

GARTNER, INC. - SUMMARY FINANCIAL STATEMENTS (QUARTERLY)

(In thousands, except per share data)

	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>SUMMARY INCOME STATEMENT</u>								
Revenues:								
Research	\$348,114	\$358,495	\$365,334	\$373,395	\$381,090	\$385,718	\$396,179	\$420,499
Consulting	84,271	93,488	82,300	88,337	76,792	88,336	74,686	87,921
Events	14,317	67,837	23,306	122,247	13,304	73,882	29,301	135,348
Total revenues	\$446,702	\$519,820	\$470,940	\$583,979	\$471,186	\$547,936	\$500,166	\$643,768
Costs and expenses:								
Cost of services and product development	170,821	203,178	188,059	235,875	177,762	210,495	193,602	257,217
Selling, general and administrative	204,617	218,537	217,025	235,888	229,522	237,991	236,355	258,809
Depreciation	7,459	7,721	7,945	8,061	7,989	8,440	8,510	8,850
Amortization of intangibles	1,279	1,979	2,505	2,463	2,139	2,107	2,737	6,359
Acquisition and integration charges	3,356	6,644	6,015	5,852	5,092	3,683	6,488	10,912
Total costs and expenses	387,532	438,059	421,549	488,139	422,504	462,716	447,692	542,147
Operating income	59,170	81,761	49,391	95,840	48,682	85,220	52,474	101,621
Interest expense, net	(2,250)	(2,680)	(2,656)	(3,301)	(3,480)	(5,240)	(6,049)	(6,013)
Other income (expense), net	(229)	175	(287)	(251)	(962)	(468)	5,367	1,059
Income before income taxes	56,691	79,256	46,448	92,288	44,240	79,512	51,792	96,667
Provision for income taxes	18,955	26,216	12,602	33,144	15,889	28,357	21,426	30,904
Net income	\$37,736	\$53,040	\$33,846	\$59,144	\$28,351	\$51,155	\$30,366	\$65,763
Diluted income per share	\$0.40	\$0.58	\$0.38	\$0.66	\$0.32	\$0.61	\$0.36	\$0.78
Income (loss) per share (diluted)	\$0.40	\$0.58	\$0.38	\$0.66	\$0.32	\$0.61	\$0.36	\$0.78
Weighted average shares outstanding								
Basic	91,669	89,521	88,513	87,647	86,539	83,203	82,989	82,677
Diluted	93,209	90,744	89,708	88,956	87,773	84,271	84,113	83,890
<u>SEGMENT RESULTS⁽¹⁾</u>								
Research Revenue	\$348,114	\$358,495	\$365,334	\$373,395	\$381,090	\$385,718	\$396,179	\$420,499
Research Gross Contribution	\$246,101	\$248,263	\$251,113	\$256,438	\$267,065	\$269,846	\$274,967	\$285,005
Contribution Margin	70.7%	69.3%	68.7%	68.7%	70.1%	70.0%	69.4%	67.8%
Consulting Revenue	\$84,271	\$93,488	\$82,300	\$88,337	\$76,792	\$88,336	\$74,686	\$87,921
Consulting Gross Contribution	\$30,338	\$36,235	\$24,774	\$28,584	\$26,327	\$33,255	\$21,593	\$26,018
Contribution Margin	36.0%	38.8%	30.1%	32.4%	34.3%	37.6%	28.9%	29.6%
Events Revenue	\$14,317	\$67,837	\$23,306	\$122,247	\$13,304	\$73,882	\$29,301	\$135,348
Events Gross Contribution	\$2,963	\$34,232	\$6,946	\$68,243	\$2,442	\$39,442	\$11,543	\$77,100
Contribution Margin	20.7%	50.5%	29.8%	55.8%	18.4%	53.4%	39.4%	57.0%

(1) The Company evaluates reportable segment performance and allocates resources based on gross contribution margin. Gross contribution is defined as operating income excluding certain cost of services and product development expenses, selling, general and administrative expenses, depreciation, acquisition and integration charges, and amortization of intangibles. Gross contribution margin is defined as gross contribution as a percentage of revenues.

