

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

(MARK ONE)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934.

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2004

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934.

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 1-14443

GARTNER, INC.

(Exact name of Registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

04-3099750  
(I.R.S. Employer  
Identification Number)

56 Top Gallant Road  
P.O. Box 10212  
Stamford, CT  
(Address of principal executive offices)

06904-2212  
(Zip Code)

Registrant's telephone number, including area code: (203) 316-1111

Indicate by check mark whether the Registrant (1) has filed all reports  
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of  
1934 during the preceding 12 months (or for such shorter period that the  
registrant was required to file such reports), and (2) has been subject to such  
filing requirements for the past 90 days. YES  NO .

Indicate by check mark whether the registrant is an accelerated filer (as  
defined in Exchange Act Rule 12b-2) YES  NO .

The number of shares outstanding of the Registrant's capital stock as of  
April 30, 2004 was 103,584,493 shares of Class A Common Stock and 28,175,143  
shares of Class B Common Stock.

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## PART I FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

GARTNER, INC.  
Condensed Consolidated Balance Sheets  
(In thousands)

	March 31, 2004	December 31, 2003
	----- (unaudited)	-----
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 262,742	\$ 229,962
Fees receivable, net	235,699	266,122
Deferred commissions	25,210	27,751
Prepaid expenses and other current assets	26,376	25,642
	-----	-----
Total current assets	550,027	549,477
Property, equipment and leasehold improvements, net	61,996	66,541
Goodwill	230,360	230,387
Intangible assets, net	784	985
Other assets	69,185	69,874
	-----	-----
<b>TOTAL ASSETS</b>	<b>\$ 912,352</b>	<b>\$ 917,264</b>
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 150,802	\$ 175,609
Deferred revenues	316,837	315,524
	-----	-----
Total current liabilities	467,639	491,133
Other liabilities	51,388	50,385
	-----	-----
<b>TOTAL LIABILITIES</b>	<b>519,027</b>	<b>541,518</b>
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock	-	-
Common stock	72	72
Additional paid-in capital	424,978	408,504
Unearned compensation, net	(3,435)	(1,846)
Accumulated other comprehensive income, net	4,397	1,530
Accumulated earnings	174,400	173,936
Treasury stock, at cost	(207,087)	(206,450)
	-----	-----
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>393,325</b>	<b>375,746</b>
	-----	-----
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 912,352</b>	<b>\$ 917,264</b>
	=====	=====

See the accompanying notes to the condensed consolidated financial statements.

GARTNER, INC.  
Condensed Consolidated Statements of Operations  
(Unaudited, in thousands, except per share data)

	Three Months Ended March 31,	
	2004	2003
	-----	-----
Revenues:		
Research	\$ 122,242	\$ 115,724
Consulting	64,626	61,779
Events	18,171	23,509
Other	3,628	3,270
	-----	-----
Total revenues	208,667	204,282
Costs and expenses:		
Cost of services and product development	95,476	102,333
Selling, general and administrative	87,634	83,504
Depreciation	7,937	9,825
Amortization of intangibles and goodwill impairments	936	405
Other charges	10,513	5,426
	-----	-----
Total costs and expenses	202,496	201,493
	-----	-----
Operating income	6,171	2,789
Income from investments	20	31
Interest income (expense), net	245	(5,612)
Other (expense) income, net	(3,113)	535
	-----	-----
Income (loss) before income taxes	3,323	(2,257)
Provision (benefit) for income taxes	2,859	(745)
	-----	-----
Net income (loss)	\$ 464	\$ (1,512)
	=====	=====
Income (loss) per common share:		
Basic	\$ 0.00	\$ (0.02)
Diluted	\$ 0.00	\$ (0.02)
Weighted average shares outstanding:		
Basic	130,311	80,492
Diluted	133,180	80,492

See the accompanying notes to the condensed consolidated financial statements.

GARTNER, INC.  
Condensed Consolidated Statements of Cash Flows  
(Unaudited, in thousands)

	Three Months Ended March 31,	
	2004	2003
	-----	-----
<b>OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 464	\$ (1,512)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization, including goodwill impairments	8,873	10,230
Non-cash compensation	485	251
Tax benefit associated with employee exercise of stock options	1,494	-
Deferred taxes	542	5
Income from minority-owned investments	(20)	(31)
Accretion of interest and amortization of debt issue costs	299	5,822
Non-cash charges associated with South America closings	2,943	-
Changes in assets and liabilities:		
Fees receivable	30,389	25,934
Deferred commissions	2,609	1,728
Prepaid expenses and other current assets	(790)	2,427
Other assets	(115)	72
Deferred revenues	2,285	(5,257)
Accounts payable and accrued liabilities	(24,763)	(5,943)
	-----	-----
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>24,695</b>	<b>33,726</b>
	-----	-----
<b>INVESTING ACTIVITIES:</b>		
Additions to property, equipment and leasehold improvements	(3,005)	(3,357)
	-----	-----
<b>CASH USED IN INVESTING ACTIVITIES</b>	<b>(3,005)</b>	<b>(3,357)</b>
	-----	-----
<b>FINANCING ACTIVITIES:</b>		
Proceeds from stock issued for stock plans	16,270	2,021
Purchase of treasury stock	(4,000)	(6,808)
	-----	-----
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>12,270</b>	<b>(4,787)</b>
	-----	-----
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>33,960</b>	<b>25,582</b>
<b>EFFECTS OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS</b>	<b>(1,180)</b>	<b>192</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>229,962</b>	<b>109,657</b>
	-----	-----
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 262,742</b>	<b>\$ 135,431</b>
	=====	=====

See the accompanying notes to the condensed consolidated financial statements.

GARTNER, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Basis of Presentation

These interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and should be read in conjunction with the consolidated financial statements and related notes of the Company filed in our Annual Report on Form 10-K for the year ended December 31, 2003. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of operating revenues and expenses. These estimates are based on management's knowledge and judgments. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation of financial position, results of operations and cash flows at the dates and for the periods presented have been included. The results of operations for the three months ended March 31, 2004 may not be indicative of the results of operations for the remainder of 2004. Certain prior year amounts have been reclassified to conform to the current year presentation.

Note 2 - Comprehensive Income (Loss)

The components of comprehensive income (loss) for the three months ended March 31, 2004 and 2003 are as follows (in thousands):

	Three Months Ended March 31,	
	2004	2003
	-----	-----
Net income (loss)	\$ 464	\$ (1,512)
Other comprehensive income (loss):		
Foreign currency translation adjustments	(104)	199
Reclassification adjustment of foreign currency translation adjustments to net income upon closing of foreign operations	2,943	-
Net unrealized gains on investments, net of tax	28	5
	-----	-----
Other comprehensive income	2,867	204
	-----	-----
Comprehensive income (loss)	\$ 3,331	\$ (1,308)
	=====	=====

The balance of unrealized holding losses on investments, net of tax, at March 31, 2004 was immaterial. During the first quarter of 2004, we reclassified \$2.9 million of accumulated translation adjustments associated with certain operations in South America into net income as a result of our decision to close those operations. The reclassification adjustment was recorded as a loss within Other (expense) income, net.

Note 3 - Computations of Income (Loss) per Share of Common Stock

The following table sets forth the reconciliation of the basic and diluted income (loss) per share (in thousands, except per share data):

	Three Months Ended March 31,	
	2004	2003
	-----	-----
Numerator:		
Net income (loss) used for calculating basic income (loss) per share	\$ 464	\$ (1,512)
After-tax interest on convertible long-term debt	-	-
	-----	-----
Income (loss) used for calculating diluted income (loss) per share	\$ 464	\$ (1,512)
	=====	=====
Denominator:		
Weighted average number of common shares used in the calculation of basic income (loss) per share	130,311	80,492
Common stock equivalents associated with stock compensation plans	2,869	-
Weighted average number of shares associated with convertible long-term debt	-	-
	-----	-----
Shares used in the calculation of diluted income (loss) per share	133,180	80,492
	=====	=====
Basic income (loss) per share	\$ 0.00	\$ (0.02)
	=====	=====
Diluted income (loss) per share	\$ 0.00	\$ (0.02)
	=====	=====

For the three months ended March 31, 2004 and 2003, unvested restricted stock awards were not included in the computation of diluted income (loss) per share because the effect would have been anti-dilutive. For the three months ended March 31, 2004 and 2003, options to purchase 11.6 million and 36.5 million shares, respectively, of Class A Common Stock of the Company were not included in the computation of diluted income (loss) per share because the effect would have been anti-dilutive. For the first quarter of 2003, the calculation above does not add back the after-tax interest on convertible debt to the net loss in the numerator and does not add the weighted average number of shares associated with the convertible debt to the denominator because the effect would have been anti-dilutive for the period. Had the effect of conversion of the debt been dilutive on an "if converted" method for the first quarter of 2003, \$3.2 million of after-tax interest would have been added to the numerator and 47.6 million shares would have been added to the denominator of the above calculation. As the debt was converted into shares of Class A Common Stock during the fourth quarter of 2003, the shares associated with the debt have been included in basic income per share during the first quarter of 2004.

Note 4 - Accounting for Stock-Based Compensation

The Company has several stock-based compensation plans. The Company applies APB Opinion No. 25 "Accounting for Stock Issued to Employees" ("APB 25") in accounting for its employee stock options and purchase rights and applies Statement of Financial Accounting Standards No. 123 "Accounting for Stock Issued to Employees" ("SFAS 123") for disclosure purposes only. Under APB 25, the intrinsic value method is used to account for stock-based employee compensation plans. The SFAS 123 disclosures include pro forma net loss and loss per share as if the fair value-based method of accounting had been used.

If compensation for employee options had been determined based on SFAS 123, the Company's pro forma net loss, and pro forma loss per share would have been as follows (in thousands, except per share data):

	Three Months Ended March 31,	
	2004	2003
	-----	-----
Net income (loss) as reported	\$ 464	\$ (1,512)
Add: Stock-based compensation expense, net of tax, already included in net income (loss) as reported	315	163
Deduct: Pro forma employee compensation cost, net of tax, related to stock options, restricted stock and share purchase plan, net of tax	(2,490)	(5,697)
	-----	-----
Pro forma net loss	\$ (1,711)	\$ (7,046)
	=====	=====
Basic and diluted income (loss) per share:		
As reported	\$ 0.00	\$ (0.02)
Pro forma	\$ (0.01)	\$ (0.09)

The fair value of the Company's stock plans was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Three Months Ended March 31,	
	2004	2003
	-----	-----
Expected Dividend yield	0%	0%
Expected stock price volatility	42%	45%
Risk-free interest rate	2.3%	2.0%
Expected life in years	3.8	3.4

#### Note 5 - Segment Information

The Company manages its business in three reportable segments organized on the basis of differences in its products and services: Research, Consulting, and Events. Research consists primarily of subscription-based research products. Consulting consists primarily of consulting and measurement engagements. Events consists of various symposia, expositions and conferences.

The Company evaluates reportable segment performance and allocates resources based on gross contribution margin. Gross contribution, as presented below, is the profit or loss from operations before interest income and expense, certain selling, general and administrative costs, amortization, income taxes, other expenses, and foreign exchange gains and losses. The accounting policies used by the reportable segments are the same as those used by the Company.

The Company does not identify or allocate assets, including capital expenditures, by operating segment. Accordingly, assets are not reported by segment because the information is not available and is not reviewed in the evaluation of segment performance.



The following tables present information about reportable segments (in thousands). The "Other" column consists primarily of software sales and certain other revenues and related expenses that do not meet the segment reporting quantitative thresholds. There are no inter-segment revenues.

	Research -----	Consulting -----	Events -----	Other -----	Consolidated -----
THREE MONTHS ENDED					
MARCH 31, 2004:					
Revenues	\$ 122,242	\$ 64,626	\$ 18,171	\$ 3,628	\$ 208,667
Gross contribution	79,027	25,244	7,107	3,157	114,535
Corporate and other expenses					(108,364)
Operating income					\$ 6,171 =====
THREE MONTHS ENDED					
MARCH 31, 2003:					
Revenues	\$ 115,724	\$ 61,779	\$ 23,509	\$ 3,270	\$ 204,282
Gross contribution	73,650	20,885	8,400	2,368	105,303
Corporate and other expenses					(102,514)
Operating income					\$ 2,789 =====

#### Note 6 - Goodwill and Intangible Assets

The changes in the carrying amount of goodwill, by reporting segment, for the first quarter of 2004 are as follows:

	Balance December 31, 2003 -----	Impairments -----	Currency Translation Adjustments -----	Balance March 31, 2004 -----
Research	\$ 128,896	\$ -	\$ 222	\$ 129,118
Consulting	68,803	(739)	491	68,555
Events	30,606	-	-	30,606
Other	2,082	-	(1)	2,081
Total goodwill	\$ 230,387 =====	\$ (739) =====	\$ 712 =====	\$ 230,360 =====

During the first quarter of 2004, we recorded an impairment loss for goodwill recorded for certain operations in South America as a result of our decision to close those operations.

