

GARTNER, INC. - SELECTED FINANCIAL DATA (Quarterly)

	Quarter ending March '13	Quarter ending June '13	Quarter ending September '13	Quarter ending December '13	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
<u>INCOME STATEMENT DATA</u>												
Revenues:												
Research	\$310,331	\$311,233	\$316,518	\$332,929	\$348,114	\$358,495	\$365,334	\$373,395	\$381,090	\$385,718		
Consulting	72,633	85,928	70,149	85,547	84,271	93,488	82,300	88,337	76,792	88,336		
Events	23,790	48,886	24,038	102,231	14,317	67,837	23,306	122,247	13,304	73,882		
Total revenues	406,754	446,047	410,705	520,707	446,702	519,820	470,940	583,979	471,186	547,936		
Net income	\$36,675	\$46,514	\$38,194	\$61,418	\$37,736	\$53,040	\$33,846	\$59,144	\$28,351	\$51,155		
Diluted earnings per share	\$0.38	\$0.49	\$0.40	\$0.65	\$0.40	\$0.58	\$0.38	\$0.66	\$0.32	\$0.61		
Normalized EBITDA ⁽¹⁾	\$75,062	\$89,911	\$74,933	\$105,518	\$85,053	\$105,010	\$74,701	\$121,672	\$80,655	\$110,130		
<u>CASH FLOW DATA</u>												
Cash provided (used) by operating activities	\$19,693	\$120,623	\$101,753	\$73,585	\$16,470	\$136,288	\$122,851	\$71,167	\$5,663	\$143,741		
Capital expenditures	(\$9,648)	(\$9,987)	(\$8,137)	(\$8,726)	(\$9,185)	(\$9,966)	(\$6,365)	(\$12,970)	(\$11,632)	(\$11,982)		
<u>BALANCE SHEET DATA</u>												
Cash and cash equivalents	\$269,063	\$333,363	\$374,521	\$423,990	\$283,284	\$317,925	\$341,220	\$365,302	\$281,653	\$357,581		
Total assets	\$1,567,395	\$1,613,787	\$1,628,398	\$1,783,582	\$1,757,713	\$1,796,808	\$1,768,953	\$1,904,351	\$1,789,370	\$1,861,039		
Total debt	\$205,000	\$205,000	\$205,000	\$205,000	\$355,000	\$375,000	\$370,000	\$405,000	\$665,000	\$715,000		
Stockholders' equity (Deficit)	\$319,157	\$328,694	\$321,635	\$361,316	\$236,723	\$197,509	\$152,523	\$161,171	(\$139,513)	(\$170,155)		

(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 in accordance with generally accepted accounting principles. The following table presents a reconciliation of Normalized EBITDA:

<u>Reconciliation - GAAP to Normalized EBITDA:</u>												
Net income	\$36,675	\$46,514	\$38,194	\$61,418	\$37,736	\$53,040	\$33,846	\$59,144	\$28,351	\$51,155		
Interest expense, net	2,436	2,144	2,124	2,133	2,250	2,680	2,656	3,301	3,480	5,240		
Other expense (income), net	(211)	280	(5)	152	229	(175)	287	251	962	468		
Tax provision	15,105	25,049	18,430	25,054	18,955	26,216	12,602	33,144	15,889	28,357		
Operating income	\$54,005	\$73,987	\$58,743	\$88,757	\$59,170	\$81,761	\$49,391	\$95,840	\$48,682	\$85,220		
Normalizing adjustments:												
Depreciation, accretion and amortization	10,564	8,464	10,564	9,015	8,775	9,740	10,487	10,543	10,152	10,564		
Stock-based compensation expense	12,342	7,232	7,475	7,687	13,752	6,865	8,808	9,436	16,729	10,663		
Pre-acquisition deferred revenue	137	122	0	0	0	0	0	0	0	0		
Acquisition and integration charges	3,546	106	3,683	59	3,356	6,644	6,015	5,853	5,092	3,683		
Normalized EBITDA	\$80,594	\$89,911	\$80,465	\$105,518	\$85,053	\$105,010	\$74,701	\$121,672	\$80,655	\$110,130		

GARTNER, INC. - SELECTED FINANCIAL DATA (ANNUAL)

	Year ending December '10	Year ending December '11	Year ending December '12	Year ending December '13	Year ending December '14
<u>INCOME STATEMENT DATA</u>					
Revenues:					
Research	\$865,000	\$1,012,062	\$1,137,147	\$1,271,011	\$1,445,338
Consulting	302,117	308,047	304,893	314,257	348,396
Events	121,337	148,479	173,768	198,945	227,707
Total revenues	\$1,288,454	\$1,468,588	\$1,615,808	\$1,784,213	\$2,021,441
Net income	\$96,285	\$136,902	\$165,903	\$182,801	\$183,766
Diluted earnings per share	\$0.96	\$1.39	\$1.73	\$1.93	\$2.03
Normalized EBITDA ⁽¹⁾	\$230,372	\$279,448	\$315,234	\$345,424	\$386,434
<u>CASH FLOW DATA</u>					
Cash provided by operating activities	\$205,499	\$255,566	\$279,813	\$315,654	\$346,779
Capital expenditures	(\$21,694)	(\$41,954)	(\$44,337)	(\$36,498)	(\$38,486)
<u>BALANCE SHEET DATA</u>					
Cash and cash equivalents	\$120,181	\$142,739	\$299,852	\$283,284	\$365,302
Total assets	\$1,285,658	\$1,379,872	\$1,621,277	\$1,783,582	\$1,904,351
Total debt	\$220,156	\$200,000	\$205,000	\$205,000	\$405,000
Stockholders' equity (deficit)	\$187,056	\$181,784	\$306,673	\$361,316	\$161,171
(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 in accordance with generally accepted accounting principles. The following table presents a reconciliation of Normalized EBITDA:					
<u>Reconciliation - Operating income to Normalized EBITDA:</u>					
Net income	\$96,285	\$136,902	\$165,903	\$182,801	\$ 183,766
Interest expense, net	15,616	9,967	8,859	8,837	10,887
Other expense (income), net	(436)	1,911	1,252	216	592
Tax provision	37,800	65,282	69,693	83,638	90,917
Operating income	\$149,265	\$214,062	\$245,707	\$275,492	\$286,162
Normalizing adjustments:					
Depreciation, accretion and amortization	36,475	32,329	29,982	34,601	39,544
Stock-based compensation expense	32,634	32,864	36,378	34,735	38,861
Pre-acquisition deferred revenue	4,095	193	747	259	0
Acquisition and integration charges	7,903	0	2,420	337	21,867
Normalized EBITDA	\$230,372	\$279,448	\$ 315,234	\$ 345,424	\$ 386,434