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 September 30, 2017

OR

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

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)
P.O. Box 10212 56 Top Gallant Road Stamford, CT (Address of principal executive offices)	06902-7700 (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 has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company (check one):

Large accelerated filer ☑	Accelerated filer ☐	Non-accelerated filer ☐
	Smaller reporting company ☐	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of October 31, 2017, 90,651, 439 shares of the registrant's common shares were outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GARTNER, INC.

Condensed Consolidated Balance Sheets

(Unaudited; in thousands, except share data)

	September 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 630,016	$ 474,233
Fees receivable, net of allowances of $10,000 and $7,400, respectively	874,283	643,013
Deferred commissions	143,063	141,410
Prepaid expenses and other current assets	164,921	84,540
Total current assets	1,812,283	1,343,196
Property, equipment and leasehold improvements, net	216,021	121,606
Goodwill	3,145,046	738,453
Intangible assets, net	1,564,465	76,801
Other assets	273,677	87,279
Total Assets	$ 7,011,492	$ 2,367,335
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 550,207	$ 440,771
Deferred revenues	1,512,227	989,478
Current portion of long-term debt	419,601	30,000
Total current liabilities	2,482,035	1,460,249
Long-term debt, net of deferred financing fees	2,922,229	664,391
Other liabilities	743,818	181,817
Total Liabilities	6,148,082	2,306,457
Stockholders' Equity		
Preferred stock, $.01 par value, 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock, $.0005 par value, 250,000,000 shares authorized; 163,602,067 shares issued for September 30, 2017 and 156,234,415 shares issued for December 31, 2016	82	78
Additional paid-in capital	1,748,610	863,127
Accumulated other comprehensive loss, net	(1,216)	(49,683)
Accumulated earnings	1,539,978	1,644,005
Treasury stock, at cost, 72,956,127 and 73,583,172 common shares, respectively	(2,424,044)	(2,396,649)
Total Stockholders' Equity	863,410	60,878
Total Liabilities and Stockholders' Equity	$ 7,011,492	$ 2,367,335

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 September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Revenues:				
Research	$ 653,443	$ 466,877	$ 1,778,481	$ 1,371,157
Consulting	72,117	73,707	242,404	237,876
Events	44,953	33,475	171,427	132,290
Talent Assessment & Other	57,572	—	104,673	—
Total revenues	828,085	574,059	2,296,985	1,741,323
Costs and expenses:				
Cost of services and product development	332,207	223,122	921,820	666,585
Selling, general and administrative	421,163	269,902	1,133,633	799,322
Depreciation	17,340	9,531	45,637	27,390
Amortization of intangibles	51,224	6,221	123,014	18,614
Acquisition and integration charges	30,500	16,557	142,104	32,958
Total costs and expenses	852,434	525,333	2,366,208	1,544,869
Operating (loss) income	(24,349)	48,726	(69,223)	196,454
Interest expense, net	(38,762)	(5,932)	(88,624)	(19,294)
Other income, net	1,171	1,954	1,653	5,086
(Loss) income before income taxes	(61,940)	44,748	(156,194)	182,246
(Benefit) provision for income taxes	(13,760)	14,264	(52,166)	55,149
Net (loss) income	$ (48,180)	$ 30,484	$ (104,028)	$ 127,097
Net (loss) income per share:				
Basic	$ (0.53)	$ 0.37	$ (1.19)	$ 1.54
Diluted	$ (0.53)	$ 0.36	$ (1.19)	$ 1.52
Weighted average shares outstanding:				
Basic	90,624	82,638	87,585	82,549
Diluted	90,624	83,803	87,585	83,761

See the accompanying notes to the condensed consolidated financial statements.

GARTNER, INC.

Condensed Consolidated Statements of Comprehensive (Loss) Income

(Unaudited; in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net (loss) income	$ (48,180)	$ 30,484	$ (104,028)	$ 127,097
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustments	46,319	(3,032)	51,714	2,371
Interest rate swaps – net change in deferred loss	1,302	3,214	(3,396)	(5,865)
Pension – net change in deferred actuarial loss	52	37	149	112
Other comprehensive (loss) income, net of tax	47,673	219	48,467	(3,382)
Comprehensive (loss) income	$ (507)	$ 30,703	$ (55,561)	$ 123,715

See the accompanying notes to the condensed consolidated financial statements.