The following table presents the Company's intangible assets subject to amortization (in thousands):

	March 31, 2004	December 31, 2003
	-----	-----
Non-compete agreements:		
Gross cost	\$ 13,193	\$ 13,257
Accumulated amortization	(12,701)	(12,599)
	-----	-----
Non-compete agreements, net	492	658
Trademarks and tradenames:		
Gross cost	1,808	1,811
Accumulated amortization	(1,516)	(1,484)
	-----	-----
Trademarks and tradenames, net	292	327
	-----	-----
Intangible assets, net	\$ 784	\$ 985
	=====	=====

Aggregate amortization expense for the three month period ended March 31, 2004 and 2003 was \$0.2 million and \$0.4 million, respectively. The estimated future amortization expense of purchased intangibles is as follows (in thousands):

2004 (remaining nine months)	\$ 466
2005	242
2006	64
2007	11
2008	1
	-----
	\$ 784
	=====

#### Note 7 - Other Charges

During the first quarter of 2004, we recorded other charges of \$10.5 million, \$10.4 million was associated with the realignment of our workforce and \$0.1 million was associated with costs to close certain operations in South America. The workforce realignment portion of the charge is for costs for employee termination severance payments and related benefits. This workforce realignment was a continuation of the action plan initiated during the fourth quarter of 2003 and has resulted in the termination of 132 employees during the first quarter of 2004.

During the first quarter of 2003, we recorded other charges of \$5.4 million associated with workforce reductions. The charge related to costs associated with employee termination severance payments and related benefits. This workforce reduction has resulted in the termination of 92 employees during the three months ended March 31, 2003.

The following table summarizes the activity related to the liability for the restructuring programs recorded as other charges (in thousands):

	Workforce Reduction Costs	Excess Facilities Costs	Other	Total
	-----	-----	-----	-----
Accrued liability at December 31, 2002	11,723	15,936	-	27,659
Charges during first quarter of 2003	5,426	-	-	5,426
Payments	(7,044)	(1,767)	-	(8,811)
	-----	-----	-----	-----
Accrued liability at March 31, 2003	10,105	14,169	-	24,274
Charges during remainder of 2003	14,574	9,716	-	24,290
Non-cash charges	(123)	-	-	(123)
Payments	(11,740)	(4,726)	-	(16,466)
	-----	-----	-----	-----
Accrued liability at December 31, 2003	12,816	19,159	-	31,975
Charges during first quarter of 2004	10,410	-	103	10,513
Non-cash charges	(142)	-	(35)	(177)
Payments	(8,853)	(1,121)	(31)	(10,005)
	-----	-----	-----	-----
Accrued liability at March 31, 2004	\$ 14,231	\$ 18,038	\$ 37	\$ 32,306
	=====	=====	=====	=====

The non-cash charges for workforce reductions result from the establishment of a new measurement date for certain equity compensation arrangements upon the modification of the terms of the related agreement. The accrued severance of \$14.2 million at March 31, 2004 is expected to be paid by December 31, 2004. We will fund these costs from existing cash.

#### Note 8 - Stock Programs

##### Stock Repurchase Program

On July 17, 2001, our Board of Directors approved the repurchase of up to \$75 million of Class A and Class B Common Stock. On July 25, 2002, our Board of Directors increased the authorized stock repurchase program from the previously approved \$75 million to up to \$125 million of our Class A and Class B Common Stock. On July 24, 2003, our Board of Directors authorized an additional increase of \$75 million in the stock repurchase program bringing the total authorization to date to \$200 million. During the first quarter of 2004, we repurchased 292,925 shares of our Class A Common Stock and 57,900 shares of our Class B Common Stock at an aggregate cost of \$4.0 million under this program. On a cumulative basis at March 31, 2004, we have purchased \$131.1 million of our stock under this stock repurchase program.

##### Restricted Stock Award

During the first quarter of 2004, we granted 175,000 shares of restricted stock on which the restriction may lapse after a three-year period based upon revenue and earnings metrics.

#### Note 9 - Contingencies

We are involved in legal proceedings and litigation arising in the ordinary course of business. We believe the outcome of all current proceedings, claims and litigation will not have a material effect on our financial position or results of operations when resolved in a future period.

We have various agreements in which we may be obligated to indemnify the other party with respect to certain matters. Generally, these indemnification clauses are included in contracts arising in the normal

course of business under which we customarily agree to hold the other party harmless against losses arising from a breach of representations related to such matters as title to assets sold and licensed or certain intellectual property rights. It is not possible to predict the maximum potential amount of future payments under these indemnification agreements due to the conditional nature of our obligations and the unique facts of each particular agreement. Historically, payments made by us under these agreements have not been material. As of March 31, 2004, we are not aware of any indemnification agreements that would require material payments.

#### Note 10 - Subsequent Event

On April 29, 2004, Michael Fleisher, our Chairman and CEO, announced his intention to leave Gartner sometime prior to the end of 2004. In conjunction with his departure, Mr. Fleisher has entered into an amendment to his employment agreement pursuant to which he has agreed that he will continue to serve in the capacity of Chief Executive Officer for up to six months. In satisfaction of existing obligations under his employment agreement and in consideration of his assistance in this six-month transition period, our Board of Directors has agreed that Mr. Fleisher will receive: (a) payments totaling \$4.3 million, which includes his 2003 bonus and compensation in respect of the transition period; (b) at our cost, group health benefits pursuant to our standard programs for himself, his spouse and any children for two years or until he obtains other employment, if that occurs sooner; and (c) reasonable office support for one year, or until he obtains other employment, if that occurs sooner. The majority of these costs are expected to be recognized as an expense during the second quarter of 2004.

In addition, in accordance with his previously existing employment agreement with regards to equity arrangements, Mr. Fleisher will receive (a) acceleration in full of vesting of all equity arrangements subject to vesting and granted prior to October 1, 2002; (b) continued vesting until October 29, 2006 of all outstanding equity awards granted on or after October 1, 2002; and (c) the ability to exercise all equity arrangements granted after October 1, 2001 until October 29, 2007 and all equity arrangements granted on or prior to October 1, 2001 until October 29, 2005.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The purpose of the following Management's Discussion and Analysis (MD&A) is to help facilitate the understanding of significant factors influencing the first quarter operating results, financial condition and cash flows of Gartner, Inc. Additionally, the MD&A also conveys our expectations of the potential impact of known trends, events or uncertainties that may impact future results. You should read this discussion in conjunction with our condensed consolidated financial statements and related notes included in this report and in our Annual Report on Form 10-K for the year ended December 31, 2003. Historical results and percentage relationships are not necessarily indicative of operating results for future periods.

References to "the Company," "we," "our," and "us" are to Gartner, Inc. and its subsidiaries.

### FORWARD-LOOKING STATEMENTS

In addition to historical information, this Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are any statements other than statements of historical fact, including statements regarding our expectations, beliefs, hopes, intentions or strategies regarding the future. In some cases, forward-looking statements can be identified by the use of words such as "may," "will," "expects," "should," "believes," "plans," "anticipates," "estimates," "predicts," "potential," "continue," or other words of similar meaning. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in, or implied by, the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Factors That May Affect Future Performance" and elsewhere in this report and in our Annual Report on Form 10-K for the year ended December 31, 2003. Readers should not place undue reliance on these forward-looking statements, which reflect management's opinion only as of the date on which they were made. Except as required by law, we disclaim any obligation to review or update these forward-looking statements to reflect events or circumstances as they occur. Readers also should review carefully any risk factors described in other reports filed by us with the Securities and Exchange Commission.

### OVERVIEW

With the convergence of IT and business, technology has become increasingly more important - not just to technology professionals, but also to business executives. We are an independent and objective research and advisory firm that helps IT and business executives use technology to build, guide and grow their enterprises.

We employ a diversified business model that leverages the breadth and depth of our research intellectual capital while enabling us to maintain and grow our market-leading position and brand franchise. Our strategy is to align our resources and our infrastructure to leverage that intellectual capital into additional revenue streams through effective packaging, campaigning and cross-selling of our products and services. Our diversified business model provides multiple entry points and synergies that facilitate increased client spending on our research, consulting and events. A key strategy is to increase business volume with our most valuable clients, identifying relationships with the greatest sales potential and expanding those relationships by offering strategically relevant research and analysis.

We intend to maintain a balance between (1) pursuing opportunities and applying resources with a strict focus on growing our businesses and (2) generating profitability through a streamlined cost structure.

We have been organized into three business segments: research, consulting and events.

- - RESEARCH products and services highlight industry developments, review new products and technologies, provide quantitative market research, and analyze industry trends within a particular technology or market sector.
- - CONSULTING consists primarily of consulting, measurement engagements and strategic advisory services (paid one-day analyst engagements) ("SAS"), which provide assessments of cost, performance, efficiency and quality focused on the IT industry.
- - EVENTS consists of various symposia, conferences and exhibitions focused on the IT industry.

We have recently begun to undertake a plan to ensure that our business units are closely aligned with client need and market opportunity. As part of that process, we have begun to reorganize our business in to three distinct business units:

- - GARTNER INTELLIGENCE will deliver content and advice to IT professionals, technology vendors and investors through vehicles such as Research, Events and SAS.
- - GARTNER EXECUTIVE PROGRAMS will offer membership and peer-networking services for chief information officers (CIOs) and other key executives, through offerings such as the highly successful EXP membership program.
- - GARTNER CONSULTING will focus on customized engagements that allow CIOs and their counterparts to apply Gartner's knowledge to their specific business situations, with an emphasis on areas such as outsourcing and IT management.

Organizing our business units around distinct client segments will allow us to make our existing products more relevant, accelerate the development of new products that provide solutions for specific client needs, and increase the Gartner value proposition overall.

As part of implementing this plan, we continue to analyze whether or not it impacts how we report on our business segments. We will continue to report our segment information as we have historically until we complete the alignment of our financial reporting to this new structure and can then analyze what impact, if any, this alignment will have.

We believe the following business measurements are important performance indicators for our business segments.

REVENUE CATEGORY	BUSINESS MEASUREMENTS
Research	<p>CONTRACT VALUE represents the value attributable to all of our subscription-related research products that recognize revenue on a ratable basis. Contract value is calculated as the annualized value of all subscription research contracts in effect at a specific point in time, without regard to the duration of the contract.</p> <p>CLIENT RETENTION RATE represents a measure of client satisfaction and renewed business relationships at a specific point in time. Client retention is calculated on a percentage basis by dividing our current clients who were also clients a year ago, by all clients from a year ago.</p> <p>WALLET RETENTION RATE represents a measure of the amount of contract value we have retained with clients over a twelve-month period. Wallet retention is calculated on a percentage basis by dividing the contract value of clients, who were clients one year earlier, by the total contract value from a year earlier. When wallet retention exceeds client retention, it is an indication of retention of higher-spending clients.</p>

Consulting                   CONSULTING BACKLOG represents future revenue to be derived from in-process consulting, measurement and SAS engagements.

UTILIZATION RATES represent a measure of productivity of our consultants. Utilization rates are calculated for billable headcount on a percentage basis by dividing total hours billed by total hours available to bill.

Events                       NUMBER OF EVENTS represents the total number of hosted events completed during the period.

#### EXECUTIVE SUMMARY OF OPERATIONS AND FINANCIAL POSITION

Technology spending has decreased steadily over the past few years. As a result, sales of our IT related research have declined as well. During this period, we have been focused on stabilizing and then growing revenue in our core Research business. This continued focus began to yield the desired outcome during the latter half of Calendar 2003. We ended the latter half of 2003 with two consecutive quarters of sequential increases in contract value after seven consecutive quarters of sequentially decreasing contract value. Contract value increased sequentially again in the first quarter of 2004, the third consecutive sequential increase, and increased on a year over year comparison. Our research client retention rates maintained a strong rate of 77%, after steadily increasing to 78% at December 31, 2003 from 74% at December 31, 2002. We believe the technology market is showing signs of a recovery, and we believe the realignment of our business units discussed previously will help us grow during this expected recovery.

