

**TO OUR SHAREHOLDERS:** Gartner had a good year in difficult times, and we are more confident about the year ahead. Our businesses have—before and since September 11—proven to be quite resilient. Despite a negative impact on sales in September, historically our biggest month, revenue from continuing operations rose 11 percent to \$952 million. EBITDA grew 14 percent to \$142 million. We believe this is due to the value our clients place on good advice, the payoff of good investments, making value and relevance our priorities, and changing our cost structure to deliver consistent growth and predictable profits.

**PREDICTABLE PROFITS** It was clear to us last February that the technology boom was weakening and the economy would follow. We took immediate strong action to change our cost structure yet maintain our record of growth. We divested non-performing businesses, most prominently TechRepublic. We decreased staff by approximately 8 percent, lowering operating expenses by about \$40 million. From being a company accustomed to driving high growth with high investment, we turned toward consistent growth and higher and more predictable profit through moderated investment. Our financial health, measured primarily by 14 percent annual growth in EBITDA, is testament to how well that strategy is working.

**THE DURABILITY OF GOOD ADVICE** Our prospects remain strong in fiscal 2002 for the simple reason that our clients need what we offer: practical advice that helps them preserve their revenue and earnings. In the five boom years that have just passed, we were most often called upon to help enterprises make intelligent choices about technologies that would enable their growth strategies. Today, we are working with the same clients to help them make decisions about how to evaluate cost and investment, strengthen and renegotiate relationships with suppliers, maximize the productivity of their technology, and prepare for the rebound with smart deployment strategies. While IT investments show little or no growth in 2002, they will nevertheless account for about 57 percent of all capital spending and 6 percent of GDP in the United States. Even companies cutting costs dramatically are still spending more on IT than they were two years ago. Each of them needs advice—on how to spend \$1 million to earn \$5 million, on how to avoid spending \$5 million and remain competitive, on how to extract the greatest value from their existing assets. Gartner is better equipped and better positioned than any other company in the world to provide exactly that advice.

**INVESTMENTS PAYING OFF** During the past two years, we made a number of significant investments to sustain our lead as the world's top research and advisory firm. Some of those investments were unpopular because they reduced earnings-per-share. Today, they are paying dividends. We put in place a global infrastructure that enables us to manage a billion-dollar company. The result: the financial and human resource capabilities (continued on inside back cover)

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to tightly control worldwide costs. We committed the funds necessary to make gartner.com the leading site of its kind. The result: a new “seat-based pricing paradigm” that makes us more valuable to our research clients, helps us manage our analyst pool more effectively, and yields higher profits. We invested in an inside sales group of more than 400 representatives. The result: an important new channel with 6 percent to 8 percent lower cost of sales. We invested heavily in our consulting business. The result: a \$265 million business with a competitively distinct portfolio of practices and growing market share.

**VALUE IS THE PRIORITY** Gartner has always held a solid lead. We are six times the size of our nearest competitor. We are widely recognized as the primary source of intelligence where technology meets business. Our challenges have been to adequately communicate the breathtaking scope and depth of our research, package it in ways that make sense to our clients, and fully penetrate our natural markets which are enormous. In 2001, we made great progress on all three fronts. To leverage our intellectual assets and clarify our value propositions, we rationalized our business model into five distinct products: Research Consulting, Measurement, Community, and News. The value in each is indisputable. For a per seat cost of about \$11,000 per year, research clients have access to the entire intellectual output of more than 650 highly respected analysts. Consulting clients, skeptical of our competitors’ open-ended contracts with big price tags and biased “answers,” can bring specific problems to Gartner and get an objective, cost-effective solution that applies Gartner Research to their specific issues. Measurement, for a very reasonable fee, brings the power of a 2,500-company database to bear on clients’ IT costs and delivery structures, almost invariably resulting in major savings. Community—our events business—is the world’s largest of its kind and the best IT networking opportunity on the planet. Thirty-three thousand professionals worldwide attended our events during fiscal 2001. News is how we package our intelligence in books and other media to reach the widest possible audience at the lowest possible price. In each case, clients understand the value they are getting from Gartner. Our combined services are even more valuable because they reinforce each other. No other company offers the same powerful tool set.

