

GARTNER, INC. - SUMMARY FINANCIAL STATEMENTS (ANNUAL) ⁽¹⁾

(In thousands, except per share data)

	Year ending December '03	Year ending December '04	Year ending December '05	Year ending December '06	Year ending December '07
SUMMARY INCOME STATEMENT					
Revenues:					
Research	\$466,907	\$480,486	\$523,033	\$571,217	\$673,335
Consulting	258,628	\$259,419	\$301,074	\$305,231	\$325,030
Events	119,355	\$138,393	\$151,339	\$169,434	\$180,788
Other	13,556	\$15,523	\$13,558	\$14,439	\$10,045
Total revenues	\$858,446	\$893,821	\$989,004	\$1,060,321	\$1,189,198
Costs and expenses:					
Cost of services and product development	410,666	\$434,499	\$486,611	\$505,330	\$545,275
Selling, general and administrative	333,411	\$349,834	\$397,252	\$416,094	\$475,328
Depreciation	36,045	\$27,650	\$25,502	\$23,444	\$24,298
Amortization of intangibles and goodwill	1,275	\$3,398	\$10,226	\$10,753	\$2,091
META integration charges	-	-	\$14,956	\$1,450	\$0
Other charges	29,716	\$35,781	\$29,177	\$0	\$9,084
Total costs and expenses	\$811,113	\$851,162	\$963,724	\$957,071	\$1,056,076
Operating income (loss)	47,333	\$42,659	25,280	103,250	133,122
Gain (loss) on investments, net	4,740	(\$2,958)	(5,841)	0	0
Interest expense, net	(17,106)	(1,317)	(11,072)	(16,581)	(22,154)
Other income (expense), net	461	(\$3,922)	(2,929)	(797)	3,193
Income (loss) before income taxes	35,428	\$34,462	5,438	85,872	114,161
Provision (benefit) for income taxes	11,839	\$17,573	7,875	27,680	40,608
Net income (loss)	\$23,589	\$16,889	(\$2,437)	\$58,192	\$73,553
Earnings (loss) per share (diluted)	\$0.25	\$0.13	(\$0.02)	\$0.50	\$0.68
Weighted average shares outstanding:					
Basic	91,123	123,603	112,253	113,071	103,613
Diluted	92,579	126,326	112,253	116,203	108,328

SEGMENT RESULTS ⁽²⁾

Research Revenue	466,907	480,486	523,033	571,217	673,335
Research Gross Contribution	292,874	292,704	310,008	345,521	429,064
Contribution Margin	62.7%	61.0%	59.0%	60.5%	63.7%
Consulting Revenue	258,628	259,419	301,074	305,231	325,030
Consulting Gross Contribution	86,778	92,711	125,678	120,660	128,215
Contribution Margin	33.6%	36.0%	42.0%	39.5%	39.4%
Events Revenue	119,355	138,393	151,339	169,434	180,788
Events Gross Contribution	56,004	69,462	76,135	83,688	88,164
Contribution Margin	46.9%	50.0%	50.0%	49.4%	48.8%

(1) Annual data does not reflect the reclassification of the Company's former Vision Events business as a discontinued operation.

(2) We evaluate reportable segment performance and allocate resources based on gross contribution margin. Gross contribution is defined as operating income excluding certain cost of services and product development and selling, general and administrative expenses, depreciation, META integration charges, amortization of intangibles and other charges. Gross contribution margin is defined as gross contribution as a percentage of revenues.

GARTNER, INC. - SUMMARY FINANCIAL STATEMENTS (ANNUAL) ⁽¹⁾

(In thousands, except per share data)