Our Consulting business ended the 2003 year with a positive trend. We ended Calendar 2003 with two consecutive quarters of sequential increases in backlog after five consecutive quarters of sequential decreases. As we noted in our Annual Report on Form 10-K, we have been exiting certain less profitable consulting practices and geographies as part of the realignment previously discussed. Due to this plan of exiting certain practices and geographies, consulting backlog decreased to \$92 million at March 31, 2004 from \$100 million at December 31, 2003. We also mentioned in our Annual Report on Form 10-K that we expect this realignment to address our sub-optimal utilization rates and our lack of scale in some regions. During the first quarter of 2004, our consultant utilization rates increased to approximately 62% as compared to approximately 58% during the first quarter of 2003.

Our Events business continues to deliver strong results, particularly in an environment where few competitors have survived. Our emphasis on managing the Events portfolio to retain our long-time successful events and introduce promising new events has resulted in improved revenue performance. During the first quarter of 2004, revenues from events that existed in the same quarter last year increased approximately 13%. Revenues recognized during the first quarter of 2004 were lower than the prior year quarter due to significantly lower number of events being held primarily due to the timing of our Events calendar.

During the fourth quarter of Calendar 2003, we made an important change to our capital structure. Our 6% convertible notes were converted into Class A Common Stock. This eliminated all of our outstanding debt, and the related interest expense. We ended the first quarter of 2004 with \$393 million of stockholders' equity. In addition, our cash increased from \$230 million at December 31, 2003 to \$263 million at March 31, 2004, while repurchasing \$4 million of our common stock. We believe that we have strong financial resources to support additional investments in growth.

## CRITICAL ACCOUNTING POLICIES

The preparation of financial statements requires the application of appropriate accounting policies. The policies discussed below are considered by management to be critical to an understanding of Gartner's financial statements because their application requires the most significant management judgments. Specific risks for these critical accounting policies are described below.

**REVENUE RECOGNITION** - We recognize revenue in accordance with SEC Staff Accounting Bulletin ("SAB") No. 101, Revenue Recognition in Financial Statements, and SAB No. 104, Revenue Recognition. Revenue by significant source is accounted for as follows:

- - Research revenues are derived from subscription contracts for research products. Revenues from research products are deferred and recognized ratably over the applicable contract term;
- - Consulting revenues are based primarily on fixed fees or time and materials for discrete projects. Revenues for such projects are recognized as work is delivered and/or services are provided and are evaluated on a contract by contract basis;
- - Events revenues are deferred and recognized upon the completion of the related symposium, conference or exhibition; and
- - Other revenues, principally software licensing fees, are recognized when a signed non-cancelable software license exists, delivery has occurred, collection is probable, and the fees are fixed or determinable. Revenue from software maintenance is deferred and recognized ratably over the term of the maintenance agreement, which is typically twelve months.

The majority of research contracts are billable upon signing, absent special terms granted on a limited basis from time to time. All research contracts are non-cancelable and non-refundable, except for government contracts that have a 30-day cancellation clause, but have not produced material cancellations to date. It is our policy to record the entire amount of the contract that is billable as a fee receivable at the time the contract is signed with a corresponding amount as deferred revenue, since the contract represents a legally enforceable claim. For those government contracts that permit termination, the Company bills the client the full amount billable under the contract but only records a receivable equal to the earned portion of the contract. In addition, the Company only records deferred revenue on these government contracts when cash is received. Deferred revenues attributable to government contracts were \$34.0 million and \$38.6 million at March 31, 2004 and December 31, 2003, respectively. In addition, at March 31, 2004 and December 31, 2003, the Company had not recognized uncollected receivables or deferred revenues, relating to government contracts that permit termination, of \$5.8 million and \$6.6 million, respectively.

**UNCOLLECTIBLE FEES RECEIVABLE** - Provisions for bad debts are recognized as incurred. The measurement of likely and probable losses and the allowance for uncollectible fees receivable is based on historical loss experience, aging of outstanding receivables, an assessment of current economic conditions and the financial health of specific clients. This evaluation is inherently judgmental and requires material estimates. These valuation reserves are periodically re-evaluated and adjusted as more information about the ultimate collectibility of fees receivable becomes available. Circumstances that could cause our valuation reserves to increase include changes in our clients' liquidity and credit quality, other factors negatively impacting our clients' ability to pay their obligations as they come due, and the effectiveness of our collection efforts. Total trade receivables at March 31, 2004 were \$244.7 million, offset by an allowance for losses of approximately \$9.0 million. Total trade receivables at December 31, 2003 were \$275.1 million, offset by an allowance for losses of approximately \$9.0 million.



**IMPAIRMENT OF GOODWILL AND OTHER INTANGIBLE ASSETS** - The evaluation of goodwill is performed in accordance with SFAS No. 142, "Goodwill and Other Intangible Assets." Among other requirements, this standard eliminated goodwill amortization upon adoption and required an initial assessment for goodwill impairment within six months of adoption and at least annually thereafter. The evaluation of other intangible assets is performed on a periodic basis. These assessments require us to estimate the fair value of our reporting units based on estimates of future business operations and market and economic conditions in developing long-term forecasts. If we determine the fair values are less than the carrying amount of goodwill recorded on our Consolidated Balance Sheets, we must recognize an impairment charge, for the associated goodwill of that reporting unit, to earnings in our financial statements. Goodwill is evaluated for impairment at least annually, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors we consider important that could trigger a review for impairment include the following: significant under-performance relative to historical or projected future operating results, significant changes in the manner of our use of acquired assets or the strategy for our overall business, and significant negative industry or economic trends.

Due to the numerous variables associated with our judgments and assumptions relating to the valuation of the reporting units and the effects of changes in circumstances affecting these valuations, both the precision and reliability of the resulting estimates are subject to uncertainty, and as additional information becomes known, we may change our estimates. During the first quarter of 2004, we recorded an impairment charge of \$0.7 million relating to goodwill associated with certain operations in South America that we decided to close.

**ACCOUNTING FOR INCOME TAXES** - As we prepare our consolidated financial statements, we estimate our income taxes in each of the jurisdictions where we operate. This process involves estimating our current tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within our consolidated balance sheet. We record a valuation allowance to reduce our deferred tax assets when future realization is in question. We consider future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for the valuation allowance. In the event we determine that we would be able to realize our deferred tax assets in the future in excess of our net recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made. Likewise, should we determine that we would not be able to realize all or part of our net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made.

**CONTINGENCIES AND OTHER LOSS RESERVES AND ACCRUALS** - We establish reserves for severance costs, lease costs associated with excess facilities, contract terminations and asset impairments as a result of actions we undertake to streamline our organization, reposition certain businesses and reduce ongoing costs. Estimates of costs to be incurred to complete these actions, such as future lease payments, sublease income, the fair value of assets, and severance and related benefits, are based on assumptions at the time the actions are initiated. To the extent actual costs differ from those estimates, reserve levels may need to be adjusted. In addition, these actions may be revised due to changes in business conditions that we did not foresee at the time such plans were approved. Additionally, we record accruals for estimated discretionary incentive compensation costs during the year. Amounts accrued at the end of each reporting period are based on our estimates and may require adjustments as the ultimate amount paid associated with these incentives are sometimes not known until after year-end.

**IMPAIRMENT OF INVESTMENT SECURITIES** - A charge to earnings is made when a market decline below cost is other than temporary. Management regularly reviews each investment security for impairment based on criteria that include: the length of time and the extent to which market value has been less than cost, the

financial condition and near-term prospects of the issuer, the valuation of comparable companies, and our intent and ability to retain the investment for a period of time sufficient to allow for any anticipated recovery in market value. Future adverse changes in market conditions or poor operating results of underlying investments could result in losses or an inability to recover the carrying value of the investments that may not be reflected in an investment's current carrying value, thereby possibly requiring an impairment charge in the future. Total investments in equity securities were \$10.6 million and \$10.9 million at March 31, 2004 and December 31, 2003, respectively.

## RESULTS OF OPERATIONS

### OVERALL RESULTS

TOTAL REVENUES increased 2% in the first quarter of 2004 to \$208.7 million compared to \$204.3 million for the first quarter of 2003. The increase in total revenues resulted from increased Research revenues and the positive effects of foreign currency translation, partially offset by the timing of events as many events held in the first quarter of 2003 are planned for the second quarter of 2004, including the attendee portion of our Spring Symposium in North America, which was completed in the second quarter of 2004. If we were to exclude the events from the first quarter of 2003 that are planned for later quarters of 2004, total revenues would have increased approximately 6%. The effects of foreign currency translation had approximately a 5% positive effect on revenues. Please refer to the section of this MD&A entitled "Segment Results" for a further discussion of revenues by segment.

COST OF SERVICES AND PRODUCT DEVELOPMENT decreased \$6.9 million, or 7%, to \$95.5 million in the first quarter of 2004 from \$102.3 million in the first quarter of 2003. Excluding the effects of foreign currency translation, cost of services and product development would have decreased by approximately 12%. The decrease in cost of services and product development resulted primarily from lower headcount as a result of the realignment of our workforce. Additionally, during the first quarter of 2004, cost of services and product development benefited by the reversal of \$1.8 million of prior years' discretionary incentive compensation programs. As a percentage of sales, cost of services and product development decreased to 46% during the first quarter of 2004 from 50% during the first quarter of 2003 as a result of higher Events margins and Consulting margins.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES increased \$4.1 million, or 5%, to \$87.6 million in the first quarter of 2004 from \$83.5 million in the first quarter of 2003 primarily due to the effects of foreign currency translation. Excluding the effects of foreign currency translation, SG&A expenses would have been consistent with the prior year period. During the first quarter of 2004, SG&A expenses benefited by the reversal of \$0.7 million of prior years' discretionary incentive compensation programs.

DEPRECIATION EXPENSE for the first quarter of 2004 decreased 19% to \$7.9 million, compared to \$9.8 million for the first quarter 2003. The decrease was due to a reduction in capital spending during 2002 and 2003 relative to the capital spending in 2000 and 2001, which has led to a decrease in depreciation expense.

AMORTIZATION OF INTANGIBLES AND GOODWILL IMPAIRMENTS of \$0.9 million for the first quarter of 2004 increased from \$0.4 million for the same period in 2003 due to the impairment of goodwill of \$0.7 million associated with certain operations in South America as a result of our decision to close those operations. Excluding the impairment, the decrease in the amortization of intangible assets is due to certain intangible assets having been fully amortized since the first quarter of 2003.

OTHER CHARGES of \$10.5 million during the first quarter of 2004 were primarily associated with a realignment of our workforce. This workforce realignment was a continuation of the action plan initiated during the fourth quarter of 2003 and has resulted in the termination of 132 employees, or approximately 4% of our workforce, bringing the total terminations to 262 employees associated with the action plan announced in December 2003. Other charges of \$5.4 million during the first quarter of 2003 were for costs for employee termination severance and benefits associated with workforce reductions. This workforce reduction resulted in the termination of 92 employees, or approximately 2% of the Company's workforce at the time.

INTEREST INCOME (EXPENSE), NET was income of \$0.2 million during the first quarter of 2004 as compared to expense of \$5.6 million in the first quarter of 2003. The conversion of our outstanding convertible debt to equity during the fourth quarter of 2003 has substantially eliminated our interest expense.

OTHER (EXPENSE) INCOME, NET for the first quarter of 2004 includes the non-cash write-off of \$2.9 million of our accumulated foreign currency translation adjustments associated with certain of our operations in South America that we have decided to close. As a result of the decision to close the operations, we were required to reclassify these currency adjustments that have been accumulated within equity, in accordance with Statement of Financial Accounting Standards No. 52 "Foreign Currency Translation," to earnings. Other (expense) income, net for the first quarter of 2003 consists primarily of net foreign currency exchange gains.

PROVISION (BENEFIT) FOR INCOME TAXES was \$2.9 million in the first quarter of 2004 compared to (\$0.7) million in the first quarter of 2003. The effective tax rate was 86% for the first quarter of 2004 and 33% for the first quarter of 2003. The effective tax rate was higher in 2004 due to certain expenses, the goodwill impairment and the non-cash write-off of our accumulated foreign currency translation adjustments associated with certain of our operations in South America discussed previously, receiving no tax benefit. Additionally, the benefit received on the workforce reduction charge during 2004 was lower than the annualized effective tax rate due to the lower tax rates in the jurisdictions where these reductions occurred. Excluding these items, the effective tax rate in 2004 was 33%.