GARTNER, INC. - SUMMARY FINANCIAL STATEMENTS (QUARTERLY)

(In thousands)

SUMMARY BALANCE SHEET

	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015
ASSETS								
Current assets:								
Cash and cash equivalents	\$283,284	\$317,925	\$341,220	\$365,302	\$281,653	\$357,581	\$371,244	\$ 372,976
Fees receivable, net	496,997	493,216	449,923	552,107	526,384	527,615	482,302	580,763
Deferred commissions	97,610	88,689	80,599	115,381	104,405	98,211	93,792	124,831
Prepaid expenses and other current assets	67,777	71,939	87,492	63,868	88,206	82,661	114,061	62,427
Total current assets	945,668	971,769	959,234	1,096,658	1,000,648	1,066,068	1,061,399	1,140,997
Property, equipment and leasehold improvements, net	94,208	95,831	93,625	97,990	104,374	107,112	109,557	108,733
Goodwill	589,786	598,731	593,212	586,665	579,910	583,002	723,950	715,359
Intangible assets, net	34,537	36,415	33,515	30,689	28,456	27,110	96,174	96,544
Other assets	93,514	94,062	89,367	92,349	75,982	77,747	100,462	113,053
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
LIABILITIES AND STOCKHOLDERS' EQUITY								
Current liabilities:								
Accounts payable and accrued liabilities	\$211,566	\$251,421	\$266,545	\$353,761	\$240,301	\$262,293	\$290,044	\$ 387,691
Deferred revenues	832,555	847,877	847,327	841,457	895,430	922,227	925,056	900,801
Current portion of long term debt	222,500	246,250	245,000	20,000	285,000	20,000	20,000	35,000
Total current liabilities	1,266,621	1,345,548	1,358,872	1,215,218	1,420,731	1,204,520	1,235,100	1,323,492
Other liabilities	121,869	125,001	132,558	142,962	128,152	131,674	196,031	193,594
Long term debt	132,500	128,750	125,000	385,000	380,000	695,000	820,000	790,000
Total liabilities	1,520,990	1,599,299	1,616,430	1,743,180	1,928,883	2,031,194	2,251,131	2,307,086
Total stockholders' equity (deficit)	236,723	197,509	152,523	161,171	(139,513)	(170,155)	(159,589)	(132,400)
Total liabilities and stockholders' equity	\$1,757,713	\$1,796,808	\$1,768,953	\$1,904,351	\$1,789,370	\$1,861,039	\$2,091,542	\$ 2,174,686

SUMMARY CASH FLOW STATEMENT

	Three months ended 03/31/14	Six months ended 6/30/14	Nine months ended 9/30/14	Twelve months ended 12/31/14	Three months ended 03/31/15	Six months ended 6/30/15	Nine months ended 9/30/15	Twelve months ended 12/31/15
Operating activities:								
Net income	\$37,736	\$90,776	\$124,622	\$183,766	\$28,351	\$79,506	\$109,872	\$175,635
Adjustments to reconcile net income to cash provided by operating activities:								
Depreciation and amortization of intangibles	8,738	18,438	28,888	39,412	10,128	19,734	31,922	47,131
Stock based compensation expense	13,752	20,617	29,425	38,845	16,729	27,392	36,980	46,149
Excess tax benefits from stock-based compensation	(11,146)	(14,275)	(19,275)	(20,193)	(7,556)	(11,117)	(11,222)	(13,860)
Deferred taxes	7,351	4,450	(1,299)	(759)	(3,358)	2,298	(5,724)	344
Other adjustments, net	581	1,100	1,572	2,645	837	1,595	2,392	1,512
Changes in assets and liabilities, excluding the effects of acquisitions	(40,542)	31,652	111,676	103,063	(39,468)	29,995	102,087	88,650
Cash provided by operating activities	16,470	152,758	275,609	346,779	5,663	149,403	266,307	345,561
Investing activities:								
Additions to property, equipment and leasehold improvements	(9,185)	(19,151)	(25,516)	(38,486)	(11,632)	(23,614)	(36,067)	(46,128)
Other investing activities, net	(115,270)	(121,891)	(121,891)	(124,291)	0	0	(195,478)	(196,229)
Cash used in investing activities	(124,455)	(141,042)	(147,407)	(162,777)	(11,632)	(23,614)	(231,545)	(242,357)
Financing activities:								
Net issuance (payment) of debt	150,000	170,000	165,000	200,000	260,000	310,000	435,000	420,000
Proceeds from stock issued for stock plans	2,428	5,064	6,365	7,767	2,076	3,824	5,583	7,499
Purchases of treasury stock	(195,850)	(307,448)	(387,126)	(432,006)	(324,042)	(441,442)	(453,000)	(509,049)
Excess tax benefit from stock compensation	11,146	14,275	19,275	20,193	7,556	11,117	11,222	13,860
Cash used in financing activities	(32,276)	(118,109)	(196,486)	(208,670)	(54,410)	(116,501)	(1,195)	(67,690)
Net increase (decrease) in cash and cash equivalents	(140,261)	(106,393)	(68,284)	(24,668)	(60,379)	9,288	33,567	35,514
Effects of exchange rates on cash and cash equivalents	(445)	328	(14,486)	(34,020)	(23,270)	(17,009)	(27,625)	(27,840)
Cash and cash equivalents, beginning of period	\$423,990	\$423,990	\$423,990	\$423,990	\$365,302	\$365,302	\$365,302	\$365,302
Cash and cash equivalents, end of period	\$283,284	\$317,925	\$341,220	\$365,302	\$281,653	\$357,581	\$371,244	\$372,976

