

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

May 6, 2003

Date of Report (Date of earliest event reported)

GARTNER, INC

(Exact Name of Registrant as Specified in Its Charter)

Delaware

0-14443

04-3099750

(State or Other Jurisdiction of (Commission File No.) (IRS Employer
Incorporation) Identification No.)

P.O. Box 10212
56 Top Gallant Road
Stamford, CT 06902-7747

(Address of Principal Executive Offices, Including Zip Code)

(203) 316-1111

(Registrant's telephone number, including area code)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

EXHIBIT NO.	DESCRIPTION
99.1	Press Release issued May 6, 2003, with respect to financial results for Gartner, Inc. for the quarter ended March 31, 2003.

ITEM 9. REGULATION FD DISCLOSURE AND INFORMATION PROVIDED UNDER ITEM 12 ("RESULTS OF OPERATIONS AND FINANCIAL CONDITION").

The information contained in this Item 9 is furnished pursuant to Item 12 of Form 8-K "Results of Operations and Financial Condition," in accordance with SEC Release No. 33-8216. This information and the exhibit hereto are being furnished and shall not be deemed to be "filed" for the purposes of Section 18 of, or otherwise regarded as filed under, the Securities Exchange Act of 1934, as amended. The information contained in this report shall not be incorporated by reference into any filing of Gartner, Inc. with the SEC, whether made before or after the date hereof, regardless of any general incorporation language in such filings.

On May 6, 2003, Gartner, Inc. announced financial results for the quarter ended March 31, 2003, the full text of which is attached hereto as Exhibit 99.1.

The attached press release contains a non-GAAP financial measure. For purposes of the Securities and Exchange Commission's Regulation G, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with accounting principles generally accepted in the United States ("GAAP"). In the attached press release, Gartner, Inc. uses the non-GAAP measures of normalized EPS. This non-GAAP financial measure is provided

to enhance the reader's overall understanding of Gartner's current financial performance and prospects for the future. Gartner believes normalized EPS is an important measure of Gartner's recurring operations as it excludes items that may not be indicative of our core operating results and calculates earnings per share in a manner consistent with prior periods by including the effect of debt conversion. Normalized EPS is based on net income (loss), excluding other charges, income from minority-owned investments, and gains from the sale of businesses. Normalized EPS includes the effect of the convertible debt as if it had been converted as of the beginning of each period as the convertible debt is expected to have a dilutive effect on EPS for the full year of 2003. In the attached press release, a reconciliation of normalized net income and normalized EPS to GAAP net loss and GAAP net loss per share is provided under "Supplemental Information" at the end of the release.

SIGNATURES

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

GARTNER, Inc.

Date: May 6, 2003

By: /s/ MAUREEN E. O'CONNELL

Maureen E. O'Connell
Executive Vice President, Chief Financial and
Administrative Officer

EXHIBIT INDEX

EXHIBIT NO.

DESCRIPTION

99.1

Press Release issued May 6, 2003, with respect to
financial results for Gartner, Inc. for the
quarter ended March 31, 2003.

Gartner Reports First Quarter 2003 Results

STAMFORD, Conn.--(BUSINESS WIRE)--May 6, 2003--Gartner, Inc. (NYSE: IT and ITB), the world's leading technology research and advisory firm, today reported results for the first quarter ended March 31, 2003.

Results for the quarter were in line with the Company's guidance:

- Total revenue was \$204 million, an increase of 2% over the prior year.
- On a GAAP basis, net loss was \$2 million, or a loss of \$0.02 per diluted share, including a previously announced \$5 million charge for a reduction in headcount. Net loss for the year-ago quarter was \$4 million, a loss of \$0.05 per diluted share, including a charge of \$17 million.
- Normalized EPS was \$0.04 per diluted share, compared with \$0.07 per diluted share a year ago. Normalized EPS is a Non-GAAP financial measure. See "Non-GAAP Financial Measures" for a further discussion of Normalized EPS.
- Cash on hand was \$135 million, an increase of \$26 million over December 31, 2002.