#### SEGMENT RESULTS

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

#### Research

Research revenues increased 6% to \$122.2 million for the first quarter of 2004, compared to \$115.7 million for the first quarter of 2003. The increase was due to strong sales performance in the latter half of 2003 resulting in slightly higher subscription revenues in the first quarter of 2004, as well as the positive effects of foreign currency translation.

Research gross contribution of \$79.0 million for the first quarter of 2004 increased 7% from \$73.7 million for the first quarter of 2003. Gross contribution margin for the first quarter of 2004 increased to 65% from 64% in the prior year period. The increase in gross contribution and gross contribution margin is a result of lower headcount as a result of our workforce realignment, along with the growth in revenues.

Research contract value increased 4% to \$492.9 million at March 31, 2004 from \$474.4 million at March 31, 2003 primarily due to the effects of foreign currency. Client retention rates increased three percentage points to 77% at March 31, 2004 from 74% at March 31, 2003, and wallet retention rates increased to 92% during the first quarter of 2004 from 83% during the first quarter of 2003. The stabilization of contract value and the increase in client and wallet retention rates reflect the beginning stages of what we believe to be an upturn in demand in the technology market.

#### Consulting

Consulting revenues increased 5% to \$64.6 million for the first quarter of 2004 compared to \$61.8 million for the first quarter of 2003. Excluding the effects of foreign currency translation, Consulting revenues would have decreased by approximately 1%. Consulting revenues has remained relatively stable with the prior year period despite the realignment of our business to exit certain less profitable consulting practices and geographies, which has reduced our billable headcount.

Consulting gross contribution of \$25.2 million for the first quarter of 2004 increased 21% from \$20.9 million for the first quarter of 2003. Gross contribution margin for the first quarter of 2004 increased five percentage points to 39% from 34% in the prior year period. The increase in gross contribution margin was driven by higher consultant utilization rates, as we realigned our workforce and reduced headcount.

Consulting backlog, which represents future revenues to be recognized from in-process consulting, measurement and SAS, decreased 7% to \$91.6 million at March 31, 2004, compared to \$98.3 million at March 31, 2003. Consulting backlog decreased primarily due our decision to exit certain less profitable consulting practices and geographies along with our higher utilization rates of consultants that has resulted in a higher conversion of backlog into revenues during the first quarter of 2004.

#### Events

Events revenues decreased 23% to \$18.2 million for the first quarter of 2004, compared to \$23.5 million for the first quarter of 2003. The decrease was primarily due to the timing of events, including the attendee portion of our North American Spring Symposium and certain Theme and Vision events, which were completed in the first quarter of 2003 as compared to the second quarter of 2004. In comparing our Events revenues excluding the events from the first quarter of 2003 that are planned for later quarters in 2004, Events revenues would have increased by approximately 7%.

Gross contribution of \$7.1 million for the first quarter of 2004 decreased from \$8.4 million for the first quarter of 2003. Gross contribution margin for the first quarter of 2004 of 39% increased from 36% for the first quarter of 2003. The increase in gross contribution margin was due primarily to the timing of our Events calendar as our traditionally higher margin events took place during the first quarter of 2004.

#### LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operating activities totaled \$24.7 million for the three months ended March 31, 2004 compared to \$33.7 million for the three months ended March 31, 2003. The net decrease in cash flow from operating activities of \$9.0 million was due primarily to payments of our 2003 bonuses during the first quarter of 2004. No bonuses were paid during the first quarter of 2003 as they had previously been paid during the quarter ended December 31, but are now being paid during the March 31 quarter as a result of our change in fiscal year that became effective January 1, 2003. Partially offsetting the decrease in operating cash flows from bonus payments were higher collections of fees receivables in the first quarter of 2004 compared with the first quarter of 2003.

Cash used in investing activities, consisting of capital expenditures in the first quarter of both years, was relatively consistent in both periods.

Cash provided by financing activities totaled \$12.3 million for the three months ended March 31, 2004, compared to cash used in financing activities of \$4.8 million for the three months ended March 31, 2003. We purchased \$4.0 million of common stock for treasury during the first quarter of 2004 as compared to \$6.8 million during the same period in the prior year. We received proceeds from stock issued for stock plans of \$16.3 million during the first quarter of 2004 as compared to \$2.0 million during the same period in the prior year as a result of our higher stock price during the first quarter of 2004 as compared to 2003, which resulted in more stock option exercises by employees.

#### OBLIGATIONS AND COMMITMENTS

We have a \$200.0 million unsecured senior revolving credit facility led by JPMorgan Chase Bank. At March 31, 2004, there were no amounts outstanding under the facility. We are subject to certain customary affirmative, negative and financial covenants under this credit facility, and continued compliance with these covenants preclude us from borrowing the maximum amount of the credit facility from time to time. These covenants are primarily based on financial results and other measures such as contract value. As a result of these covenants, our borrowing availability at March 31, 2004 was \$179.4 million. This amount is available to us for borrowing until July 2004 when this credit facility expires. We expect to obtain a revolving credit facility to replace the current facility upon expiration.

We believe that our current cash balances, together with cash anticipated to be provided by operating activities, will be sufficient for our expected short-term and foreseeable long-term cash needs in the ordinary course of business. If we were to require substantial amounts of additional capital to pursue business opportunities that may arise involving substantial investments of additional capital, there can be no assurances that such capital will be available to us or will be available on commercially reasonable terms.

#### Stock Repurchase Program

On July 17, 2001, our Board of Directors approved the repurchase of up to \$75.0 million of Class A and Class B Common Stock. On July 25, 2002, our Board of Directors increased the authorized stock repurchase program from the previously approved \$75 million to up to \$125 million of its Class A and Class B Common Stock. On July 24, 2003, the Company's Board of Directors authorized an additional increase of \$75 million in the stock repurchase program bringing the total authorization to date to \$200 million. During the three months ended March 31, 2004, we repurchased 292,925 shares of our Class A Common Stock and 57,900 shares of our Class B Common Stock at an aggregate cost of \$4.0 million under this program. On a cumulative basis at March 31, 2004, we have purchased \$131.1 million of our stock under this stock repurchase program. We expect to make repurchases from time to time over the next two years through open market purchases, block trades or otherwise. Repurchases are subject to the availability of the stock, prevailing market conditions, the trading price of the stock, and our financial performance. Repurchases will be funded from cash flow from operations and possible borrowings under our existing credit facility.

#### BUSINESS AND TRENDS

Our quarterly and annual revenue and operating income fluctuate as a result of many factors, including the timing of the execution of research contracts, the extent of completion of consulting engagements, the timing of Symposia and other events, all of which occur to a greater extent in the fourth quarter, as well as

the amount of new business generated, the mix of domestic and international business, changes in market demand for our products and services, the timing of the development, introduction and marketing of new products and services, and competition in the industry. The potential fluctuations in our operating income could cause period-to-period comparisons of operating results not to be meaningful and could provide an unreliable indication of future operating results.

Over the past few years we have seen a decrease in overall technology spending due to the economic environment. In response to the decrease in technology spending we have attempted to constrain spending and have implemented cost reduction programs to reduce workforce and facilities costs. The timing of the cost reductions does not necessarily coincide with the timing of decreases in revenues, but is anticipated to provide future benefit in the form of lower expenses. While we have reduced certain costs, we also plan to maintain a level of spending sufficient for us to be in a strong position to grow as economic conditions continue to improve.

#### FACTORS THAT MAY AFFECT FUTURE PERFORMANCE.

We operate in a very competitive and rapidly changing environment that involves numerous risks and uncertainties, some of which are beyond our control. In addition, we and our clients are affected by the economy. The following section discusses many, but not all, of these risks and uncertainties.

**Economic Conditions.** Our revenues and results of operations are influenced by economic conditions in general and more particularly by business conditions in the IT industry. A general economic downturn or recession, anywhere in the world, could negatively affect demand for our products and services and may substantially reduce existing and potential client information technology-related budgets. The recent economic downturn in the United States and globally has led to constrained IT spending, which has impacted our business and may materially and adversely affect our business, financial condition and results of operations, including the ability to: maintain client retention, wallet retention and consulting utilization rates, and achieve contract value and consulting backlog. To the extent our clients are in the IT industry, the severe decline in that sector has also had a significant impact on IT spending.

**Acts of Terrorism or War.** Acts of terrorism, acts of war and other unforeseen events, may cause damage or disruption to our properties, business, employees, suppliers, distributors and clients, which could have an adverse effect on our business, financial condition and operating results. Such events may also result in an economic slowdown in the United States or elsewhere, which could adversely affect our business, financial condition and operating results.

**Competitive Environment.** We face direct competition from a significant number of independent providers of information products and services, including information that can be found on the Internet free of charge. We also compete indirectly against consulting firms and other information providers, including electronic and print media companies, some of which may have greater financial, information gathering and marketing resources than we do. These indirect competitors could choose to compete directly with us in the future. In addition, limited barriers to entry exist in the markets in which we do business. As a result, additional new competitors may emerge and existing competitors may start to provide additional or complementary services. Additionally, technological advances may provide increased competition from a variety of sources. However, we believe the breadth and depth of our research assets position us well versus our competition. Increased competition may result in loss of market share, diminished value in our products and services, reduced pricing and increased marketing expenditures. We may not be successful if we cannot compete effectively on quality of research and analysis, timely delivery of information, customer service, the ability to offer products to meet changing market needs for information and analysis, or price.

Renewal of Research Business by Existing Clients. Some of our success depends on renewals of our subscription-based research products and services, which constituted 59% of our revenues for the first quarter of 2004 and 57% for the first quarter of 2003. These research subscription agreements have terms that generally range from twelve to thirty months. Our ability to maintain contract renewals is subject to numerous factors, including those described in this Quarterly Report. Additionally, as we implement our strategy to realign our business to client needs, we may shift the type and pricing of our products which may impact client renewal rates. While client retention rates were 77% at March 31, 2004 and 74% at March 31, 2003, there can be no guarantee that we will continue to have this level of client renewals. Any material decline in renewal rates could have an adverse impact on our revenues and our financial condition.

Non-Recurring Consulting Engagements. Consulting segment revenues constituted 31% of our revenues for the first quarter of 2004 and 30% for the first quarter of 2003. These consulting engagements typically are project-based and non-recurring. Our ability to replace consulting engagements is subject to numerous factors, including those described in this Quarterly Report. Any material decline in our ability to replace consulting arrangements could have an adverse impact on our revenues and our financial condition.

Restructuring, Reorganization and Management Team. Our future success depends, in significant part, upon the continued service and performance of our senior management and other key personnel. We have recently reorganized our business around specific client needs. As part of this reorganization, a number of key management positions have been filled by the promotion of current employees or the hiring of new employees. As part of this reorganization, we have restructured our workforce in order to streamline operations and strengthen key consulting practices. If the reorganization and restructuring of our business do not lead to the results we expect, our ability to effectively deliver our products, manage our company and carry out our business plan may be impaired. On April 29, 2004, our Chairman and Chief Executive Officer, Michael D. Fleisher announced his intention to leave Gartner sometime prior to the end of the year. Accordingly, our Board has formed a search committee, which is looking at both internal and external candidates. Our business may suffer if we encounter delays in hiring a new Chief Executive Officer. In addition, there may be only a limited number of persons with the requisite skills to serve as our Chief Executive Officer and it may become increasingly difficult to hire such a person. If we are unable to hire a Chief Executive Officer, or if we cannot successfully integrate a new Chief Executive Officer into our senior management team, then our ability to effectively deliver our products, manage our company and carry out our business plan may be impaired.

Hiring and Retention of Employees. Our success depends heavily upon the quality of our senior management, research analysts, consultants, sales and other key personnel. We face competition for the limited pool of these qualified professionals from, among others, technology companies, market research firms, consulting firms, financial services companies and electronic and print media companies, some of which have a greater ability to attract and compensate these professionals. Some of the personnel that we attempt to hire are subject to non-compete agreements that could impede our short-term recruitment efforts. Any failure to retain key personnel or hire and train additional qualified personnel as required to support the evolving needs of clients or growth in our business, could adversely affect the quality of our products and services, and therefore, our future business and operating results.