GARTNER, INC. - SUMMARY FINANCIAL STATEMENTS (ANNUAL)

	Year ending December '11	Year ending December '12	Year ending December '13	Year ending December '14	Year ending December '15
<u>SUMMARY INCOME STATEMENT</u>					
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	<u>\$1,468,588</u>	<u>\$1,615,808</u>	<u>\$1,784,213</u>	<u>\$2,021,441</u>	<u>\$2,163,056</u>
Costs and expenses:					
Cost of services and product development	608,755	659,067	713,484	797,933	839,076
Selling, general and administrative	613,707	678,843	760,458	876,067	962,677
Depreciation	25,539	25,369	28,996	31,186	33,789
Amortization of intangibles	6,525	4,402	5,446	8,226	13,342
Acquisition and integration charges	0	2,420	337	21,867	26,175
Total costs and expenses	<u>\$1,254,526</u>	<u>\$1,370,101</u>	<u>\$1,508,721</u>	<u>\$1,735,279</u>	<u>\$1,875,059</u>
Operating income	\$214,062	\$245,707	\$275,492	\$286,162	\$287,997
Interest expense, net	(9,967)	(8,859)	(8,837)	(10,887)	(20,782)
Other income (expense), net	(1,911)	(1,252)	(216)	(592)	4,996
Income (loss) before income taxes	202,184	235,596	266,439	274,683	272,211
Provision for income taxes	65,282	69,693	83,638	90,917	96,576
Income from continuing operations	136,902	165,903	182,801	183,766	175,635
Income from discontinued operations, net of taxes	0	0	0	0	0
Net income	<u>\$136,902</u>	<u>\$165,903</u>	<u>\$182,801</u>	<u>\$183,766</u>	<u>\$175,635</u>
Diluted - from continuing operations	\$1.39	\$1.73	\$1.93	\$2.03	\$2.06
Gain on disposal of discontinued operations					
Income from discontinued operations					
Weighted average shares outstanding:					
Basic	96,019	93,444	93,015	89,337	83,852
Diluted	98,846	95,842	94,830	90,719	85,056
<u>SEGMENT RESULTS</u>					
Research Revenue	\$1,012,062	\$1,137,147	\$1,271,011	\$1,445,338	\$1,583,486
Research Gross Contribution ⁽¹⁾	682,136	\$774,342	\$879,384	\$1,001,914	\$1,096,827
Contribution Margin	67.4%	68.1%	69.2%	69.3%	69.3%
Consulting Revenue	\$308,047	\$304,893	\$314,257	\$348,396	\$327,735
Consulting Gross Contribution ⁽¹⁾	114,838	\$109,253	\$107,565	\$119,931	\$107,193
Contribution Margin	37.3%	35.8%	34.2%	34.4%	32.7%
Events Revenue	148,479	\$173,768	\$198,945	\$227,707	\$251,835
Events Gross Contribution ⁽¹⁾	55,884	\$80,119	\$91,216	\$112,384	\$130,527
Contribution Margin	46.1%	46.1%	45.8%	49.4%	51.8%

(1) The Company evaluates reportable segment performance and allocates resources based on gross contribution margin. Gross contribution is defined as operating income excluding certain cost of services and product development expenses, selling, general and administrative expenses, depreciation, acquisition and integration charges, and amortization of intangibles. Gross contribution margin is defined as gross contribution as a percentage of revenues.