**GARTNERG2: EXPANDING RELEVANCY** Mid-year, to further leverage our research strength we launched GartnerG2, a new research service designed specifically to help business strategists grow their companies. GartnerG2 taps a new market by extending our reach to managers in finance, operations, and marketing. It’s now clear to any senior executive that technology is a strategic weapon. For Gartner, offering technology-based advice on a higher strategic level is a natural growth opportunity. GartnerG2 was aggressively advertised in (continued on back cover)

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**GAINING MARKET SHARE FROM THE TOP DOWN** Growth will also come next year and over the longer term from our successful Gartner Executive Programs, known as GartnerEXP. Through GartnerEXP, we provide top IT managers a concierge-quality service unequalled in the industry. GartnerEXP is not only growing and profitable—with revenue up 24 percent this year—but it's an ideal entry point, introducing our full product set at the highest level to highly satisfied customers. With more than 1,300 current members, GartnerEXP has a realistic market that could easily reach five times that size.

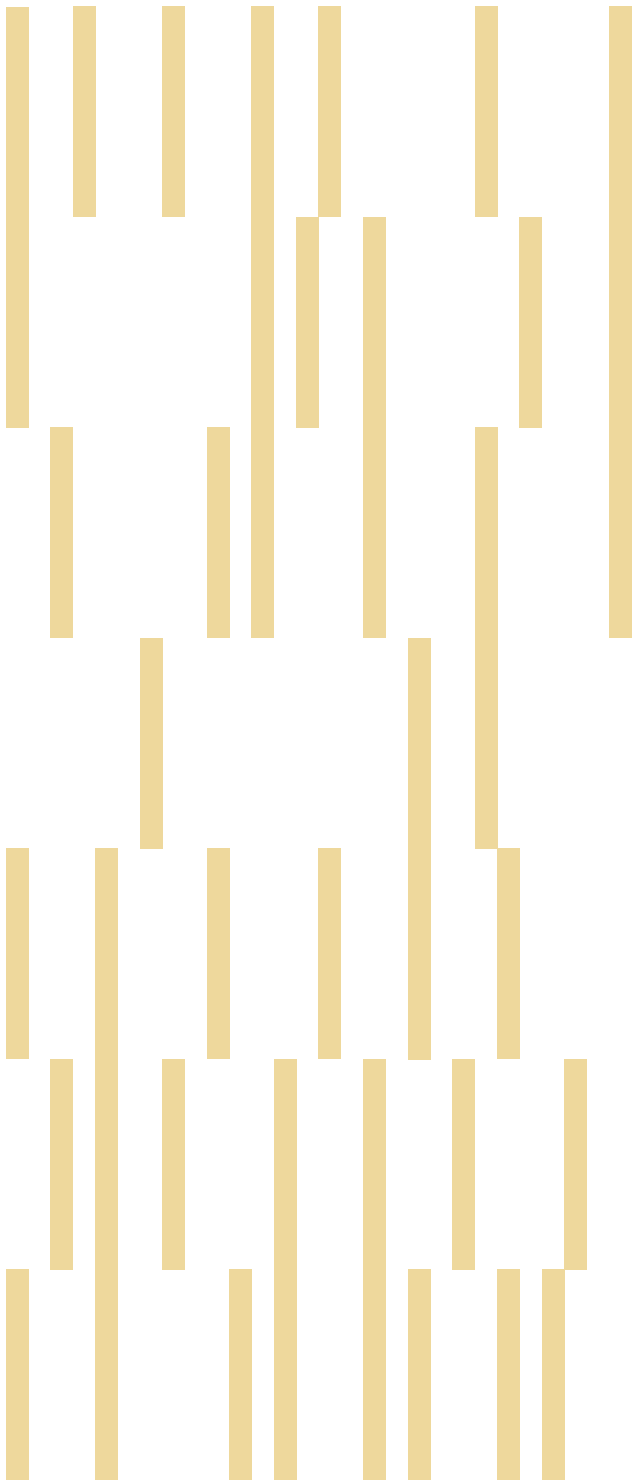
**FOCUSING ON OUR BEST ACCOUNTS** At this time, in this economy, it's prudent for Gartner to play to our strengths, continuing to maximize free cash flow and profits. A key strategy is sales focus on our most valuable accounts. More than half of the Fortune 1000 are Gartner clients. We believe that each of these accounts has an annual sales potential of greater than \$1 million. Our goal is to ensure that these relationships are expanded wherever possible. The Fortune 1000 companies that are not clients also represent an enormous untapped opportunity. Competitively, Gartner has pulled ahead of the pack. The fiscal 2001 estimated revenue of publicly held companies in the IT research and advisory sector showed an approximate increase of \$40 million. Gartner grew \$97 million while increasing our market share. In tough times, there is a flight to quality. While our client retention rates have held firm at approximately 74 percent, those of our competitors have dropped considerably.