Maintenance of Existing Products and Services. We operate in a rapidly evolving market, and our success depends upon our ability to deliver high quality and timely research and analysis to our clients. Any failure to continue to provide credible and reliable information that is useful to our clients could have a material adverse effect on future business and operating results. Further, if our predictions prove to be wrong or are not substantiated by appropriate research, our reputation may suffer and demand for our

products and services may decline. In addition, we must continue to improve our methods for delivering our products and services in a cost-effective manner. Failure to increase and improve our electronic delivery capabilities could adversely affect our future business and operating results.

**Introduction of New Products and Services.** The market for our products and services is characterized by rapidly changing needs for information and analysis. To maintain our competitive position, we must continue to enhance and improve our products and services, develop or acquire new products and services in a timely manner, and appropriately position and price new products and services relative to the marketplace and our costs of producing them. Any failure to achieve successful client acceptance of new products and services could have a material adverse effect on our business, results of operations or financial position.

**International Operations.** A substantial portion of our revenues is derived from sales outside of North America. As a result, our operating results are subject to the risks inherent in international business activities, including general political and economic conditions in each country, changes in market demand as a result of exchange rate fluctuations and tariffs and other trade barriers, challenges in staffing and managing foreign operations, changes in regulatory requirements, compliance with numerous foreign laws and regulations, different or overlapping tax structures, higher levels of United States taxation on foreign income, and the difficulty of enforcing client agreements, collecting accounts receivable and protecting intellectual property rights in international jurisdictions. We rely on local distributors or sales agents in some international locations. If any of these arrangements are terminated by our agent or us, we may not be able to replace the arrangement on beneficial terms or on a timely basis, or clients of the local distributor or sales agent may not want to continue to do business with us or our new agent.

**Branding.** We believe that our "Gartner" brand is critical to our efforts to attract and retain clients and that the importance of brand recognition will increase as competition increases. We may expand our marketing activities to promote and strengthen the Gartner brand and may need to increase our marketing budget, hire additional marketing and public relations personnel, expend additional sums to protect the brand and otherwise increase expenditures to create and maintain client brand loyalty. If we fail to effectively promote and maintain the Gartner brand, or incur excessive expenses in doing so, our future business and operating results could be materially and adversely impacted.

**Organizational and Product Integration Related to Acquisitions.** We have made and may continue to make acquisitions of, or significant investments in, businesses that offer complementary products and services. The risks involved in each acquisition or investment include the possibility of paying more than the value we derive from the acquisition, dilution of the interests of our current stockholders or decreased working capital, increased indebtedness, the assumption of undisclosed liabilities and unknown and unforeseen risks, the ability to integrate successfully the operations and personnel of the acquired business, the ability to retain key personnel of the acquired company, the time to train the sales force to market and sell the products of the acquired company, the potential disruption of our ongoing business and the distraction of management from our business. The realization of any of these risks could adversely affect our business.

**Enforcement of Our Intellectual Property Rights.** We rely on a combination of copyright, patent, trademark, trade secret, confidentiality, non-compete and other contractual provisions to protect our intellectual property rights. Despite our efforts to protect our intellectual property rights, unauthorized third parties may obtain and use technology or other information that we regard as proprietary. Our intellectual property rights may not survive a legal challenge to their validity or provide significant protection for us. The laws of certain countries do not protect our proprietary rights to the same extent as the laws of the United States. Accordingly, we may not be able to protect our intellectual property against



unauthorized third-party copying or use, which could adversely affect our competitive position. Our employees are subject to non-compete agreements. When the non-competition period expires, former employees may compete against us. If a former employee chooses to compete against us prior to the expiration of the non-competition period, there is no assurance that we will be successful in our efforts to enforce the non-compete provision.

**Possibility of Infringement Claims.** Third parties may assert infringement claims against us. Regardless of the merits, responding to any such claim could be time consuming, result in costly litigation and require us to enter into royalty and licensing agreements which may not be offered or available on reasonable terms. If a successful claim is made against us and we fail to develop or license a substitute technology, our business, results of operations or financial position could be materially adversely affected.

**Potential Fluctuations in Operating Results.** Our quarterly and annual operating income may fluctuate in the future as a result of many factors, including the timing of the execution of research contracts, which typically occurs in the fourth calendar quarter, the extent of completion of consulting engagements, the timing of symposia and other events, which also occur to a greater extent in the fourth calendar quarter, the amount of new business generated, the mix of domestic and international business, changes in market demand for our products and services, the timing of the development, introduction and marketing of new products and services, and competition in the industry. An inability to generate sufficient earnings and cash flow, and achieve our forecasts, may impact our operating and other activities. The potential fluctuations in our operating income could cause period-to-period comparisons of operating results not to be meaningful and may provide an unreliable indication of future operating results.

**Significant Stockholder.** Silver Lake Partners, L.P. ("SLP") and its affiliates own approximately 45.4% of our outstanding Class A Common Stock and approximately 35.7% on a combined basis with our outstanding Class B Common Stock as of March 31, 2004. Currently, the owners of our Class A Common Stock are only entitled to vote for two of the ten members of our Board of Directors and vote together with the holders of the Class B Common Stock as a single class on all other matters coming before the stockholders. SLP is restricted from purchasing additional stock without our consent pursuant to the terms of a Securityholders' Agreement. This Securityholders' Agreement also provides that we cannot take certain actions, including acquisitions and sales of stock and/or assets without SLP's consent. While SLP does not hold a majority of our outstanding shares, it may be able to exercise significant influence over matters requiring stockholder approval, including the election of directors and the approval of mergers, consolidations and sales of our assets. SLP's interests may differ from the interests of other stockholders.

**Anti-takeover Protections.** Provisions of our certificate of incorporation and bylaws and Delaware law may make it difficult for any party to acquire control of us in a transaction not approved by the requisite number of directors. These provisions include:

- The presence of a classified board of directors;
- The existence of two classes of common stock with our Class B Common Stock having the ability to elect 80% of our Board of Directors;
- The ability of the Board of Directors to issue and determine the terms of preferred stock;
- Advance notice requirements for inclusion of stockholder proposals at stockholder meetings; and
- The anti-takeover provisions of Delaware law.

These provisions could delay or prevent a change of control or change in management that might provide stockholders with a premium to the market price of their Common Stock.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

#### Interest Rate Risk

As of March 31, 2004, we have limited exposure to market risk for changes in interest rates since our long-term debt was converted to equity during the fourth quarter of 2003. Additionally, we have no borrowings under our \$200.0 million unsecured senior revolving credit facility. Under the revolving credit facility, the interest rate on borrowings is LIBOR plus an additional 100 to 200 basis points based on our debt-to-EBITDA ratio. We believe that an increase or decrease of 10% in the effective interest rate on available borrowings from our senior revolving credit facility, if fully utilized, would not have a material effect on our future results of operations. Each 25 basis point increase or decrease in interest rates would have an approximate \$0.5 million annual effect under the revolving credit facility if fully utilized.

#### Investment Risk

We are exposed to market risk as it relates to changes in the market value of our equity investments. We invest in equity securities of public and private companies directly and through SI I, a wholly-owned affiliate, and SI II, of which we own 34%. SI I and SI II are engaged in making venture capital investments in early to mid-stage IT-based or Internet-enabled companies. As of March 31, 2004, we had investments in equity securities totaling \$10.6 million. Unrealized gains and losses were insignificant. These investments are inherently risky as the businesses are typically in early development stages and may never develop. Further, certain of these investments are in publicly traded companies whose shares are subject to significant market price volatility. Adverse changes in market conditions and poor operating results of the underlying investments may result in us incurring additional losses or an inability to recover the original carrying value of our investments. If there were a 100% adverse change in the value of our equity portfolio as of March 31, 2004, this would result in a non-cash impairment charge of \$10.6 million. Additionally, we have a commitment to fund an additional \$4.0 million of investments with SI II.

#### Foreign Currency Exchange Risk

We face two risks related to foreign currency exchange: translation risk and transaction risk. Amounts invested in our foreign operations are translated into U.S. dollars at the exchange rates in effect at the balance sheet date. The resulting translation adjustments are recorded as a component of accumulated other comprehensive income (loss), net in the stockholders' equity section of the Consolidated Balance Sheets. Our foreign subsidiaries generally collect revenues and pay expenses in currencies other than the United States dollar. Since the functional currencies of our foreign operations are generally denominated in the local currency of our subsidiaries, the foreign currency translation adjustments are reflected as a component of stockholders' equity and do not impact operating results. Revenues and expenses in foreign currencies translate into higher or lower revenues and expenses in U.S. dollars as the U.S. dollar weakens or strengthens against other currencies. Therefore, changes in exchange rates may affect our consolidated revenues and expenses (as expressed in U.S. dollars) from foreign operations. Currency transaction gains or losses arising from transactions in currencies other than the functional currency are included in results of operations.

From time to time we enter into foreign currency forward contracts or other derivative financial instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates. At March 31, 2004, we had one foreign currency forward contract outstanding. Foreign currency forward contracts are reflected at fair value with gains and losses recorded currently in earnings.

The following table presents information about our foreign currency forward contract outstanding as of March 31, 2004, expressed in U.S. dollar equivalents.

Currency Purchased	Currency Sold	Contract Amount	Forward Exchange Rate	Unrealized Loss	Expiration Date
-----	-----	-----	-----	-----	-----
Euros	U.S. Dollars	\$ 3,300	1.2391	\$ 15	April 23, 2004

#### ITEM 4. CONTROLS AND PROCEDURES

We have established disclosure controls and procedures that are designed to ensure that the information we are required to disclose in our reports filed under the Securities Exchange Act of 1934, as amended (the "Act"), is recorded, processed, summarized and reported in a timely manner. Specifically, these controls and procedures ensure that the information is accumulated and communicated to our executive management team, including our chief executive officer and our chief financial officer, to allow timely decisions regarding required disclosure.

Management conducted an evaluation, as of March 31, 2004, of the effectiveness and design of our disclosure controls and procedures, under the supervision and with the participation of our chief executive officer and chief financial officer. Based upon that evaluation, our chief executive officer and chief financial officer have concluded that the Company's disclosure controls and procedures are effective in alerting them in a timely manner to material Company information required to be disclosed by us in reports filed under the Act.

In addition, there have been no significant changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II OTHER INFORMATION

## ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

(e) Below is a summary of stock repurchases for the quarter ended March 31, 2004. See Note 8 of our Notes to Condensed Consolidated Financial Statements for information regarding our stock repurchase program.

	Class A Common Stock		Class B Common Stock		Shares Purchased Under Announced Plan	Maximum Value of Shares that may yet be Purchased Under Plan (in thousands)
	Total Shares Purchased	Average Price Paid per Share	Total Shares Purchased	Average Price Paid per Share		
January 2004	292,925	\$ 11.45	57,900	\$ 11.15	350,825	
February 2004	-	-	-	-	-	
March 2004	-	-	-	-	-	
Total quarter	292,925	\$ 11.45	57,900	\$ 11.15	350,825	\$ 68,868

## ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

EXHIBIT NUMBER	DESCRIPTION OF DOCUMENT
3.2	Amended Bylaws, as amended through February 3, 2004.
4.4e	Amendment No. 6 to the Amended and Restated Credit Agreement dated as of March 31, 2004
10.11a	Amendment to Employment Agreement between Michael D. Fleisher and the Company dated as of April 29, 2004
31.1	Certification of chief executive officer under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of chief financial officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification under Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

The Company filed a Report on Form 8-K dated February 5, 2004 to furnish the Company's press release issued February 5, 2004, with respect to financial results for Gartner, Inc. for the quarter and year ended December 31, 2003.

Items 1, 3, 4, and 5 of Part II are not applicable and have been omitted.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Gartner, Inc.

Date May 4, 2004

/s/ Christopher Lafond

-----  
Christopher Lafond  
Executive Vice President  
and Chief Financial Officer  
(Principal Financial and  
Accounting Officer)

BY-LAWS  
OF  
GARTNER, INC.  
A Delaware Corporation  
(as amended through February 3, 2004)

ARTICLE I  
OFFICES

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be located in the City of Dover, County of Kent at such location as the Board of Directors may determine from time to time.