The 2003 first quarter results reflected the Company's strategy of making moderate investments in its core Research business to position Gartner for future growth as business conditions improve.

Michael Fleisher, Gartner chairman and chief executive officer, stated, "Our financial performance in the first quarter was within the expected range, despite the fact that the war in Iraq added a new element of uncertainty to an already inhospitable business environment. We continued to pursue initiatives to further strengthen Gartner's market leadership and value proposition: deepening our relationships with clients, developing integrated products tailored to clients' functional roles, and structuring our sales and marketing efforts for maximum effectiveness. We're confident that these investments will position Gartner for growth and increasing profitability as our markets recover."

Business Segment Highlights

Research revenue was \$116 million for the 2003 first quarter, a 6% decrease compared with the prior year period. Contract value was \$474 million at March 31, 2003, a decline of 7% from a year ago. Client retention in Research remained strong, averaging 74%, and almost 90% among clients spending more than \$100,000 annually. Gartner's premium products, EXP and Gartner G2, continue to increase revenue at double-digit rates year-over-year.

Consulting revenue for the recent quarter was \$62 million, a reduction of 6% from the same quarter of 2002 and up 6% sequentially. The Consulting backlog was \$98 million at March 31, 2003, compared with \$111 million at December 31, 2002. The Company attributed the backlog decline to the fact that a number of government sector clients chose to defer decisions on future Consulting projects as a result of the war in Iraq. A focus on key practices and productivity improvements led to an increase in consulting utilization, billing rate and average engagement size as compared with the year-ago quarter.

Events revenue was \$24 million for the 2003 first quarter, compared with \$9 million the prior year. The increase was largely due to the timing of the Spring Symposium, which was held in the first quarter this year, instead of the second quarter as in 2002. Direct expenses increased \$10 million in the quarter due to the costs associated with Spring Symposium. The Company noted that Symposium attendance remained relatively stable as compared with prior years, at 2,400, despite a general reduction in corporate travel due to the war. Exhibitor renewals for future events were sharply higher than a year ago.

Gartner maintained a strong cash position of \$135 million at March 31, 2003, compared with \$110 million at December 31, 2002. During the recent quarter, the Company spent \$7 million to repurchase common stock.

Business Outlook

Maureen O'Connell, chief financial and administrative officer, said, "In this challenging economic environment, our top priority

continues to be stabilizing and then growing Research contract value. We believe that our intense focus in this area will produce improving trends in the Research business. We also believe that our Events business remains on track for this year. We expect Consulting will continue to experience pressure due to the softness in some sectors of government, particularly at the state and local levels. We also recognize that our primary sales effort must be focused on growing Research." Accordingly, she said that Gartner was reaffirming 2003 guidance for its Research and Events businesses, while revising guidance for Consulting and the Company as a whole in line with reduced expectations for government sector spending.

For full calendar 2003, the Company is targeting:

- Total revenue of approximately \$835 million to \$880 million.
- Research revenue of approximately \$453 million to \$478 million.
- Consulting revenue of approximately \$260 million to \$275 million.
- Events revenue of approximately \$104 million to \$108 million.
- Other revenue of approximately \$18 million to \$19 million.
- Normalized EPS of \$0.40 to \$0.45 per share on 128 million diluted shares, before the \$5 million restructuring charge recognized in the first quarter. Including the \$5 million restructuring charge, GAAP EPS would be \$0.37 to \$0.42 per share. See "non-GAAP financial measures" for a further discussion of normalized EPS.

For the second quarter ending June 30, 2003, the Company is targeting:

- Total revenue of approximately \$206 million to \$217 million.
- Research revenue of approximately \$113 million to \$116 million.
- Consulting revenue of approximately \$66 million to \$73 million.
- Events revenue of approximately \$23 million.
- Other revenue of approximately \$4 million to \$5 million.
- GAAP and normalized EPS of \$0.09 to \$0.12 on 128 million diluted shares. See "non-GAAP financial measures" for a further discussion of normalized EPS.