SUMMARY BALANCE SHEET

	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007
ASSETS					
Current assets:					
Cash and cash equivalents	\$229,962	\$160,126	\$70,282	\$67,801	\$109,945
Fees receivable, net of allowances	266,122	\$257,689	\$313,195	\$328,383	\$354,926
Deferred commissions	27,751	\$32,978	\$42,804	\$46,822	\$53,537
Prepaid expenses and other current assets	30,465	\$37,052	\$35,838	\$41,027	\$39,382
Total current assets	554,300	\$487,845	\$462,119	\$484,033	\$557,790
Property, equipment and leasehold improvements, net	66,541	\$63,495	\$61,770	\$59,715	\$66,551
Goodwill	230,387	\$231,759	\$404,034	\$408,545	\$416,181
Intangible assets, net	985	\$138	\$15,793	\$5,978	\$3,645
Other assets	66,519	\$77,957	\$82,901	\$81,522	\$89,043
Total assets	\$918,732	\$861,194	\$1,026,617	\$1,039,793	\$1,133,210
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable and accrued liabilities	\$180,432	\$181,502	\$267,207	\$208,002	\$215,990
Deferred revenues	315,524	\$307,696	\$333,065	\$375,881	\$423,522
Current portion of long term debt	-	\$40,000	66,667	220,000	236,500
Total current liabilities	495,956	\$529,198	\$666,939	\$803,883	\$876,012
Other liabilities	47,986	\$51,948	\$33,090	\$59,592	\$82,200
Convertible debt	-	-	-	-	-
Long term debt	-	\$150,000	180,000	150,000	157,500
Total liabilities	543,942	\$731,146	\$880,029	\$1,013,475	\$1,115,712
Total stockholders' equity (deficit)	374,790	\$130,048	\$146,588	\$26,318	\$17,498
Total liabilities and stockholders' equity	\$918,732	\$861,194	\$1,026,617	\$1,039,793	\$1,133,210

SUMMARY CASH FLOW STATEMENT

	Year Ended 12/31/2003	Year Ended ended 12/31/04	Year Ended ended 12/31/05	Year Ended ended 12/31/06	Year Ended ended 12/31/07
Operating activities:					
Net income (loss)	\$23,589	\$16,889	(\$2,437)	\$58,192	\$73,553
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization of intangibles and goodwill	37,320	28,337	35,728	34,197	26,389
Non-cash and stock based compensation expense, net of tax benefits	5,002	11,303	5,502	7,501	9,482
Deferred taxes	(4,567)	(8,613)	(5,644)	6,830	6,740
Other adjustments, net	13,909	11,780	13,245	1,852	1,363
Changes in assets and liabilities, excluding the effects of acquisitions	61,084	(11,496)	(19,272)	(2,308)	30,808
Cash provided by operating activities	136,337	48,201	27,122	106,264	148,335
Investing activities:					
Additions to property, equipment and leasehold improvements	(28,928)	(25,104)	(22,356)	(21,113)	(24,172)
Other investing activities, net	3,504	(3,870)	(158,624)	(688)	36
Cash used in investing activities	(25,424)	(28,974)	(180,980)	(21,801)	(24,136)
Financing activities:					
Net issuance (payment) of debt	-	187,177	55,709	123,333	24,000
Proceeds from stock issued for stock plans	41,655	67,916	30,960	46,732	34,458
Purchases of treasury stock	(43,434)	(352,262)	(9,585)	(270,704)	(166,822)
Excess tax benefit from stock compensation	-	-	-	9,159	14,759
Other financing activities, net	(1,182)	0	(7,062)	(45)	(90)
Cash used in financing activities	(2,961)	(97,169)	70,022	(91,525)	(93,695)
Net increase (decrease) in cash and cash equivalents	107,952	(77,942)	(83,836)	(7,062)	30,504
Effects of exchange rates on cash and cash equivalents	12,353	8,106	(6,008)	4,581	11,640

(1) Annual data does not reflect the reclassification of the Company's former Vision Events business as a discontinued operation.

GARTNER, INC. - SUMMARY FINANCIAL STATEMENTS (QUARTERLY) ⁽¹⁾

(In thousands, except per share data)