GARTNER, INC.

Condensed Consolidated Statements of Cash Flows

(Unaudited; in thousands)

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Operating activities:		
Net (loss) income	$ (104,028)	$ 127,097
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	168,651	46,004
Stock-based compensation expense	67,930	36,128
Deferred taxes	(99,450)	(13,415)
Amortization and write-off of deferred financing fees	13,236	2,611
Changes in assets and liabilities, net of acquisitions:		
Fees receivable, net	(15,090)	26,242
Deferred commissions	3,231	12,376
Prepaid expenses and other current assets	(32,159)	(43,402)
Other assets	(76,548)	21,597
Deferred revenues	198,353	114,197
Accounts payable, accrued, and other liabilities	108,141	(47,172)
Cash provided by operating activities	232,267	282,263
Investing activities:		
Additions to property, equipment and leasehold improvements	(75,619)	(36,877)
Acquisitions - cash paid (net of cash acquired)	(2,634,809)	(29,363)
Cash used in investing activities	(2,710,428)	(66,240)
Financing activities:		
Proceeds from employee stock purchase plan	8,550	6,931
Proceeds from borrowings	3,025,000	747,500
Payments for deferred financing fees	(51,171)	(4,975)
Payments on borrowings	(339,624)	(827,500)
Purchases of treasury stock	(37,188)	(52,889)
Cash provided by (used in) financing activities	2,605,567	(130,933)
Net increase in cash and cash equivalents	127,406	85,090
Effects of exchange rates on cash and cash equivalents	28,377	7,668
Cash and cash equivalents, beginning of period	474,233	372,976
Cash and cash equivalents, end of period	$ 630,016	$ 465,734

See the accompanying notes to the condensed consolidated financial statements.

GARTNER, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 1 — Business and Basis of Presentation

Business. Gartner, Inc. (NYSE: IT) is the world's leading research and advisory company. The company helps business leaders across all major functions in every industry and enterprise size with the objective insights they need to make the right decisions. Gartner's comprehensive suite of services delivers strategic advice and proven best practices to help clients succeed in their mission-critical priorities. Gartner is headquartered in Stamford, Connecticut, U.S.A., and has more than 14,000 associates serving clients in over 11,000 enterprises in approximately 100 countries. Gartner delivers its products and services globally through four business segments: Research, Consulting, Events, and Talent Assessment & Other. When used in these notes, the terms "Gartner," "Company," "we," "us," or "our" refer to Gartner, Inc. and its consolidated subsidiaries.

The Company acquired two businesses during 2017, L2, Inc. ("L2") and CEB Inc. ("CEB"). Note 2 — Acquisitions provides additional information regarding these acquisitions. As a result of these acquisitions, the Company has made certain changes to its reportable segments effective June 30, 2017, which are described in Note 5 — Segment Information.

Basis of presentation. The accompanying interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"), as defined in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 270 for interim financial information and with the applicable instructions of the U.S. Securities & Exchange Commission ("SEC") Rule 10-01 of Regulation S-X on Form 10-Q and should be read in conjunction with the consolidated financial statements and related notes of the Company filed in its Annual Report on Form 10-K for the year ended December 31, 2016. The fiscal year of Gartner is the twelve-month calendar period from January 1 through December 31. In the opinion of management, all normal recurring accruals and adjustments considered necessary for a fair presentation of financial position, results of operations and cash flows at the dates and for the periods presented herein have been included. The results of operations for the three and nine months ended September 30, 2017 may not be indicative of the results of operations for the remainder of 2017 or beyond.

Principles of consolidation. The accompanying interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated.

