

GARTNER, INC. - SELECTED FINANCIAL DATA (Quarterly)

	Quarter ending March '14	Quarter ending June '14	Quarter ending September '14	Quarter ending December '14	Quarter ending March '15	Quarter ending June '15	Quarter ending September '15	Quarter ending December '15	Quarter ending March '16	Quarter ending June '16	Quarter ending September '16	Quarter ending December '16
INCOME STATEMENT DATA												
Revenues:												
Research	\$348,114	\$358,495	\$365,334	\$373,395	\$381,090	\$385,718	\$396,179	\$420,499	\$440,271	\$449,170		
Consulting	84,271	93,488	82,300	88,337	76,792	88,336	74,686	87,921	84,940	94,068		
Events	14,317	67,837	23,306	122,247	13,304	73,882	29,301	135,348	32,055	66,760		
Total revenues	446,702	519,820	470,940	583,979	471,186	547,936	500,166	643,768	557,266	609,998		
Net income	\$37,736	\$53,040	\$33,846	\$59,144	\$28,351	\$51,155	\$30,366	\$65,763	\$40,167	\$47,911		
Diluted earnings per share	\$0.40	\$0.58	\$0.38	\$0.66	\$0.32	\$0.61	\$0.36	\$0.78	\$0.48	\$0.57		
Normalized EBITDA ⁽¹⁾	\$85,053	\$105,010	\$74,701	\$121,672	\$80,655	\$110,130	\$79,822	\$136,928	\$103,330	\$117,702		
CASH FLOW DATA												
Cash provided (used) by operating activities	\$16,470	\$136,288	\$122,851	\$71,167	\$5,663	\$143,741	\$116,904	\$79,253	\$8,580	\$153,314		
Capital expenditures	(\$9,185)	(\$9,966)	(\$6,365)	(\$12,970)	(\$11,632)	(\$11,982)	(\$12,453)	(\$10,061)	(\$6,560)	(\$25,337)		
BALANCE SHEET DATA												
Cash and cash equivalents	\$283,284	\$317,925	\$341,220	\$365,302	\$281,653	\$357,581	\$371,244	\$372,976	\$403,943	\$445,053		
Total assets	\$1,757,713	\$1,796,808	\$1,768,953	\$1,904,351	\$1,789,370	\$1,861,039	\$2,091,542	\$2,174,686	\$2,211,509	\$2,304,521		
Debt - net carrying amount	\$355,000	\$375,000	\$370,000	\$405,000	\$665,000	\$715,000	\$840,000	\$825,000	\$890,000	\$826,015		
Stockholders' equity (Deficit)	\$236,723	\$197,509	\$152,523	\$161,171	(\$139,513)	(\$170,155)	(\$159,589)	(\$132,400)	(\$112,670)	(\$52,828)		
(1) Normalized EBITDA represents operating income excluding depreciation, accretion on obligations related to excess facilities, amortization, stock-based compensation expense, and acquisition related adjustments. We believe Normalized EBITDA is an important measure of our recurring operations as it excludes items that may not be indicative of our core operating results. Investors are cautioned that Normalized EBITDA is not a financial measure defined under generally accepted accounting principles and as a result is considered a non-GAAP financial measure. We provide this measure to enhance the user's overall understanding of the Company's current financial performance and the Company's prospects for the future. It should not be construed as an alternative to any other measure of performance determined inaccordance with generally accepted accounting principles. The following table presents a reconciliation of Normalized EBITDA:												
Reconciliation - GAAP to Normalized EBITDA:												
Net income	\$37,736	\$53,040	\$33,846	\$59,144	\$28,351	\$51,155	\$30,366	\$65,763	\$40,167	\$47,911		
Interest expense, net	2,250	2,680	2,656	3,301	3,480	5,240	6,049	6,013	6,006	7,356		
Other expense (income), net	229	(175)	287	251	962	468	(5,367)	(1,059)	(1,884)	(1,248)		
Tax provision	18,955	26,216	12,602	33,144	15,889	28,357	21,426	30,904	20,140	29,280		
Operating income	\$59,170	\$81,761	\$49,391	\$95,840	\$48,682	\$85,220	\$52,474	\$101,621	\$64,429	\$83,299		
Normalizing adjustments:												
Depreciation, accretion and amortization	8,775	9,740	10,487	10,543	10,152	10,564	15,226	15,226	15,038	15,258		
Stock-based compensation expense	13,752	6,865	8,808	9,436	16,729	10,663	9,588	9,169	15,495	11,112		
Pre-acquisition deferred revenue	0	0	0	0	0	0	(4,424)	0	0	0		
Acquisition and integration charges	3,356	6,644	6,015	5,853	5,092	3,683	15,336	10,912	8,368	8,033		
Normalized EBITDA	\$85,053	\$105,010	\$74,701	\$121,672	\$80,655	\$110,130	\$88,200	\$136,928	\$103,330	\$117,702		