	Quarter ending				Quarter ending				Quarter ending	
	March '06	June '06	September '06	December '06	March '07	June '07	September '07	December '07	March '08	June '08
SUMMARY INCOME STATEMENT										
Revenues:										
Research	\$137,092	\$138,321	\$144,126	\$151,678	\$158,800	\$163,753	\$170,218	\$180,564	\$189,541	\$195,798
Consulting	\$75,893	\$83,663	\$69,502	\$76,173	\$76,267	\$83,555	\$73,838	\$91,370	\$78,118	\$94,607
Events	\$14,495	\$58,599	\$24,111	\$72,229	\$26,927	\$42,362	\$26,713	\$74,143	\$20,574	\$50,970
Other	\$3,449	\$3,510	\$3,621	\$3,859	\$2,203	\$3,178	\$2,350	\$2,314	\$1,866	\$2,564
Total revenues	\$230,929	\$284,093	\$241,360	\$303,939	\$264,197	\$292,848	\$273,119	\$348,391	\$290,099	\$343,939
Costs and expenses:										
Cost of services and product development	\$105,349	\$137,283	\$116,259	\$146,439	\$123,356	\$136,842	\$127,211	\$150,140	\$125,960	\$152,153
Selling, general and administrative	\$99,467	\$106,701	\$99,814	\$110,112	\$115,107	\$119,875	\$115,564	\$123,495	\$130,886	\$137,746
Depreciation	\$5,660	\$6,098	\$5,840	\$5,846	\$5,735	\$6,012	\$6,255	\$6,296	\$6,509	\$6,064
Amortization of intangibles and goodwill	\$3,383	\$3,416	\$3,484	\$470	\$529	\$596	\$509	\$457	\$414	\$401
META integration charges	\$1,450	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other charges	\$0	\$0	\$0	\$0	\$0	\$9,084	\$0	\$0	\$0	\$0
Total costs and expenses	\$215,309	\$253,498	\$225,397	\$262,867	\$244,727	\$272,409	\$249,539	\$280,388	\$263,769	\$296,364
Operating income (loss)	15,620	30,595	15,963	41,072	19,470	20,439	23,580	68,003	26,330	47,575
Gain (loss) on investments, net	0	0	0		0	0	0	0	0	0
Interest expense, net	(4,363)	(4,479)	(3,848)	(3,891)	(6,263)	(5,398)	(5,223)	(5,270)	(4,715)	(4,960)
Other income (expense), net	(694)	173	(541)	265	(38)	1,814	303	1,114	523	(150)
Income (loss) before income taxes	10,563	26,289	11,574	37,446	13,169	16,855	18,660	63,847	22,138	42,465
Provision (benefit) for income taxes	2,793	8,045	1,966	14,876	4,192	4,876	6,166	25,028	7,545	12,337
Income (loss) from continuing operations	7,770	18,244	9,608	22,570	8,977	11,979	12,494	38,819	14,593	30,128
Discontinued operation, net of taxes:										
Loss from discontinued operation	\$0	\$0	\$0	\$0	(785)	\$2,069			(338)	(228)
Gain (loss) on disposal of discontinued operation	\$0	\$0	\$0	\$0	\$0				\$7,289	\$0
Income (loss) from discontinued operation	\$0	\$0	\$0	\$0	(\$785)	\$2,069			\$6,951	(\$228)
Net income (loss)	\$7,770	\$18,244	\$9,608	\$22,570	\$8,192	\$14,048	\$12,494	\$38,819	\$21,544	\$29,900
Earnings (loss) per share from continuing operations	\$0.07	\$0.16	\$0.08	\$0.19	\$0.09	\$0.11	\$0.11	\$0.37	\$0.14	\$0.30
Loss from discontinued operation					(\$0.01)	\$0.02	\$0.00	\$0.00	\$0.00	\$0.00
Gain (loss) on disposal of discontinued operation					\$0.00	\$0.00	\$0.00	\$0.00	\$0.07	\$0.00
Earnings (loss) per share (diluted)	\$0.07	\$0.16	\$0.08	\$0.19	\$0.08	\$0.13	\$0.11	\$0.37	\$0.21	\$0.30
Weighted average shares outstanding:										
Basic	113,769	113,525	113,523	111,498	103,521	104,259	104,728	101,709	97,790	94,845
Diluted	115,798	115,743	116,255	115,693	108,263	109,571	109,197	105,915	101,363	98,895