Use of estimates. The preparation of the accompanying interim condensed consolidated financial statements requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. Such estimates include the valuation of fees receivable, goodwill, intangible assets, and other long-lived assets, as well as tax accruals and other liabilities. In addition, estimates are used in revenue recognition, income tax expense, performance-based compensation charges, depreciation and amortization. Management believes its use of estimates in these interim condensed consolidated financial statements to be reasonable.

Management continually evaluates and revises its estimates using historical experience and other factors, including the general economic environment and actions it may take in the future. Management adjusts these estimates when facts and circumstances dictate. However, these estimates may involve significant uncertainties and judgments and cannot be determined with precision. In addition, these estimates are based on management's best judgment at a point in time. As a result, differences between our estimates and actual results could be material and would be reflected in the Company's consolidated financial statements in future periods.

Adoption of new accounting standards. The Company did not adopt any significant new accounting standards during the nine months ended September 30, 2017.

Accounting standards issued but not yet adopted. The FASB has issued accounting standards that have not yet become effective and that may impact the Company's consolidated financial statements or related disclosures in future periods. These standards and their potential impact are discussed below:

Targeted Improvements to Accounting for Hedging Activities - In August 2017, the FASB issued Accounting Standards Update ("ASU") No. 2017-12, "*Derivatives and Hedging (Topic 815)*" ("ASU No. 2017-12"). ASU No. 2017-12 is intended to improve the financial reporting of hedging relationships to better portray economic results of an entity's risk management activities in its financial statements. In addition to that main objective, the amendments would make certain targeted improvements to simplify the application of the hedge accounting guidance in current U.S. GAAP. ASU No. 2017-12 is effective for Gartner on January 1, 2019. We are currently evaluating the potential impact of ASU No. 2017-12 on the Company's consolidated financial statements.

Distinguishing Liabilities from Equity — In July 2017, the FASB issued Accounting Standards Update ("ASU") No. 2017-11, "*Earnings Per Share, Distinguishing Liabilities from Equity, and Derivatives and Hedging*" ("ASU No. 2017-11"). ASU No. 2017-11 is intended to simplify the accounting for financial instruments with characteristics of liabilities and equity. Among the issues addressed are: (i) determining whether an instrument (or embedded feature) is indexed to an entity's own stock; (ii) distinguishing liabilities from equity for mandatorily redeemable financial instruments of certain nonpublic entities; and (iii) identifying mandatorily redeemable non-controlling interests. ASU No. 2017-11 is effective for Gartner on January 1, 2019. We are currently evaluating the potential impact of ASU No. 2017-11 on the Company's consolidated financial statements.

Stock Compensation Award Modifications — In May 2017, the FASB issued ASU No. 2017-09, "*Compensation—Stock Compensation - Scope of Modification Accounting*" ("ASU No. 2017-09"). ASU No. 2017-09 provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting. ASU No. 2017-09 is effective for Gartner on January 1, 2018. We have concluded that the adoption of ASU No. 2017-09 will not have a material impact on the Company's consolidated financial statements.

Retirement Benefits Cost Presentation — In March 2017, the FASB issued ASU No. 2017-07, *"Compensation—Retirement Benefits"* ("ASU No. 2017-07"). ASU No. 2017-07 improves the reporting of net benefit cost in the financial statements, and provides additional guidance on the presentation of net benefit cost in the income statement and clarifies the components eligible for capitalization. ASU No. 2017-07 is effective for Gartner on January 1, 2018. We have concluded that the adoption of ASU No. 2017-07 will not have a material impact on the Company's consolidated financial statements.

*Partial Sales of Non-financial Asset*s — In February 2017, the FASB issued ASU No. 2017-05, *"Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Non-financial Assets"* ("ASU No. 2017-05"). ASU No. 2017-05 clarifies the scope of the FASB's recently established guidance on non-financial asset de-recognition as well as the accounting for partial sales of non-financial assets. It conforms the de-recognition guidance on non-financial assets with the model for revenue transactions. ASU No. 2017-05 is effective for Gartner on January 1, 2018. We have concluded that the adoption of ASU No. 2017-05 will not have a material impact on the Company's consolidated financial statements.