**MORE VALUABLE** As the economy continues to test all businesses, our diversified product portfolio is a hedge against under-performance in any particular area. Likewise, our long-held contracts with government departments and agencies will serve us well. I am convinced, ultimately, that our resilience is a direct result of the value our clients place on our service. We have more brainpower, more research points, more experience, greater global reach, and—of critical importance—the objective, independent perspective all enterprises want from their advisors in times of duress. The evidence is numeric, in our renewal rates and continued growth. It's also anecdotal. In early October, Gartner hosted Symposium/ITxpo in Orlando, Florida—our flagship conference and Orlando's first big event after the terrorist attacks. At a time when competitors were being forced to cancel similar events, Symposium/ITxpo attracted almost 5,000 attendees and major keynote speakers such as Steve Ballmer, Craig Barrett, Michael Capellas, Carly Fiorina, and Scott McNealy. Despite a pervasive reluctance to travel, clients came because they consider our events, our research, and our advice of great value to their businesses. This coming year, we intend to deepen those relationships and increase that value.

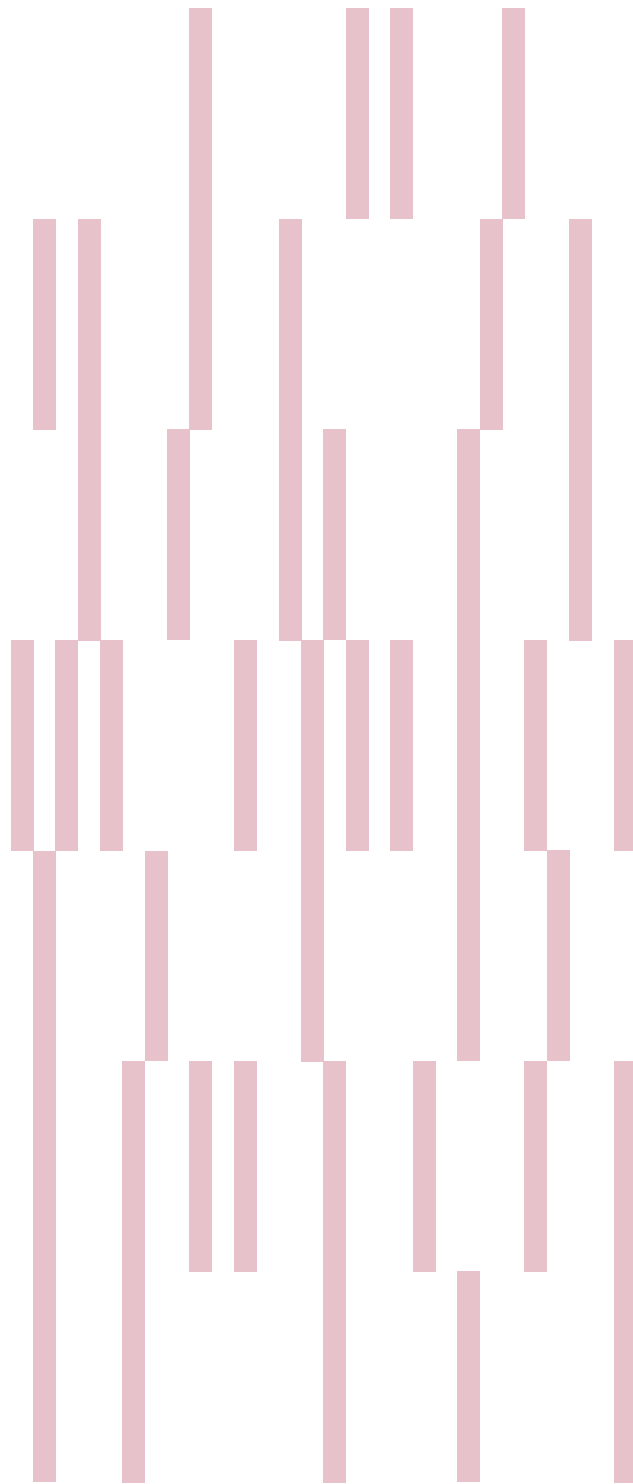


Michael D. Fleisher, Chairman & Chief Executive Officer

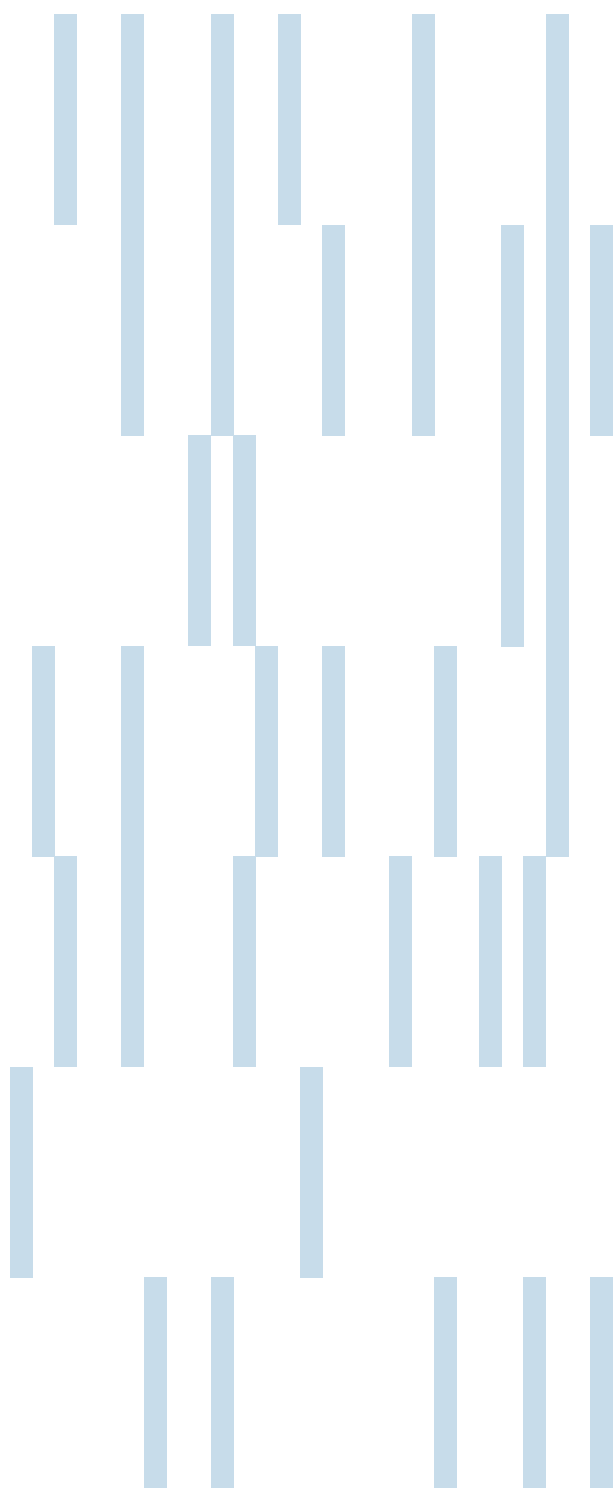
Networks have to talk. E-businesses have to work. Strategies have to be justified. Ideas have to make sense. Whatever the challenge, Gartner offers the means for success wherever technology and business intersect. We are the world's leading research and advisory firm. We know where you should be going. And how you should get there. Our thinking is five layers deep.