SEGMENT RESULTS ⁽²⁾

Research Revenue	137,092	138,321	144,126	151,678	158,800	163,753	170,218	180,564	189,541	195,798
Research Gross Contribution	84,487	83,913	89,835	87,286	99,302	102,574	110,796	116,393	125,020	127,902
Contribution Margin	61.6%	60.7%	62.3%	57.5%	62.5%	62.6%	65.1%	64.5%	66.0%	65.3%
Consulting Revenue	75,893	83,663	69,502	76,173	76,267	83,555	73,838	91,370	78,118	94,607
Consulting Gross Contribution	33,826	37,040	25,636	24,158	28,036	34,310	27,819	38,051	31,337	40,535
Contribution Margin	44.6%	44.3%	36.9%	31.7%	36.8%	41.1%	37.7%	41.6%	40.1%	42.8%
Events Revenue	14,495	58,599	24,111	72,229	26,927	42,362	26,713	74,143	20,574	50,970
Events Gross Contribution	6,427	26,591	9,442	41,228	14,528	19,339	9,494	41,886	8,979	22,639
Contribution Margin	44.3%	45.4%	39.2%	57.1%	54.0%	45.7%	35.5%	56.5%	43.6%	44.4%

(1) First and second quarter 2007 and 2008 data reflect the reclassification of the Company's former Vision Events business as a discontinued operation.

(2) We evaluate reportable segment performance and allocate resources based on gross contribution margin. Gross contribution is defined as operating income excluding certain cost of services and product development and selling, general and administrative expenses, depreciation, META integration charges, amortization of intangibles and other charges. Gross contribution margin is defined as gross contribution as a percentage of revenues.

GARTNER, INC. - SUMMARY FINANCIAL STATEMENTS (QUARTERLY) ⁽¹⁾

(In thousands, except per share data)

SUMMARY BALANCE SHEET

	March 31, 2006	June 30, 2006	September 30, 2006	December 31, 2006	March 31, 2007	June 30, 2007	September 30, 2007	December 31, 2007	March 31, 2008	June 30, 2008
ASSETS										
Current assets:										
Cash and cash equivalents	\$65,640	\$69,067	\$92,913	\$67,801	\$91,094	\$102,838	\$117,708	\$109,945	\$95,935	\$136,897
Fees receivable, net of allowances	\$277,175	\$285,675	\$284,879	\$328,383	\$309,748	\$303,508	\$314,844	\$354,926	\$327,243	\$313,259
Deferred commissions	\$35,580	\$31,181	\$31,273	\$46,822	\$41,841	\$43,520	\$38,697	\$53,537	\$51,543	\$48,829
Prepaid expenses and other current assets	\$41,378	\$36,380	\$43,882	\$41,027	\$57,084	\$65,792	\$59,569	\$39,382	\$46,089	\$41,650
Total current assets	\$419,773	\$422,303	\$452,947	\$484,033	\$499,767	\$515,658	\$530,818	\$557,790	\$520,810	\$540,635
Property, equipment and leasehold improvements, net	\$57,930	\$57,667	\$57,482	\$59,715	\$58,757	\$60,653	\$67,094	\$66,551	\$64,372	\$66,520
Goodwill	\$403,999	\$407,608	\$408,750	\$408,545	\$409,161	\$410,956	\$414,838	\$416,181	\$416,565	\$417,523
Intangible assets, net	\$12,641	\$9,373	\$6,007	\$5,978	\$5,224	\$4,613	\$4,111	\$3,645	\$3,230	\$2,829
Other assets	\$85,135	\$87,803	\$88,411	\$81,522	\$84,523	\$87,625	\$89,221	\$89,043	\$90,824	\$93,418
Total assets	\$979,478	\$984,754	\$1,013,597	\$1,039,793	\$1,057,432	\$1,079,505	\$1,106,082	\$1,133,210	\$1,095,801	\$1,120,925
LIABILITIES AND STOCKHOLDERS' EQUITY										
Current liabilities:										
Accounts payable and accrued liabilities	\$172,129	\$186,068	\$192,004	\$208,002	\$141,742	\$177,905	\$179,328	\$215,990	\$154,046	\$180,486
Deferred revenues	\$355,222	\$339,441	\$361,379	\$375,881	\$390,870	\$377,183	\$402,080	\$423,522	\$450,275	\$428,059
Current portion of long term debt	\$68,333	\$60,000	\$60,000	\$220,000	\$234,000	\$193,500	\$205,000	\$236,500	\$268,000	\$198,250
Total current liabilities	\$595,684	\$585,509	\$613,383	\$803,883	\$766,612	\$748,588	\$786,408	\$876,012	\$872,321	\$876,012
Other liabilities	\$54,273	\$54,008	\$53,542	\$59,592	\$84,392	\$83,956	\$86,424	\$82,200	\$88,091	\$84,244
Convertible debt	-	-	-	-	-	-	-	-	-	-
Long term debt	\$175,000	\$170,000	\$160,000	\$150,000	\$171,000	\$166,500	\$162,000	\$157,500	\$153,000	\$271,500
Total liabilities	\$824,957	\$809,517	\$826,925	\$1,013,475	\$1,022,004	\$999,044	\$1,034,832	\$1,115,712	\$1,113,412	\$1,162,539
Total stockholders' equity (deficit)	\$154,521	\$175,237	\$186,672	\$26,318	\$35,428	\$80,461	\$71,250	\$17,498	-\$17,611	-\$41,614
Total liabilities and stockholders' equity	\$979,478	\$984,754	\$1,013,597	\$1,039,793	\$1,057,432	\$1,079,505	\$1,106,082	\$1,133,210	\$1,095,801	\$1,120,925