Goodwill Impairment — In January 2017, the FASB issued ASU No. 2017-04, "*Intangibles—Goodwill and Other - Simplifying the Test for Goodwill Impairment*" ("ASU No. 2017-04"). ASU No. 2017-04 simplifies the determination of the amount of goodwill to be potentially charged off by eliminating Step 2 of the goodwill impairment test. ASU No. 2017-04 is effective for Gartner on January 1, 2020. We have concluded that the adoption of ASU No. 2017-04 will not have a material impact on the Company's consolidated financial statements.

Definition of a Business — In January 2017, the FASB issued ASU No. 2017-01, *"Clarifying the Definition of a Business"* ("ASU No. 2017-01"), which is effective for Gartner on January 1, 2018. ASU No. 2017-01 changes the U.S. GAAP definition of a business which can impact the accounting for asset purchases, acquisitions, goodwill impairment, and other assessments. We have concluded that the adoption of ASU No. 2017-01 will not have a material impact on the Company's consolidated financial statements.

Presentation of Restricted Cash — In November 2016, the FASB issued ASU No. 2016-18, *"Restricted Cash"* ("ASU No. 2016-18"). ASU No. 2016-18 requires that amounts generally described as restricted cash and restricted cash equivalents be presented with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. If different, a reconciliation of the cash balances reported in the cash flow statement and the balance sheet would need to be provided along with explanatory information. ASU No. 2016-18 is effective for Gartner on January 1, 2018. The adoption of ASU No. 2016-18 will require the Company to disclose restricted cash and, as a result, will change the presentation of the consolidated statements of cash flows.

Income Taxes — In October 2016, the FASB issued ASU No. 2016-16, *"Intra-Entity Transfers of Assets Other Than Inventory"* ("ASU No. 2016-16"). ASU No. 2016-16 accelerates the recognition of taxes on certain intra-entity transactions and is effective for Gartner on January 1, 2018. Current U.S. GAAP requires deferral of the income tax implications of an intercompany sale of assets until the assets are sold to a third party or recovered through use. Under the new rule, the seller's tax effects and the buyer's deferred taxes on post-adoption asset transfers will be immediately recognized upon the sale. On the date of adoption of ASU No. 2016-16 any taxes attributable to pre-2018 intra-entity transfers that were previously deferred will be accelerated and recorded to retained earnings as permitted by the transition rules. ASU 2016-16 could have a material impact on our consolidated financial statements in the future depending on the nature, size, and tax consequences of future intra-entity transfers, if any.

Statement of Cash Flows — In August 2016, the FASB issued ASU No. 2016-15, *"Classification of Certain Cash Receipts and Cash Payments"* ("ASU No. 2016-15"). ASU No. 2016-15 sets forth classification requirements for certain cash flow transactions. ASU No. 2016-15 is effective for Gartner on January 1, 2018. We have concluded that the adoption of ASU No. 2016-15 will not have a material impact on the Company's consolidated financial statements.

Financial Instrument Credit Losses — In June 2016, the FASB issued ASU No. 2016-13, "*Financial Instruments—Credit Losses"* ("ASU No. 2016-13"). ASU No. 2016-13 amends the current financial instrument impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. ASU No. 2016-13 is effective for Gartner on January 1, 2020, with early adoption permitted. We are currently evaluating the potential impact of ASU No. 2016-13 on our consolidated financial statements.

Leases — In February 2016, the FASB issued ASU No. 2016-02, "*Leases*" ("ASU No. 2016-02") which will require significant changes in the accounting and disclosure for lease arrangements. Currently under U.S. GAAP, lease arrangements that meet certain criteria are considered operating leases and are not recorded on the balance sheet. All of the Company's existing lease arrangements are accounted for as operating leases and are thus not recorded on the Company's balance sheet. ASU No. 2016-02 will significantly change the accounting for leases since a right-of-use ("ROU") model must be used in which the lessee must record a ROU asset and a lease liability on the balance sheet for leases with terms longer than 12 months. Leases will be classified as either finance or operating arrangements, with classification affecting the pattern of expense recognition in the income statement. ASU No. 2016-02 also requires expanded disclosures about leasing arrangements. ASU No. 2016-02 will be effective for Gartner on January 1, 2019. We are currently evaluating the impact of ASU No. 2016-02 on our consolidated financial statements.