Section 2. Other Offices. The corporation may also have offices at such other places, both within and without the state of Delaware, as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II  
MEETINGS OF STOCKHOLDERS

Section 1. Place and Time of Meetings. An annual meeting of the stockholders shall be held each year at such place as shall be determined by the board of directors of the corporation, for the purpose of electing directors and, conducting such other proper business as may come before the meeting. The date, time and place of the annual meeting shall be determined by the board.

Section 2. Special Meetings. Special meetings of stockholders may be called for any purpose and may be held at such time and place, within or without the State of Delaware, as shall be stated in a notice of meeting or in a duly executed waiver of notice thereof. Such meetings may be called at any time by the board of directors or the president. No business may be transacted at any special meeting otherwise than as specified in the notice to stockholders of such meeting.

Section 3. Place of Meetings. The board of directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the corporation.

Section 4. Notice. Whenever stockholders are required or permitted to take action at a meeting, written or printed notice stating the place, date, time, and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each stockholder entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting. All such notices shall be delivered, either personally or by mail, by or at the direction of the board of directors, the chief executive officer or the secretary, and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the stockholder at his, her or its address as the same appears on the records of the corporation. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5. Stockholders List. The officer having charge of the stock ledger of the corporation shall make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at such meeting arranged in alphabetical order, showing the address of each stockholder and the class and number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 6. Quorum. The holders of a majority of the outstanding shares of capital stock, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders, except as otherwise provided by statute or by the certificate of incorporation. If a quorum is not present, the holders of a majority of the shares present in person or represented by proxy at the meeting, and entitled to vote at the meeting, may adjourn the meeting to another time and/or place.

Section 7. Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 8. Vote Required. When a quorum is present, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, unless the question is one upon which by express provisions of an applicable law or of the certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question. Where a separate vote by class is required, the affirmative vote of the majority of shares of such class present in person or represented by proxy at the meeting shall be the act of such class.

Section 9. Voting Rights. Except as otherwise provided by the General Corporation Law of the State of Delaware or by the certificate of incorporation of the corporation or any amendments thereto and subject to Section 3 of Article VI hereof, every stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of common stock held by such stockholder. The holders of preferred stock will be entitled to vote as provided by law and by the corporation's certificate of incorporation or any amendments thereto.

Section 10. Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him or her by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the corporation generally. Any proxy is suspended when the person executing the proxy is present at a meeting of stockholders and elects to vote, except that when such proxy is coupled with an interest and the fact of the interest appears on the face of the proxy, the agent named in the proxy shall have all voting and other rights referred to in the proxy, notwithstanding the presence of the person executing the proxy. At each meeting of the

stockholders, and before any voting commences, all proxies filed at or before the meeting shall be submitted to and examined by the secretary or a person designated by the secretary, and no shares may be represented or voted under a proxy that has been found to be invalid or irregular.

Section 11. Action by Written Consent. Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signatures of the stockholders who signed the consent or consents, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the state of Delaware, or the corporation's principal place of business, or an officer or agent of the corporation having custody of the book or books in which proceedings of meetings of the stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. All consents properly delivered in accordance with this section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

Section 12. Advance Notice of Stockholder Nominees and Stockholder Business. To be properly brought before an annual meeting or special meeting, nominations for the election of director or other business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board of directors, (b) otherwise properly brought before the meeting by or at the direction of the board of directors, or (c) otherwise properly brought before the meeting by a stockholder. For such nominations or other business to be considered properly brought before the meeting by a stockholder, such stockholder must have given timely notice and in proper form of his intent to bring such business before such meeting. To be timely, such stockholder's notice must be delivered or mailed to and received by the secretary of the corporation not less than 90 days prior to the meeting; provided, however, that in the event that less than 100 days notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. To be in proper form, a stockholder's notice to the secretary shall set forth:

(i) the name and address of the stockholder who intends to make the nominations or propose the business, and, as the case may be, the name and address of the person or persons to be nominated or the nature of the business to be proposed;

(ii) a representation that the stockholder is a holder of record of stock of the corporation entitled to vote at such meeting and, if applicable, intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice or introduce the business specified in the notice;



(iii) if applicable, a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder;

(iv) such other information regarding each nominee or each matter of business to be proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had the nominee been nominated, or intended to be nominated, or the matter been proposed, or intended to be proposed by the board of directors; and

(v) if applicable, the consent of each nominee to serve as director of the corporation if so elected.

The chairman of the meeting may refuse to acknowledge the nomination of any person or the proposal of any business not made in compliance with the foregoing procedure.

### ARTICLE III BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the corporation shall be managed by or under the direction of the board of directors.

Section 2. Number, Election and Term of Office. The number of directors which shall constitute the board of directors shall be ten (10). The number of directors may be changed from time to time by resolution of the board of directors or the stockholders, although in no event shall the number of directors be less than five (5) for so long as the Special Voting Rights (as defined in Article IV, Section (2)(d)(i) of the Certificate of Incorporation) shall be in effect. Each director shall be elected by a plurality of the votes of the shares of one or more class or classes or series of stock (as provided in the Certificate of Incorporation), as the case may be, entitled to vote for such director that are present in person or represented by proxy at the annual meeting of stockholders. At each annual meeting of the stockholders, the stockholders shall elect the successors of the class of directors whose terms expire at such meeting, to hold office until their successors are duly elected and qualified at the third annual meeting of stockholders following the year of their election or until their earlier death, resignation or removal as herein or in the Certificate of Incorporation provided. The directors shall be elected in this manner, except as provided in Section 4 of this Article III and the Certificate of Incorporation.

Section 3. Removal and Resignation. Any director or the entire board of directors may be removed at any time, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors. Whenever the holders of any class or series are entitled to elect one or more directors by the provisions of the corporation's certificate of incorporation, the provisions of this section shall apply, in respect to the removal without cause of a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole. Any director may resign at any time upon written notice to the corporation.

Section 4. Vacancies. Vacancies resulting from newly created directorships resulting from an increase in the authorized number of directors and vacancies resulting from the death, resignation or removal of a director elected by (or appointed on behalf of) the holders of one or more class or classes or series of stock (as provided in the Certificate of Incorporation), voting together as a class, as the case may be, shall be filled by the vote of the majority of the directors (or the sole remaining director) elected by (or appointed on behalf of) such holders of one or more class or classes or series of stock (as provided in the Certificate of Incorporation) (or on whose behalf the director was appointed), as the case may be, whose

death, resignation or removal created the vacancy, or to which the newly-created directorship has been allocated. Each director so chosen shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as provided herein.

Section 5. Annual Meetings. The annual meeting of the board of directors shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of stockholders.

Section 6. Other Meetings and Notice. Regular meetings, other than the annual meeting, of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the board. Special meetings of the board of directors may be called by or at the request of the chairman of the board, the chief executive officer or any two directors on at least 48 hours notice to each director, either personally, by telephone, by mail or by telegraph.

Section 7. Quorum, Required Vote and Adjournment. A majority of the total number of directors shall constitute a quorum for the transaction of business. The vote of a majority of directors present at a meeting at which a quorum is present shall be the act of the board of directors. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Committees. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation, which to the extent provided in such resolution or these by-laws shall have and may exercise the powers of the board of directors in the management and affairs of the corporation except as otherwise limited by law. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Section 9. Committee Rules. Each committee of the board of directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the board of directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. In the event that a member and that member's alternate, if alternates are designated by the board of directors as provided in Section 8 of this Article III, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

Section 10. Communications Equipment. Members of the board of directors or any committee thereof may participate in and act at any meeting of such board or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

Section 11. Waiver of Notice and Presumption of Assent. Any member of the board of directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or

convened. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

Section 12. Action by Written Consent. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

Section 13. Directors Emeritus. The board of directors may, by resolution adopted by a majority of the whole board, appoint a director or former director who has served the corporation with distinction as a Director Emeritus. Such appointment shall be for a term expiring at the next Annual Meeting of Stockholders but shall be subject to renewal, by the same vote, at the meeting of the Board immediately following the Annual Meeting. A Director Emeritus shall not be considered a member of the board of directors, but shall be a consultant to the board and, in such capacity, shall be invited to attend all meetings of the board and such meetings of the committees of the board as the chairman of the board shall determine to be appropriate. For his or her services, a Director Emeritus shall be entitled to receive the same compensation for meetings actually attended as members of the board of directors, but shall not be entitled to receive any annual or other periodic fee or retainer paid to members of the Board.

Section 14. Chairman of the Board. The Board of Directors may elect from among its members a Chairman of the Board. The Chairman of the Board shall preside at all meetings of the stockholders and directors.

#### ARTICLE IV OFFICERS

Section 1. Number. The officers of the corporation shall be elected by the board of directors and shall consist of a president, one or more vice-presidents, a secretary, a treasurer, and such other officers and assistant officers as may be deemed necessary or desirable by the board of directors. Any number of offices may be held by the same person. In its discretion, the board of directors may choose not to fill any office for any period as it may deem advisable, except that the offices of president and secretary shall be filled as expeditiously as possible.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the board of directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3. Removal. Any officer or agent elected by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term by the board of directors then in office.

Section 5. Compensation. Compensation of all officers shall be fixed by the board of directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the corporation.

Section 6. The Chief Executive Officer. The chief executive officer shall be the chief executive officer of the corporation; shall have general charge of the business, affairs and property of the corporation, and control over its officers, agents and employees; and shall see that all orders and resolutions of the board of directors are carried into effect. The chief executive officer shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation. The chief executive officer shall have such other powers and perform such other duties as may be prescribed by the board of directors or as may be provided in these by-laws. Section 7. The President. The President shall, in the absence or disability of the president, act with all of the powers and be subject to all the restrictions of the president. The president shall also perform such other duties and have such other powers as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe.

Section 8. Vice-presidents. The vice-president, or if there shall be more than one, the vice-presidents in the order determined by the board of directors, shall, in the absence or disability of the chief executive officer and president, act with all of the powers and be subject to all the restrictions of the chief executive officer and president. The vice-presidents shall also perform such other duties and have such other powers as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe.

Section 9. The Secretary and Assistant Secretaries. The secretary shall attend all meetings of the board of directors, all meetings of the committees thereof and all meetings of the stockholders and record all the proceedings of the meetings in a book or books to be kept for that purpose. Under the chief executive's supervision, the secretary shall give, or cause to be given, all notices required to be given by these by-laws or by law; shall have such powers and perform such duties as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe; and shall have custody of the corporate seal of the corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors, the chief executive officer or secretary may, from time to time, prescribe.

Section 10. The Treasurer and Assistant Treasurer. The treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation; shall deposit all monies and other valuable effects in the name and to the credit of the corporation as may be ordered by the board of directors; shall cause the funds of the corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the chief executive officer and the board of directors, at its

regular meeting or when the board of directors so requires, an account of the corporation; shall have such powers and perform such duties as the board of directors, the chief executive officer or these by-laws may, from time to time, prescribe. If required by the board of directors, the treasurer shall give the corporation a bond (which shall be rendered every six years) in such sums and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of the office of treasurer and for the restoration to the corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the possession or under the control of the treasurer belonging to the corporation. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall in the absence or disability of the treasurer perform the duties and exercise the powers of the treasurer. The assistant treasurers shall perform such other duties and have such other powers as the board of directors, the chief executive officer or treasurer may, from time to time, prescribe.

Section 11. Other Officers, Assistant Officers and Agents. Officers, assistant officers and agents, if any, other than those whose duties are provided for in these by-laws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

Section 12. Absence or Disability of Officers. In the case of the absence or disability of any officer of the corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the board of directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

#### ARTICLE IV-A APPOINTED OFFICERS

Section 1. Appointment of Officers. The Board of Directors may authorize the Chief Executive Officer to appoint such other vice presidents and other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the bylaws or as the Board of Directors may from time to time determine (or, in the absence of such determination by the Board of Directors, as the Chief Executive Officer from time to time determines).

Section 2. Removal. Any officer appointed in accordance with the provisions of Section 1 may be removed by the Board of Directors or by the Chief Executive Officer (if appointed by such person) whenever in his or her judgment the best interest of the Corporation would be served thereby, provided that such removal shall be without prejudice to the contract rights, if any of the persons so removed.

Section 3. Appointment Officers and Deemed Elected Officers. Officers appointed pursuant to Section 1 hereof shall not be deemed to be elected officers of the Corporation, and in particular but without limitation shall not be deemed to be executive officers of the corporation for the purposes of the Securities Exchange Act of 1934, as amended, or any successor statute.