SUMMARY CASH FLOW STATEMENT

	Three months ended 3/31/06	Six months ended 6/30/06	Nine months ended 9/30/06	Year Ended ended 12/31/06	Three months ended 3/31/07	Six months ended 6/30/07	Nine months ended 9/30/07	Year Ended ended 12/31/07	Three months ended 3/31/08	Six months ended 6/30/08
Operating activities:										
Net income (loss)	\$7,770	\$26,014	\$35,622	\$58,192	\$8,192	\$22,240	\$34,734	\$73,553	\$21,544	\$51,444
Adjustments to reconcile net income (loss) to net cash provided by operating activities:										
Loss from discontinued operation	-	-	-	-	-	(1,284)	-	0	0	(6,723)
Depreciation and amortization of intangibles and goodwill	9,043	18,557	27,881	34,197	6,264	12,872	19,636	26,389	6,923	13,388
Non-cash and stock based compensation expense, net of tax benefits	1,146	3,344	6,020	7,501	2,031	(319)	4,165	9,482	6,632	13,056
Deferred taxes	(737)	(2,302)	(3,839)	6,830	(1,117)	(349)	(3,591)	6,631	0	270
Other adjustments, net	201	403	834	1,852	693	914	1,156	1,363	(10,216)	(5,198)
Changes in assets and liabilities, excluding the effects of acquisitions	(11,318)	(13,037)	8,204	(2,308)	(16,285)	8,335	26,395	30,917	(10,666)	15,608
Cash provided by operating activities	6,105	32,979	74,722	106,264	(222)	43,693	82,495	148,335	14,217	81,845
Investing activities:										
Additions to property, equipment and leasehold improvements	(3,356)	(7,978)	(13,152)	(21,113)	(4,777)	(12,430)	(18,585)	(24,172)	(7,510)	(12,974)
Other investing activities, net	(139)	(209)	(414)	(668)	-	9	12	36	8,075	7,847
Cash used in investing activities	(3,495)	(8,187)	(13,456)	(21,801)	(4,777)	(12,421)	(18,573)	(24,136)	565	(5,127)
Financing activities:										
Net issuance (payment) of debt	(3,333)	(16,666)	(26,666)	123,333	35,000	(10,000)	(3,000)	24,000	-	(801)
Proceeds from stock issued for stock plans	11,894	22,073	33,012	46,732	11,984	27,522	32,111	34,458	5,368	18,583
Purchases of treasury stock	(17,184)	(37,025)	(53,510)	(270,704)	(23,001)	(29,690)	(65,725)	(166,822)	(65,271)	(152,967)
Excess tax benefit from stock compensation	1,400	3,653	5,720	9,159	3,535	13,726	15,059	14,759	1,076	5,646
Other financing activities, net	0	0	0	(45)	(90)	(90)	(90)	(90)	0	0
Cash used in financing activities	(7,223)	(27,965)	(41,444)	(91,525)	27,428	1,468	(21,645)	(93,695)	(31,826)	(53,790)
Net increase (decrease) in cash and cash equivalents	(4,613)	(3,173)	19,822	(7,062)	22,429	32,740	42,278	30,504	(17,044)	22,928
Effects of exchange rates on cash and cash equivalents	(29)	1,958	2,809	4,581	864	2,297	7,629	11,640	3,034	4,024

(1) First and second quarter 2007 and 2008 data reflect the reclassification of the Company's former Vision Events business as a discontinued operation.