Financial Instruments Recognition and Measurement — In January 2016, the FASB issued ASU No. 2016-01, "*Financial Instruments Overall - Recognition and Measurement of Financial Assets and Liabilities*" ("ASU No. 2016-01") to address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Among the significant changes required by ASU No. 2016-01 is that equity investments will be measured at fair value with changes in fair value recognized in net income. ASU No. 2016-01 will be effective for Gartner on January 1, 2018. We have concluded that the adoption of ASU No. 2016-01 will not have a material impact on the Company's consolidated financial statements.

Revenue Recognition — In May 2014, the FASB issued ASU No. 2014-09, "*Revenue from Contracts with Customers*" ("ASU No. 2014-09"). ASU No. 2014-09 and related amendments require changes in revenue recognition policies as well as enhanced disclosures. ASU No. 2014-09 is intended to clarify the principles for recognizing revenue by removing inconsistencies and weaknesses in existing revenue recognition rules; provide a more robust framework for addressing revenue recognition issues; improve comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets; and provide more useful information to users of financial statements through improved disclosures. The Company has completed an initial assessment of the impact of ASU No. 2014-09 on its existing revenue recognition policies and plans to adopt the rule on January 1, 2018 using the cumulative effect method of adoption. ASU No. 2014-09 also requires significantly expanded disclosures around the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, which the Company is currently compiling. While the Company has not fully completed its assessment of the impact of ASU No. 2014-09, primarily the completion of our review of the recently-acquired CEB's revenue recognition policies, based on the analysis completed to date, the Company does not currently anticipate that the new rule will have a material impact on its consolidated financial statements.

The FASB also continues to work on a number of other significant accounting standards which if issued could materially impact the Company's accounting policies and disclosures in future periods. However, since these standards have not yet been issued, the effective dates and potential impact are unknown.

Note 2 — Acquisitions

The Company accounts for business acquisitions in accordance with the acquisition method of accounting as prescribed by FASB ASC Topic 805, *Business Combinations.* The acquisition method of accounting requires the Company to record the net assets and liabilities acquired based on their estimated fair values as of the acquisition date, with any excess of the consideration transferred over the estimated fair value of the net assets acquired, including identifiable intangible assets, to be recorded to goodwill. Under the acquisition method, the operating results of acquired companies are included in the Company's consolidated financial statements beginning on the date of acquisition.

The Company completed the following business acquisitions during 2017:

CEB

On April 5, 2017, the Company acquired 100% of the outstanding capital stock of CEB for an aggregate purchase price of $3.5 billion. The consideration transferred by Gartner included approximately $2.7 billion in cash and $818.7 million in fair value of Gartner common shares. CEB was a publicly-held company headquartered in Arlington, Virginia with approximately 4,900 employees. CEB's primary business is to serve as a leading provider of subscription-based, best practice research and analysis focusing on human resources, sales, finance, IT, and legal. CEB serves executives and professionals at corporate and middle market institutions in over 70 countries.

L2

On March 9, 2017, the Company acquired 100% of the outstanding capital stock of L2, a privately-held firm based in New York City with 150 employees, for an aggregate purchase price of $134.2 million. L2 is a subscription-based research business that benchmarks the digital performance of brands.

Total Consideration Transferred

The following table summarizes the aggregate consideration paid or payable for these acquisitions (in thousands):

Aggregate consideration (1):	**CEB**	**L2**	**Total**
Cash paid at close (2), (3)	$ 2,687,704	$ 134,199	$ 2,821,903
Additional cash paid (2)	12,465	—	12,465
Fair value of Gartner equity awards (4)	818,660	—	818,660
Total (5)	$ 3,518,829	$ 134,199	$ 3,653,028

(1) Includes the total consideration transferred for 100% of the outstanding capital stock of the acquired businesses.