#### ARTICLE V INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

Section 1. Nature of Indemnity. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the representative, is or was a director or officer of the corporation or is or was serving at the

request of the corporation as a director, officer, employee, fiduciary or agent of another corporation or of a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless by the corporation to the fullest extent which it is empowered to do so unless prohibited from doing so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expense, liability and loss including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding, and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Section 2 hereof, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the board of directors of the corporation. The right to indemnification conferred in this Article V shall be a contract right and, subject to sections 2 and 5 hereof, shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition. The corporation may, by action of its board of directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

Section 2. Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the corporation under Section 1 of this Article V or advance of expenses under Section 5 of this Article V shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the corporation that the director or officer is entitled to indemnification pursuant to this Article V is required, and the corporation fails to respond within 60 days to a written request for indemnity, the corporation shall be deemed to have approved the request. If the corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within 60 days, the right to indemnification or advances as granted by this Article V shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the corporation (including its board of directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 3. Article Not Exclusive. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Section 4. Insurance. The corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the

corporation or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the corporation would have the power to indemnify such person against such liability under this Article V.

Section 5. Expenses. Expenses incurred by any person described in Section 1 of this Article V in defending a proceeding shall be paid by the corporation in advance of such proceeding's final disposition unless otherwise determined by the board of directors in the specific case, upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

Section 6. Employees and Agents. Persons who are not covered by the foregoing provisions of this Article V and who are or were employees or agents of the corporation, or who are or were serving at the request of the corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the board of directors.

Section 7. Contract Rights. The provisions of this Article V shall be deemed to be a contract right between the corporation and each director or officer who serves in any such capacity at any time while this Article V and the relevant provisions of the General Corporation Law of the State of Delaware or other applicable law are in effect, and any repeal or modification of this Article V or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing.

Section 8. Merger or Consolidation. For purposes of this Article V, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article V with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

#### ARTICLE VI CERTIFICATES OF STOCK

Section 1. Form. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by the president or a vice-president and the secretary or an assistant secretary of the corporation, certifying the number of shares owned by such holder in the corporation. If such a certificate is countersigned (1) by a transfer agent or an assistant transfer agent other than the corporation or its employee or (2) by a registrar, other than the corporation or its employee, the signature of any such president, vice-president, secretary, or assistant secretary may be facsimiles. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation whether because of death, resignation or otherwise before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been

used thereon had not ceased to be such officer or officers of the corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation. Shares of stock of the corporation shall only be transferred on the books of the corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the corporation of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization, and other matters as the corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In that event, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate or certificates, and record the transaction on its books. The board of directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the corporation.

Section 2. Lost Certificates. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to give the corporation a bond sufficient to indemnify the corporation against any claim that may be made against the corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

Section 3. Fixing a Record Date for Stockholder Meetings. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Section 4. Fixing a Record Date for Action by Written Consent. In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by statute, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and prior action by the board of directors is required by statute, the record date for determining stockholders entitled to consent to corporate action in



writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

Section 5. Fixing a Record Date for Other Purposes. In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purposes of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Section 6. Registered Stockholders. Prior to the surrender to the corporation of the certificate or certificates for a share or shares of stock with a request to record the transfer of such share or shares, the corporation may treat the registered owner as the person entitled to receive dividends, to vote, to receive notifications, and otherwise to exercise all the rights and powers of an owner. The corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof.

Section 7. Subscriptions for Stock. Unless otherwise provided for in the subscription agreement, subscriptions for shares shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation.

#### ARTICLE VII GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of the certificate of incorporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or any other purpose, and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 2. Checks, Drafts or Orders. All checks, drafts, or other orders for the payment of money by or to the corporation and all notes and other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner, as shall be determined by resolution of the board of directors or a duly authorized committee thereof.

Section 3. Contracts. The board of directors may authorize any officer or officers, or any agent or agents, of the corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 4. Loans. The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest and may be unsecured or secured in such manner as the board of directors shall approve, including without limitation a pledge of shares of stock of the corporation. Nothing in this section contained shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

Section 5. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

Section 6. Corporate Seal. The board of directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 7. Voting Securities Owned by Corporation. Voting securities in any other corporation held by the corporation shall be voted by the president, unless the board of directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

Section 8. Inspection of Books and Records. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in the State of Delaware or at its principal place of business.

Section 9. Section Headings. Section headings in these by-laws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 10. Inconsistent Provisions. In the event that any provision of these by-laws is or becomes inconsistent with any provision of the certificate of incorporation, the General Corporation Law of the State of Delaware or any other applicable law, the provision of these by-laws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VIII  
AMENDMENTS

These by-laws may be amended, altered, or repealed and new by-laws adopted at any meeting of the board of directors by a majority vote. The fact that the power to adopt, amend, alter, or repeal the by-laws has been conferred upon the board of directors shall not divest the stockholders of the same powers.

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AMENDMENT NO. 6, dated as of March 31, 2004 (this "Amendment"), in respect of the Credit Agreement dated as of July 16, 1999, as amended and restated as of July 17, 2000, as further amended by Amendment No. 3 dated as of May 30, 2002, as further amended by Amendment No. 4 dated as of March 31, 2003 (as heretofore amended, the "Credit Agreement" and, as amended by this Amendment, the "Amended Credit Agreement"), among Gartner, Inc. (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, as Administrative Agent (in such capacity, the "Administrative Agent").

The Borrower has requested that the Credit Agreement be amended to effect the amendment set forth below, and the parties hereto are willing so to amend the Credit Agreement. Each capitalized term used but not defined herein has the meaning assigned thereto in the Amended Credit Agreement.

In consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto hereby agree, on the terms and subject to the conditions set forth herein, as follows:

Amendment. Upon the effectiveness of this Amendment as provided in Section 3 below, the Credit Agreement shall be amended as follows:

Section 6.08 of the Credit Agreement is hereby amended by replacing the phrase "after March 31, 2003 does not exceed \$50 million" in clause (vii) therein with the phrase "after March 31, 2004 does not exceed \$50 million".

Representations and Warranties. The Borrower represents and warrants as of the date hereof to each of the Lenders that:

Before and after giving effect to this Amendment, the representations and warranties set forth in the Credit Agreement and the other Loan Documents are true and correct in all material respects with the same effect as if made on the date hereof, except to the extent such representations and warranties expressly relate to an earlier date.

(b) Immediately before and after giving effect to this Amendment, no Event of Default or Default has occurred and is continuing.

Conditions to Effectiveness. The amendment set forth in Section 1 of this Amendment shall become effective, as of the date hereof, on the date (the "Amendment Closing Date") on which the Administrative Agent shall have received (a) counterparts of this Amendment that, when taken together, bear the signatures of the Borrower, the Administrative Agent, the Subsidiary Loan Parties and the Required Lenders and (b) payment of all expenses (to the extent invoiced prior to the Amendment Closing Date) payable to JPMorgan Chase Bank and J.P. Morgan Securities Inc. in connection with this Amendment. The provisions of Section 1 shall terminate and cease to be of any force or effect if the Amendment Closing Date shall not have occurred on or prior to March 31, 2004.

Agreement. Except as specifically stated herein, the provisions of the Credit Agreement are and shall remain in full force and effect. As used therein, the terms "Credit Agreement", "herein",

"hereunder", "hereinafter", "hereto", "hereof" and words of similar import shall, unless the context otherwise requires, refer to the Amended Credit Agreement. The Subsidiary Loan Parties are executing this Amendment to confirm that their obligations under the Guarantee Agreement, the Pledge Agreement and the Indemnity, Subrogation and Contribution Agreement remain in full force and effect with respect to the Amended Credit Agreement and all references in the Guarantee Agreement, the Pledge Agreement and the Indemnity, Subrogation and Contribution Agreement to the Credit Agreement shall hereafter be deemed to refer to the Amended Credit Agreement.

Applicable Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Counterparts. This Amendment may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract.

Expenses. The Borrower agrees to reimburse the Administrative Agent for all reasonable out-of-pocket expenses incurred by it in connection with this Amendment, including the reasonable fees, charges and disbursements of Cravath, Swaine & Moore LLP, counsel for the Administrative Agent.

AMENDMENT TO EMPLOYMENT AGREEMENT AND  
GENERAL RELEASE OF CLAIMS

This Amendment to Employment Agreement and General Release of Claims (the "Amendment and Release") is entered into by and between Gartner, Inc. a Delaware corporation (the "Company"), and Michael D. Fleisher (the "Executive") and dated as of April 29, 2004 (the "Effective Date"). This Amendment and Release amends the Employment Agreement between the Company and Executive (the "Parties"), dated August 27, 2002 and effective as of October 1, 2002 (the "Employment Agreement"). Other than as specifically stated herein, the Employment Agreement shall remain in full force and effect. To the extent that any term or provision of this Amendment and Release is inconsistent with the Employment Agreement, such term or provision of this Amendment and Release shall govern.

In consideration of the promises set forth in this Amendment and Release, the Parties hereby agree as follows:

## I. TERMINATION OF EMPLOYMENT

A. Executive and the Company hereby agree that Executive shall resign from his position as Chairman and Chief Executive Officer of the Company, and any and all appointments he holds with any affiliates or subsidiaries of the Company, whether as officer, director, employee, consultant, agent or otherwise, shall cease, as of October 30, 2004 (the "Termination Date"). Effective as of the Termination Date, Executive shall have no authority to act on behalf of the Company or any of its respective affiliates or subsidiaries, and shall not hold himself out as having such authority or otherwise act in an executive or other decision making capacity. The Company shall announce the termination of Executive's employment on April 29, 2004 (the "Announcement Date"). From the Effective Date through the Termination Date, Executive shall continue to receive salary and all benefits and perquisites to which he was entitled immediately prior to the Announcement Date and, unless otherwise instructed by the Board of Directors of the Company (the "Board") in accordance with the following sentence, Executive shall continue to function as the Chairman and Chief Executive Officer of the Company. Notwithstanding the preceding sentence, at the written request of the Board at any time on or following the Announcement Date and prior to the Termination Date, (i) Executive shall step down from the position of Chairman of the Board, (ii) Executive shall step down from the position of director, but only if he has stepped down from the position of Chief Executive Officer in accordance with the following clause (iii) and (iii) Executive shall step down from the position of Chief Executive Officer of the Company and shall have only such duties, responsibilities and authorities as are assigned to him by the Board (any such duties shall be reasonable in light of the nature of Executive's prior service to the Company), but he shall remain an employee of the Company through the Termination Date. In addition, notwithstanding any provision herein to the contrary, Executive shall not be required to relocate his place of employment if such relocation would be within the definition of "Constructive Termination" under the Employment Agreement.

B. Notwithstanding any provision herein to the contrary, the Board may terminate Executive's employment at any time for Business Reasons in accordance with Section 8(a) of the Employment Agreement provided that the event, action, or omission that constitutes the applicable Business Reason has resulted in or is reasonably likely to result in material injury to the reputation or business of the Company. Upon a termination for Business Reasons in accordance with the preceding sentence, Executive shall be deemed to have failed to abide by the material terms of this Amendment and Release.

C. On the Termination Date, Executive agrees to execute a release identical in substance to the release contained in Section VI below, covering the time period from the Effective Date through the

Termination Date; provided, however, the Parties agree to modify the release to comply with any new laws which may become applicable. If Executive refuses to sign such a release, Executive shall be deemed to have failed to abide by the material terms of this Amendment and Release. Executive represents and warrants that Executive will not obtain the age of 40 until December 18, 2004.

## II. EMPLOYMENT AGREEMENT ENTITLEMENTS

In lieu of all payments and benefits specified in Sections 5, 6(a), and 7 of the Employment Agreement (other than the gross-up payment provided in Section 7(c)(ii)), the Company shall provide Executive the following payments and benefits:

A. Executive's "Base Salary" and "PTO" (each as defined in the Employment Agreement) through the Announcement Date in accordance with the Company's regular payroll procedures plus a single lump sum payment of \$3,001,811. The lump sum payment will be made within ten days of the Announcement Date.