Conference Call Information

The Company has scheduled a conference call at 10:00 a.m. eastern time on Tuesday, May 6, 2003, to discuss its financial results for the first quarter of 2003. The conference call will also be available via the Internet by accessing Gartner's web site at www.gartner.com/investors. A replay of the webcast will be available for 30 days following the call.

About Gartner

Gartner, Inc. is a research and advisory firm that helps more than 10,500 clients leverage technology to achieve business success. Gartner's businesses consist of Research, Consulting, Measurement, Events and Executive Programs. Founded in 1979, Gartner is headquartered in Stamford, Connecticut and has 4,000 associates, including more than 1,000 research analysts and consultants, in more than 75 locations worldwide. Revenue for the twelve months ended December 31, 2002, totaled \$887.6 million. For more information, visit www.gartner.com.

Non-GAAP Financial Measures

Investors are cautioned that normalized EPS information contained in this press release is not a financial measure under generally accepted accounting principles. In addition, it should not be construed as an alternative to any other measures of performance determined in accordance with generally accepted accounting principles. This non-GAAP financial measure is provided to enhance the user's overall understanding of the Company's current financial performance and the Company's prospects for the future. We believe normalized EPS is an important measure of our recurring operations as it excludes items that may not be indicative of our core operating results and calculates earnings per share in a manner consistent with prior periods by including the effect of debt conversion. Normalized EPS is based on net income (loss), excluding other charges, income from minority-owned investments, and gains from the sale of businesses. Normalized EPS includes the effect of the convertible debt as if it had been converted as of the beginning of each period as the convertible debt is expected to have a dilutive effect on EPS for the

full year of 2003. See "Supplemental Information" at the end of this release for a reconciliation of GAAP net loss and EPS to normalized net income and EPS.

Safe Harbor Statement

This press release contains statements regarding the Company's business outlook, the development of the Company's services, the demand for the Company's products and services and all other statements in this release other than recitation of historical facts are forward-looking statements (as defined in the Private Securities Litigation Reform Act of 1995). Such forward-looking statements include risks and uncertainties; consequently, actual results may differ materially from those expressed or implied thereby. Factors that could cause actual results to differ materially include, but are not limited to: ability to expand or even retain the Company's customer base in light of the adverse current economic conditions, including the impact of the September 11 terrorist attacks; the war in Iraq; ability to grow or even sustain revenue from individual customers in light of the adverse impact of the current economic conditions on overall IT spending; the duration and severity of the current economic slowdown; ability to attract and retain professional staff of research analysts and consultants upon whom the Company is dependent; ability to achieve and effectively manage growth, particularly as the Company seeks to reduce its overall workforce; ability to achieve continued customer renewals and achieve new contract value, backlog and deferred revenue growth in light of competitive pressures; ability to integrate operations of possible acquisitions; ability to carry out the Company's strategic initiatives and manage associated costs; ability to manage the Company's strategic partnerships; rapid technological advances which may provide increased indirect competition to the Company from a variety of sources; substantial competition from existing competitors and potential new competitors; risks associated with intellectual property rights important to the Company's products and services; additional risks associated with international operations including foreign currency fluctuations; and other risks listed from time to time in the Company's reports filed with the Securities and Exchange Commission, including the Company's Transitional Report on Form 10-KT for the three month transitional period ended December 31, 2002. These filings can be found on Gartner's Web site at www.gartner.com/investors and the SEC's Web site at www.sec.gov. Forward-looking statements included herein speak only as of the date hereof and the Company disclaims any obligation to revise or update such statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events or circumstances.

GARTNER, INC.