GARTNER, INC. - SUMMARY FINANCIAL STATEMENTS (ANNUAL)

(In thousands, except per share data)

SUMMARY BALANCE SHEET

	Year ending December '11	Year ending December '12	Year ending December '13	Year ending December '14	Year ending December '15
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 142,739	\$ 299,852	\$ 423,990	\$ 365,302	\$ 372,976
Fees receivable, net of allowances	421,033	463,968	490,923	552,107	580,763
Deferred commissions	78,492	87,933	106,287	115,381	124,831
Prepaid expenses and other current assets	63,521	75,713	63,682	63,868	62,427
Total current assets	705,785	927,466	1,084,882	1,096,658	1,140,997
Property, equipment and leasehold improvements, net	68,132	89,089	91,759	97,990	108,733
Goodwill	508,550	519,506	519,203	586,665	715,359
Intangible assets, net	7,060	11,821	6,107	30,689	96,544
Other assets	90,345	73,395	81,631	92,349	113,053
Total assets	\$1,379,872	\$1,621,277	\$1,783,582	\$1,904,351	\$2,174,686
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable and accrued liabilities	\$259,490	\$287,763	\$325,059	\$353,761	\$387,691
Deferred revenues	611,647	692,237	766,114	841,457	900,801
Current portion of long term debt	50,000	90,000	68,750	20,000	35,000
Total current liabilities	921,137	1,070,000	1,159,923	1,215,218	1,323,492
Other liabilities	126,951	129,604	126,093	142,962	193,594
Long term debt	150,000	115,000	136,250	385,000	790,000
Total liabilities	1,198,088	1,314,604	1,422,266	1,743,180	2,307,086
Total stockholders' equity (deficit)	181,784	306,673	361,316	161,171	(132,400)
Total liabilities and stockholders' equity	1,379,872	\$1,621,277	\$1,783,582	\$1,904,351	\$2,174,686

SUMMARY CASH FLOW STATEMENT

	Year ending December '11	Year ending December '12	Year ending December '13	Year ending December '14	Year ending December '15
Operating activities:					
Net income	\$136,902	\$165,903	\$182,801	\$183,766	\$175,635
Adjustments to reconcile net income to cash provided by operating activities:					
Depreciation and amortization	32,064	29,771	34,442	39,412	47,131
Stock-based compensation expense	32,865	36,378	34,735	38,861	46,149
Excess tax benefits from stock-based compensation	(25,572)	(21,304)	(25,392)	(20,193)	(13,860)
Deferred taxes	(965)	973	16,663	(759)	344
Other adjustments, net	2,288	2,008	13,825	9,079	1,512
Changes in assets and liabilities, excluding the effects of acquisitions	77,984	66,084	41,917	96,573	88,650
Cash provided by operating activities	255,566	279,813	315,654	346,779	345,561
Investing activities:					
Additions to property, equipment and leasehold improvements	(41,954)	(44,337)	(36,498)	(38,486)	(46,128)
Acquisitions and other	0	(10,336)	0	(124,291)	(196,229)
Cash used in investing activities	(41,954)	(54,673)	(36,498)	(162,777)	(242,357)
Financing activities:					
Net issuance (payment) of debt	(20,156)	5,000	0	200,000	420,000
Proceeds from stock issued for stock plans	20,011	12,430	6,042	7,767	7,499
Purchases of treasury stock	(211,986)	(111,304)	(181,736)	(432,006)	(509,049)
Excess tax benefits from stock-based compensation	25,572	21,304	25,392	20,193	13,860
Cash used in financing activities	(186,559)	(72,570)	(153,855)	(4,624)	(67,690)
Net increase (decrease) in cash and cash equivalents	27,053	152,571	125,301	(24,668)	35,514
Effects of exchange rates on cash and cash equivalents	(4,495)	4,543	(1,163)	(34,020)	(27,840)
Cash and cash equivalents, beginning of period	120,181	142,739	299,853	\$423,990	\$365,302
Cash and cash equivalents, end of period	\$142,739	\$299,853	\$423,990	\$365,302	\$372,976