GARTNER, INC. - SELECTED FINANCIAL DATA (ANNUAL)

INCOME STATEMENT DATA

	Year ending December '11	Year ending December '12	Year ending December '13	Year ending December '14	Year ending December '15
Revenues:					
Research	\$1,012,062	\$1,137,147	\$1,271,011	\$1,445,338	\$1,583,486
Consulting	308,047	304,893	314,257	348,396	327,735
Events	148,479	173,768	198,945	227,707	251,835
Total revenues	\$1,468,588	\$1,615,808	\$1,784,213	\$2,021,441	\$2,163,056
Net income	\$136,902	\$165,903	\$182,801	\$183,766	175,635
Diluted earnings per share	\$1.39	\$1.73	\$1.93	\$2.03	\$2.06
Normalized EBITDA ⁽¹⁾	\$279,448	\$315,234	\$345,424	\$386,434	\$ 407,535

CASH FLOW DATA

Cash provided by operating activities	\$255,566	\$279,813	\$315,654	\$346,779	\$345,561
Capital expenditures	(\$41,954)	(\$44,337)	(\$36,498)	(\$38,486)	(\$46,128)

BALANCE SHEET DATA

Cash and cash equivalents	\$142,739	\$299,852	\$283,284	\$365,302	\$372,976
Total assets	\$1,379,872	\$1,621,277	\$1,783,582	\$1,904,351	\$2,174,686
Total debt	\$200,000	\$205,000	\$205,000	\$405,000	\$825,000
Stockholders' equity (deficit)	\$181,784	\$306,673	\$361,316	\$161,171	(\$132,400)

(1) Normalized EBITDA represents operating income, excluding depreciation, accretion on obligations related to excess facilities, amortization, stock-based compensation expense, and acquisition related adjustments.

We believe Normalized EBITDA is an important measure of our recurring operations as it excludes items that may not be indicative of our core operating results. Investors are cautioned that Normalized EBITDA is not a financial measure defined under generally accepted accounting principles and as a result is considered a non-GAAP financial measure. We provide this measure to enhance the user's overall understanding of the Company's current financial performance and the Company's prospects for the future. It should not be construed as an alternative to any other measure of performance determined inaccordance with generally accepted accounting principles. The following table presents a reconciliation of Normalized EBITDA:

Reconciliation - Operating income to Normalized EBITDA:

Net income	\$136,902	\$165,903	\$182,801	\$ 183,766	\$ 175,635
Interest expense, net	9,967	8,859	8,837	10,887	20,782
Other expense (income), net	1,911	1,252	216	592	(4,996)
Tax provision	65,282	69,693	83,638	90,917	96,576
Operating income	\$214,062	\$245,707	\$275,492	\$286,162	\$ 287,997
Normalizing adjustments:					
Depreciation, accretion and amortization	32,329	29,982	34,601	39,544	47,214
Stock-based compensation expense	32,864	36,378	34,735	38,861	46,149
Pre-acquisition deferred revenue	193	747	259	0	0
Acquisition and integration charges	0	2,420	337	21,867	26,175
Normalized EBITDA	<u>\$279,448</u>	<u>\$ 315,234</u>	<u>\$ 345,424</u>	<u>\$ 386,434</u>	<u>\$ 407,535</u>