Consolidated Statements of Operations (Unaudited, in thousands, except per share amounts)

	Three Months Ended		
	March 31,		
	2003	2002	
	-----	-----	
Revenues:			
Research	\$115,724	\$122,735	-6%
Consulting	61,779	65,893	-6%
Events	23,509	9,100	158%
Other	3,270	3,367	-3%
	-----	-----	
Total revenues	204,282	201,095	2%
Costs and expenses:			
Cost of services and product development	102,333	88,341	16%
Selling, general and administrative	83,504	86,032	-3%
Depreciation	9,825	10,344	-5%
Amortization of intangibles	405	503	-19%
Other charges (1)	5,426	17,246	-69%
	-----	-----	
Total costs and expenses	201,493	202,466	0%
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Operating income (loss)	2,789	(1,371)	F
Income from minority-owned investments	31	78	U
Interest (expense), net	(5,612)	(5,331)	U
Other income (expense), net	535	(16)	F
	-----	-----	
Loss before income taxes	(2,257)	(6,640)	F
Benefit for income taxes	(745)	(2,324)	U
	-----	-----	
Net loss	\$(1,512)	\$(4,316)	F

	=====	=====	
Basic loss per common share	\$(0.02)	\$(0.05)	F
Diluted loss per common share	\$(0.02)	\$(0.05)	F
Weighted average shares outstanding:			
Basic	80,492	84,613	-5%
Diluted	80,492	84,613	-5%

SUPPLEMENTAL INFORMATION

Normalized EPS (2)	\$0.04	\$0.07
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- (1) Other charges for 2003 are for costs associated with a reduction in workforce. Other charges for 2002 include costs/losses associated with a reduction in facilities (\$10 million), a reduction in workforce (\$6 million), and the write-off of assets (\$1 million).
- (2) Normalized EPS is based on net income (loss), excluding other charges, income from minority-owned investments, and the \$0.5 million gain from the sale of a business in 2002. Normalized EPS includes the effect of the convertible debt as if it had been converted as of the beginning of each period. We believe normalized EPS is an important measure of our recurring operations and the effect of debt conversion, as the convertible debt is expected to have a dilutive effect on EPS for the full year of 2003. See "Supplemental Information" at the end of this release.

GARTNER, INC.
Consolidated Balance Sheets
(in thousands)

	March 31, 2003	December 31, 2002	

(unaudited)			
ASSETS			
Cash and cash equivalents	\$135,431	\$109,657	24%
Fees receivable, net	257,930	283,068	-9%
Deferred commissions	23,319	25,016	-7%
Prepaid expenses and other current assets	33,994	41,524	-18%

TOTAL CURRENT ASSETS	450,674	459,265	-2%
Property & equipment, net	64,821	71,006	-9%
Intangible assets, net	225,513	226,114	0%
Other assets	69,898	71,018	-2%

TOTAL ASSETS	\$810,906	\$827,403	-2%
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Liabilities and Stockholders' Deficit			
Accounts payable and accrued liabilities	\$140,811	\$151,990	-7%
Deferred revenues	301,361	305,887	-1%

TOTAL CURRENT LIABILITIES	442,172	457,877	-3%
Other liabilities	46,474	46,688	0%
Long-term convertible debt	356,805	351,539	1%

TOTAL LIABILITIES	845,935	856,104	-1%
Total Stockholders' Deficit	(34,545)	(28,701)	20%

TOTAL LIABILITIES & STOCKHOLDERS' DEFICIT	\$810,906	\$827,403	-2%
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GARTNER, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited, in thousands)

