547,685	18,480	93.9	-0.2

Quelle: GfK purchasing power 2011, © GfK GeoMarketing

*(country average = 100)

About the study

GfK defines purchasing power as the sum of all the population's net income with reference to their place of residence. In the calculation of purchasing power, net income from self-employment and employment are included as well as capital income and national benefits such as unemployment benefit, child benefit and pensions. However, living costs, insurance, rent and additional expenses such as gas and electricity, clothing and savings are not deducted from these disposable income figures. Consequently, a nominal rise in purchasing power does not automatically mean that every individual will have more money at his/her disposal if the expenses listed above also increase. In addition, the purchasing power of a region is the average value for the population living there and reveals nothing about the purchasing power of individuals, purchasing power per household or the underlying distribution of income and hence the gap between "rich" and "poor".

Calculations are based on statistics for wages, income taxes and national benefits as well as on economic institute forecasts. GfK has been calculating purchasing power since 1937.

GfK GeoMarketing annually publishes the complete forecast for the new year on January 1. As of this date, the GfK purchasing power data is available for all German urban and rural districts, for all counties and postcode areas and for 2.5 million street sections.

Print-quality illustrations can be found at www.gfk-geomarketing.com/purchasing-power_germany_2011.

Note for editors: growth rates published only in this press release

At the end of 2009, purchasing power per capita of EUR 18,904 was forecast for 2010. In view of the unexpectedly positive development in 2010, after reviewing the figures at





the end of 2010, the average amount available to consumers was actually EUR 19,185. Based on this revised value, a nominal, i.e. non-inflation-adjusted, increase of 2.6% is forecast for Germany in 2011. However, the development of purchasing power in the individual regions is dependent on many factors, such as the development of the regional labor market and population structure. These regional variations are revealed by GfK GeoMarketing's regionalized purchasing power data. All comparative figures referring to 2010 mentioned in the press release refer to revised values.

Additional information

on GfK Purchasing Power can be found at www.gfk-geomarketing.com/purchasing_power.

About GfK GeoMarketing

GfK GeoMarketing is one of the largest providers of geomarketing services in Europe for customers and users from all branches of trade. Key business areas include:

-  Consultancy
-  Market data
-  Digital maps
-  Geomarketing software RegioGraph

GfK GeoMarketing is a subsidiary of the globally active GfK Group.

Ranked fourth among the world's market research institutes, the GfK is represented in 100 countries with over 150 subsidiaries and 10,000 employees.