B. A payment on the date Executive ceases to serve as Chief Executive Officer (the "CEO Step-Down Date") in an amount equal to \$1,300,000 minus the sum of (1) amounts paid as cash compensation (other than amounts paid under Section II.A above) from the Announcement Date through the CEO Step-Down Date and (2) amounts to be paid as cash compensation in the form of salary from the CEO Step-Down Date through the Termination Date, provided that (i) Executive continues to perform his duties in good faith through the CEO Step-Down Date and (ii) Executive has not breached any material provision of the Employment Agreement or this Amendment and Release through the CEO Step-Down Date. Notwithstanding the foregoing, Executive shall forfeit the payment to be made on the CEO Step-Down Date under clause (ii) of the preceding sentence only if Executive's breach is not cured within ten days of notice from the Company informing Executive of the breach.

C. Continuation of group health benefits (1) for two years following the Termination Date (or until Executive obtains other employment, if earlier), at the Company's cost pursuant to the Company's standard programs as in effect from time to time (or at the Company's election, substantially similar health benefits as in effect at the Termination Date through a third party carrier) for Executive, his spouse and any children, and, (2) thereafter, to the extent COBRA shall be applicable to the Company and such persons are then eligible for COBRA, continuation of health benefits for such persons at Executive's cost, for a period of 18 months or such longer period as may be applicable under the Company's policies then in effect, provided the Executive makes the appropriate election and payments.

D. Accelerated vesting of all outstanding stock options, TARPs and other equity arrangements granted to Executive prior to October 1, 2002 and held by Executive on the Termination Date (specifically including the option grants listed below in this paragraph and the restricted stock granted to Executive on January 28, 1999), such that the awards shall become fully vested on the Termination Date. In addition, the options shall remain exercisable as follows: (i) with respect to options granted to Executive on October 13, 1998, October 9, 1997, April 24, 1997, February 24, 1997, October 10, 1996, and November 17, 1995, until October 29, 2007, and (ii) with respect to options granted to Executive on October 2, 2001, November 9, 1999, September 30, 1999, and October 5, 1994, until October 29, 2005. The Parties acknowledge that all of the options granted prior to October 2, 2001 are vested and exercisable as of the Effective Date. Notwithstanding the foregoing, no option may be exercised following the expiration of its ten-year term.

E. Continued vesting of all outstanding stock options granted to Executive on or following October 1, 2002 and held by Executive on the Termination Date (specifically including the option grants listed below in this paragraph), in accordance with their stated vested schedules through October 29, 2006.

The options granted to Executive on each of October 10, 2002 and October 1, 2003 shall remain exercisable until October 29, 2007.

F. Reasonable office support as mutually agreed, for one year following the Termination Date.

As of and after the Termination Date, Executive shall no longer participate in, accrue service credit or have contributions made on his behalf under any employee benefit plan sponsored by the Company in respect of periods commencing on and following the Termination Date, including without limitation, any plan which is intended to qualify under Section 401(a) of the Internal Revenue Code of 1986, as amended. Executive shall be entitled to all benefits accrued up to the Termination Date, to the extent vested under all employee benefit plans of the Company, in accordance with the terms of such plans.

### III. NON-COMPETITION AGREEMENT

A. Notwithstanding the covenants contained in Section 12 of the Employment Agreement, the Company shall take into reasonable consideration any request by Executive to waive such covenants in situations in which the Company reasonably determines that it would not be likely to be materially harmed by such waiver. The Company agrees that the initial discussion to consider any such waiver of this provision shall commence with Executive and the Chairman of the Governance Committee of the Board. The Company shall be under no obligation to act or refrain from acting in response to any request for waiver by Executive pursuant to this Section IV.

B. Executive acknowledges that if Executive breaches the covenants contained in Section 12 of the Employment Agreement, Executive shall be deemed to have failed to abide by the material terms of this Amendment and Release.

#### IV. NONDISPARAGEMENT

Executive agrees to not disparage, defame, or slander the Company, its directors, or its executive officers. The Company agrees to instruct its directors and executive officers to not disparage, defame, or slander Executive, and the Company will take reasonable measures to cause its directors and executive officers to not do so.

#### V. PRESS RELEASE AND PUBLIC STATEMENTS

The Parties acknowledge and agree that the Company will issue a press release in the form attached as Exhibit A following the execution of this Amendment and Release by the Parties. In addition, any other press release made by the Company or Executive prior to the CEO Step-Down Date that references Executive's termination shall be subject to the advance review and approval of the other Party, which approval shall not be unreasonably withheld or delayed.

#### VI. ACKNOWLEDGMENT AND RELEASE

Executive on his own behalf and on behalf of his successors, assigns, legal representatives, heirs, executors and administrators (collectively, the "Executive Releasor"), does hereby remise, release, absolve and discharge, the Company, all of its respective successors and assigns, subsidiaries and legal representatives (in their capacities as such), past and present, and all of its respective directors, officers, shareholders, agents, employees, attorneys, successors, assigns, legal representatives, heirs, executors and administrators, past and present, and each and every one of them, in their individual and corporate capacities as such (collectively, the "Company Releasee"), from any and all manner of claims, demands, liens, agreements, contracts, covenants, promises, actions, suits, causes of action, controversies, obligations, debts, sums of money, accounts, attorneys' fees, damages, judgments, executions, orders and liabilities of whatever kind or nature in law, equity or otherwise, whether presently known or unknown, suspected or unsuspected, (collectively, "Claims"), including, without limitation, any complaint, charge or cause of action (1) arising out of his employment with the Company and any of its subsidiaries or affiliates (the "Company Group"), (2) arising out of his right to purchase, or actual purchase of shares of stock of the Company, including without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law, (3) for wrongful discharge of employment, termination in violation of public policy, discrimination, breach of contract, both express and implied, breach of a covenant of good faith and fair dealing, both express and implied, promissory estoppel, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, libel, slander, negligence, personal injury, assault, battery, invasion of privacy, false imprisonment, and conversion, (4) for a violation of the federal, or any state constitution, (5) for, or to recover, attorneys' fees, and (6) for a violation of any federal, state, or municipal statute, including, but not limited to, the National Labor Relations Act, the Civil Rights Act of 1991, the Americans With Disabilities Act of 1990, Title VII of the Civil Rights Act of 1964, the Fair Labor Standards Act and the Employee Retirement Income Security Act of 1974, all as amended, which Executive Releasor now owns or holds or has at any time heretofore owned or held, or hereafter can, shall or may have, as against the Company Releasee, or any of them, from the beginning of the world to the Effective Date, except that any Claims that arise under or are in connection with (x) the obligations of the Company to Executive Releasor under this Amendment and Release or the Employment Agreement, (y) any ordinary commercial liabilities or obligations of any Company Releasee that is a shareholder, officer or director may have to Executive Releasor as of the date hereof that are entirely unrelated to (i) the Company Group and (ii) the conduct of any Company Releasee in holding, owning or managing any interests of the Company Group and (z) any claims against the Company that Executive Releasor may have for indemnification under the By-Laws of the Company as in



effect on the date hereof, the laws of the State of Delaware or any insurance coverage maintained by or on behalf of the Company for Executive with respect to his service as an officer and/or director of the Company or any member of the Company Group.

#### VII. AVAILABILITY OF RELIEF

A. In the event that Executive fails to abide by any of the material terms of this Amendment and Release following notice of such failure by the Company and a reasonable opportunity to cure, the Company may, in addition to any other remedies it may have, terminate any benefits or payments that are subsequently due under this Amendment and Release, without waiving the release granted herein.

B. Executive and the Company each acknowledges and agrees that the remedy at law available to the Company and Executive, respectively, for breach by the other of any of his or its obligations under this Amendment and Release, including but not limited to his and its obligations under Sections III, IV, and V of this Amendment and Release, would be inadequate and that damages flowing from such a breach may not readily be susceptible to being measured in monetary terms. Accordingly, Executive and the Company each acknowledges, consents and agrees that, in addition to any other rights or remedies which the Company or Executive, respectively, may have at law, in equity or under this Amendment and Release, upon adequate proof of his or its violation of any such provision of this Amendment and Release, the Company or Executive, as applicable, shall be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further breach, without the necessity of proof of actual damage.

#### VIII. MISCELLANEOUS

A. Notices. Any notice given pursuant to this Amendment and Release to any party hereto shall be deemed to have been duly given when mailed by registered or certified mail, return receipt requested, or by overnight courier, or when hand delivered as follows:

If to the Company:

Gartner, Inc.  
56 Top Gallant Road  
P.O. Box 10212  
Stamford, CT 06904-2212  
Attention: General Counsel

With a copy to:  
Wilson Sonsini Goodrich & Rosati, P.C.  
650 Page Mill Road  
Palo Alto, CA 94304-1050  
Attention: Larry Sonsini

If to Executive:

Michael D. Fleisher  
28 Laight Street, Apt. 6A  
New York, New York 10013

With a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison  
1285 Avenue of the Americas  
New York, New York 10019-6064  
Attention: Michael J. Segal

or at such other address as either party shall from time to time designate by written notice, in the manner provided herein, to the other party hereto.

B. Successor. This Amendment and Release shall be binding upon and inure to the benefit of the Parties, their respective heirs, successors and assigns.

C. Taxes. Executive shall be responsible for the payment of any and all required federal, state, local and foreign taxes incurred, or to be incurred, in connection with any amounts payable to Executive under this Amendment and Release. Notwithstanding any other provision of this Amendment and Release, the Company may withhold from amounts payable under this Amendment and Release all federal, state, local and foreign taxes that are required to be withheld by applicable laws and regulations.

D. Severability. In the event that any provision of this Amendment and Release is determined to be invalid or unenforceable, the remaining terms and conditions of this Amendment and Release shall be unaffected and shall remain in full force and effect. In addition, if any provision is determined to be invalid or unenforceable due to its duration and/or scope, the duration and/or scope of such provision, as the case may be, shall be reduced, such reduction shall be to the smallest extent necessary to comply with applicable law, and such provision shall be enforceable, in its reduced form, to the fullest extent permitted by applicable law.

E. Counterparts. This Amendment and Release may be executed by one or more of the Parties hereto on any number of separate counterparts and all such counterparts shall be deemed to be one and the same instrument. Each party hereto confirms that any facsimile copy of such party's executed counterpart of this Amendment and Release (or its signature page thereof) shall be deemed to be an executed original thereof.

F. Non-Admission. Nothing contained in this Amendment and Release shall be deemed or construed as an admission of wrongdoing or liability on the part of Executive or on the part of the Company.

G. No Mitigation. Executive shall not be required to mitigate the amount of any payment provided for pursuant to this Amendment and Release by seeking other employment and, to the extent that

Executive obtains or undertakes other employment, the payment shall not be reduced by the earnings of Executive from the other employment.

H. Governing Law/Dispute Resolution. This Amendment and Release shall be governed by, and construed in accordance with the internal laws of the State of New York, applicable to contracts made and performed wholly within such state by residents thereof. The dispute resolution mechanism set forth in Section 13(g) of the Employment Agreement shall apply to disputes between the parties regarding this Amendment and Release.

I. Legal Fees. The Company will pay directly the reasonable fees and expenses (not to exceed a total of \$25,000) of counsel retained by Executive in connection with the preparation, negotiation and execution of this Amendment and Release, but only if this Amendment and Release actually are executed. The payment of such fees and expenses shall be treated by the Company as a "working condition fringe" under Section 132(d) of the Internal Revenue Code of 1986, as amended, unless required otherwise by the Internal Revenue Service or applicable authority issued subsequent to the Effective Date.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have executed this Amendment and Release on April 29, 2004.

GARTNER, INC.

By: /s/ Maynard G. Webb, Jr.

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Maynard G. Webb, Jr.  
on behalf of the Compensation Committee

EXECUTIVE

/s/ Michael D. Fleisher

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Michael D. Fleisher

## CERTIFICATION

I, Michael D. Fleisher, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of Gartner, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

- a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
- c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael D. Fleisher  
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 Michael D. Fleisher  
 Chief Executive Officer  
 May 4, 2004

## CERTIFICATION

I, Christopher Lafond, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q (the "10-Q") of Gartner, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

- a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
- c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Christopher Lafond

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 Christopher Lafond  
 Chief Financial Officer  
 May 4, 2004

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Gartner, Inc. (the "Company") on Form 10-Q for the quarterly period ended March 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), as Chief Executive Officer of the Company and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael D. Fleisher

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Name: Michael D. Fleisher  
Title: Chief Executive Officer  
Date: May 4, 2004

/s/ Christopher Lafond

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Name: Christopher Lafond  
Title: Chief Financial Officer  
Date: May 4, 2004

A signed original of this written statement required by Section 906 has been provided to Gartner, Inc. and will be retained by Gartner, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.