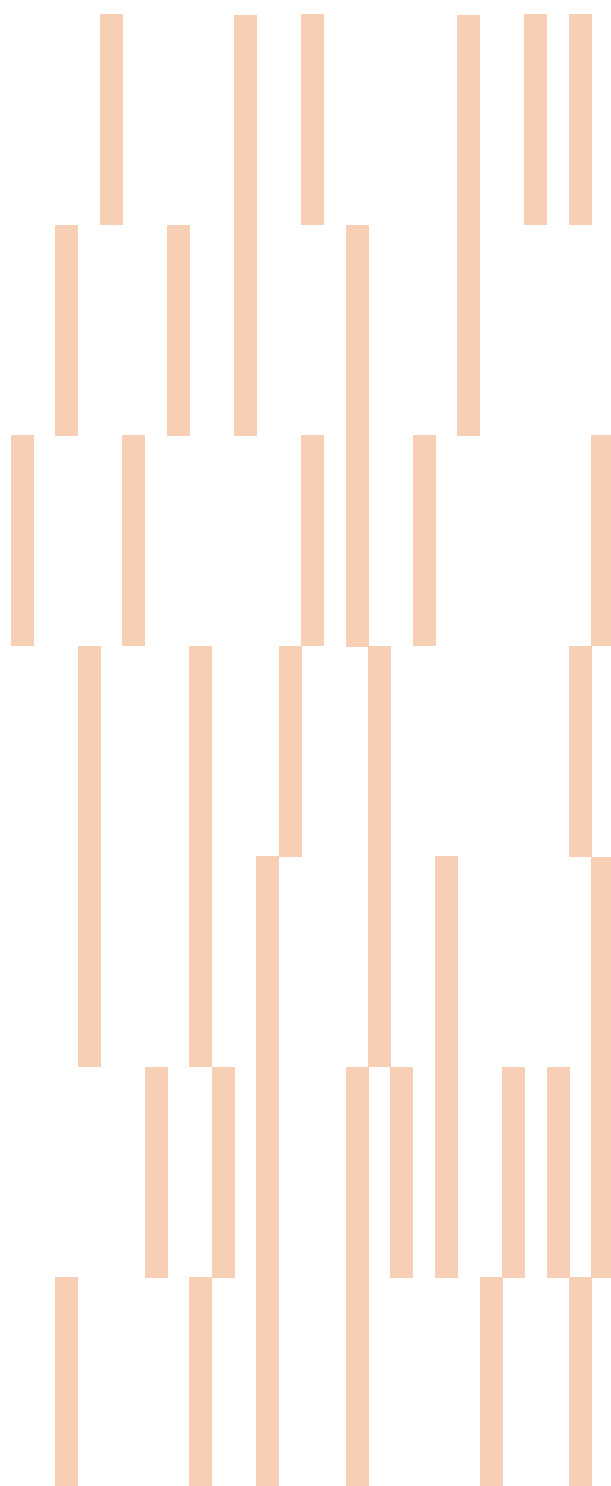
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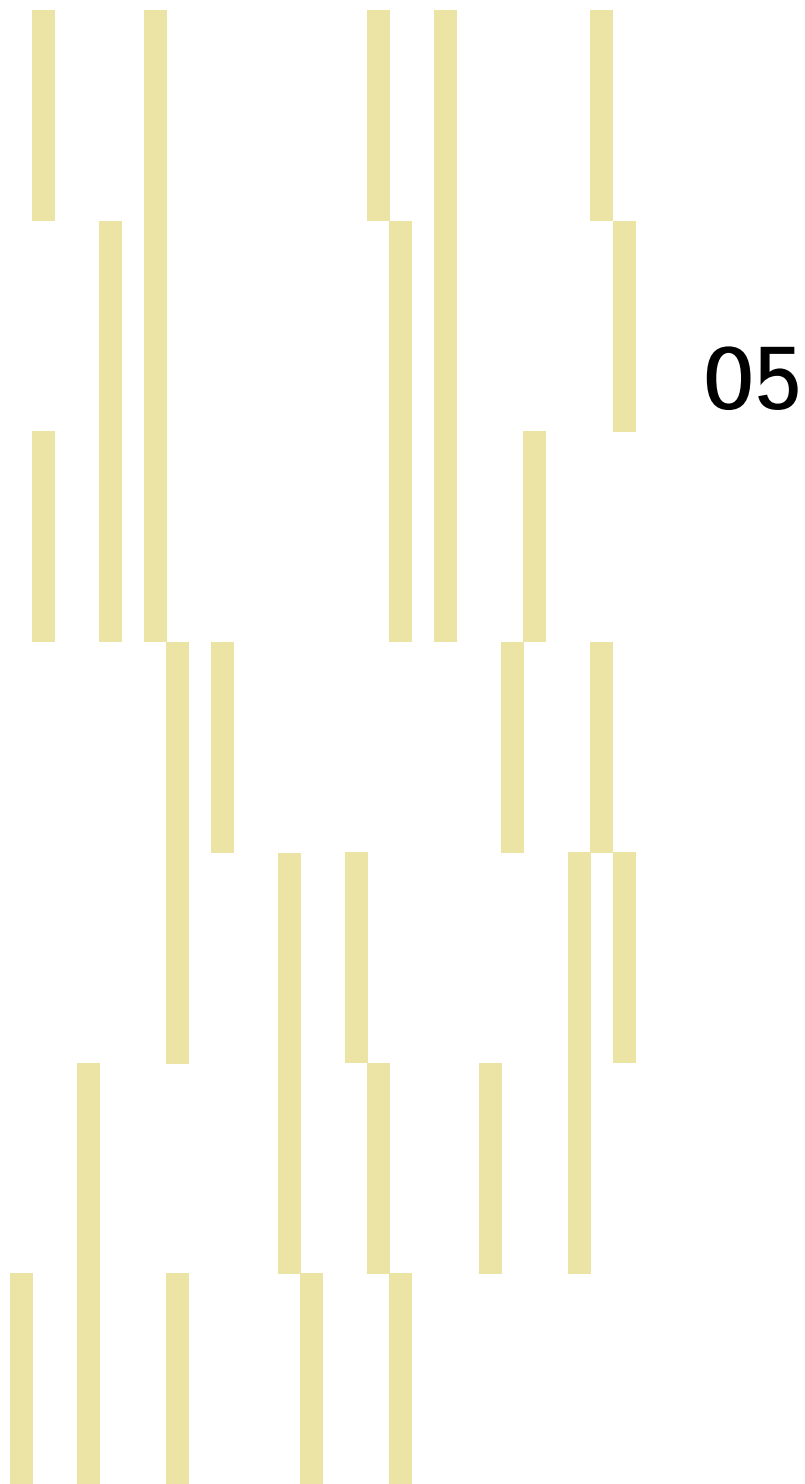
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During 2001 we organized our services into five distinct competencies: Research, Consulting, Measurement, Community, and News. For clients, it makes Gartner more understandable and provides clearer value propositions. For shareholders, it increases the overall value of our company because rationalizing our businesses has allowed us to better leverage our intellectual capital. Leverage is our great opportunity. Like a media or software company, Gartner has a core “engine” of intellect—in our case, the formidable brainpower of more than 650 analysts perpetually investigating every crease and wrinkle in every corner of information technology. This is unique. It is also very powerful. From our analysts flow an endless stream of valuable data, opinions, and advice on the issues that cause the people in charge of technology at major enterprises across the world to lay awake at night. Their access to our advice is through multiple entry points: The owner of a core research “seat” has open access to the thousands of research documents we publish each year. The owner of a seat for GartnerG2 is served inspiring growth research for the business strategist. Gartner Consulting clients work with the only consulting group in the world plugged straight into Gartner Research and Gartner Measurement. Our Measurement clients have access to the most accurate peer databases and most powerful decision tools in the industry. Those who attend the events created by Gartner Community have direct analyst contact and the greatest networking opportunities in the technology world. And through Gartner News, we repackage our insights for audiences well beyond our traditional client base. One resource. Multiple entry points. Obvious synergies. Diversified revenue streams. We have created a business model that—no matter what the economic climate—provides value to our clients and our shareholders for the simple reason that intelligence never goes out of style.