Three Months

	Ended	
	March 31,	
	2003	2002
Operating activities:		
Net loss	\$(1,512)	\$(4,316)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization of intangibles	10,230	10,847
Non-cash compensation	251	298
Tax benefit associated with exercise of stock options		1,189
Deferred taxes	5	(145)
Income from minority-owned investments	(31)	(78)
Accretion of interest and amortization of debt issue costs	5,822	5,454
Gain from sale of business		(493)
Non-cash charges associated with asset impairment		1,424
Changes in assets and liabilities:		
Fees receivable	25,934	22,467
Deferred commissions	1,728	4,210
Prepaid expenses and other current assets	7,691	17,177
Other assets	72	5,670
Deferred revenues	(5,257)	8,551
Accounts payable and accrued liabilities	(11,207)	(17,727)
Cash provided by operating activities	33,726	54,528
Investing activities:		
Purchases of businesses		(99)
Proceeds from sale of business		239
Additions to property, equipment and leasehold improvements	(3,357)	(4,532)
Cash used in investing activities	(3,357)	(4,392)
Financing activities:		
Proceeds from stock issued for stock plans	2,021	13,462
Purchase of treasury stock	(6,808)	(12,153)
Cash (used in) provided by financing activities	(4,787)	1,309
Net increase in cash and cash equivalents	25,582	51,445
Effects of exchange rates on cash and cash equivalents	192	(96)
Cash and cash equivalents, beginning of period	109,657	27,431
Cash and cash equivalents, end of period	\$135,431	\$78,780

SELECTED STATISTICAL DATA
(Dollars In thousands)

	March 31, 2003	March 31, 2002
Research contract value	\$474,440	\$511,241
Consulting backlog	\$ 98,307	\$127,487
Events deferred revenue	\$ 36,623	\$ 54,282
Research client organizations	8,772	9,331

BUSINESS SEGMENT DATA
(Dollars in thousands)

	Revenue	Direct Expense	Gross Contribution	Contrib. Margin
Three Months Ended 3/31/03				
Research	\$115,724	\$42,074	\$ 73,650	64%
Consulting	61,779	40,894	20,885	34%
Events	23,509	15,109	8,400	36%
Other	3,270	902	2,368	72%
TOTAL	\$204,282	\$98,979	\$105,303	52%

Three Months Ended 3/31/02				
Research	\$122,735	\$39,751	\$ 82,984	68%
Consulting	65,893	43,360	22,533	34%
Events	9,100	4,875	4,225	46%
Other	3,367	1,837	1,530	45%
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TOTAL	\$201,095	\$89,823	\$111,272	55%
	=====	=====	=====	

SUPPLEMENTAL INFORMATION

EPS Reconciliation - GAAP to

Normalized

(in thousands, except per share data)

	Three Months Ended March 31,			
	2003		2002	
	After-Tax	EPS	After-Tax	EPS
Net loss for GAAP EPS	\$(1,512)	\$(0.02)	(4,316)	\$(0.05)
Other charges	3,635	0.05	11,210	0.13
Gain from sale of business			(320)	(0.00)
Income from minority-owned investments	(21)	(0.00)	(51)	(0.00)
Shares (1)		(0.00)		(0.01)
Interest on convertible long-term debt (2)	3,129	0.01	3,057	(0.00)
Normalized net income & EPS	\$ 5,231	\$ 0.04	\$9,580	\$ 0.07
Average shares used for reported GAAP EPS	80,492		84,613	
Average shares used for normalized EPS	128,596		132,967	

General Notes

- Normalized net income & EPS is based on net income (loss), excluding other charges, income from minority-owned investments, and gains from the sale of businesses. Normalized EPS includes the effect of the convertible debt as if it had been converted as of the beginning of each period. We believe normalized EPS is an important measure of our recurring operations and the effect of debt conversion, as the convertible debt is expected to have a dilutive effect on EPS for the full year of 2003.
- The normalized effective tax rate was 33% for the three months ended March 31, 2003 and 35% for the three months ended March 31, 2002.

Footnotes

- (1) Common share equivalents are included in diluted EPS, unless the resulting EPS calculation is anti-dilutive.
- (2) After-tax interest on convertible long-term debt has been added back to income when calculating normalized EPS, since it is expected that on an "as if converted" method the convertible long-term debt will be dilutive for the full year of 2003.

CONTACT: Gartner, Inc.
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