(2) The cash paid at close represents the gross contractual amount paid. The Company paid the additional $12.5 million in cash in third quarter 2017. Net of cash acquired from these businesses and for cash flow reporting purposes, the Company paid $2.63 billion in cash.

(3) The Company borrowed a total of approximately $2.78 billion in conjunction with the CEB acquisition (see Note 7 — Debt for additional information).

(4) Consists of the fair value of (i) Gartner common stock issued (see Note 8 — Equity for additional information) and (ii) stock-based compensation replacement awards.

(5) The Company may also be required to pay up to an additional $20.8 million in cash for L2 which is contingent on the achievement of certain employment conditions by several key employees. This amount is being recognized as compensation expense over approximately three years.

The allocation of the purchase price for the L2 and CEB acquisitions are preliminary with respect to various matters, to include leases and leasehold improvements; tax contingencies; and other items. The Company expects to complete the allocation of the purchase price by the end of the accounting measurement period for the respective acquisition.

Preliminary Allocation of Purchase Price

The following table summarizes the preliminary allocation of the purchase price to the fair value of the assets acquired and liabilities assumed for the acquisitions of L2 and CEB (in thousands):

	CEB (3)	L2 (4)	Total
Assets:			
Cash	$ 194,706	$ 4,852	$ 199,558
Fees receivable	175,440	8,277	183,717
Prepaid expenses and other current assets	52,032	1,167	53,199
Property, equipment and leasehold improvements	51,751	663	52,414
Goodwill (1)	2,267,087	109,779	2,376,866
Finite-lived intangible assets (2)	1,574,100	15,890	1,589,990
Other assets	182,720	12,321	195,041
Total assets	$ 4,497,836	$ 152,949	$ 4,650,785
Liabilities:			
Accounts payable and accrued liabilities	$ 130,544	$ 3,050	$ 133,594
Deferred revenues (current)	246,472	13,200	259,672
Other liabilities	601,991	2,500	604,491
Total liabilities	$ 979,007	$ 18,750	$ 997,757
Net assets acquired	$ 3,518,829	$ 134,199	$ 3,653,028

(1) The Company believes the goodwill resulting from the acquisitions is supportable based on anticipated synergies. For CEB, among the factors contributing to the anticipated synergies are a broader market presence, expanded product offerings and market opportunities, and an acceleration of CEB's growth by leveraging Gartner's global infrastructure and best practices in sales productivity and other areas. None of the recorded goodwill is expected to be deductible for tax purposes. See Note 6 — Goodwill and Intangible Assets for additional information.

(2) All of the acquired intangible assets are finite-lived. The determination of the fair value of the finite-lived intangible assets required management judgment and the consideration of a number of factors. In determining the fair values, management primarily relied on income valuation methodologies, in particular discounted cash flow models. The use of discounted cash flow models required the use of estimates, significant among them projected cash flows related to the particular asset; the useful lives of the particular assets; the selection of royalty and discount rates used in the models; and certain published industry benchmark data. In establishing the estimated useful lives of the finite-lived intangible assets, the Company relied on both internally-generated data for similar assets as well as certain published industry benchmark data. We believe the values we have assigned to the finite-lived intangible assets are both reasonable and supportable. See Note 6 — Goodwill and Intangible Assets for additional information regarding the finite-lived intangible assets.

(3) The Company's financial statements include the operating results of CEB beginning on April 5, 2017, the date of acquisition. CEB's operating results and the related goodwill are being reported as part of the Company's Research, Events, and Talent Assessment & Other segments. The Company recorded certain measurement period adjustments for the CEB preliminary purchase price allocation during the third quarter of 2017, primarily related to certain tenant improvement incentives, which increased Prepaid expenses and Other assets, with a reduction to goodwill.

Had the Company acquired CEB in prior periods, the impact to the Company's operating results would have been material, and as a result the following pro forma consolidated financial information (unaudited) is presented as if CEB had been acquired by the Company on January 1, 2016 (in thousands, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Pro forma total revenue	$ 891,003	$ 756,083	$ 2,664,450	$ 2,233,942
Pro forma net (loss)	(7,283)	(40,825)	(71,122)	(133,379)
Pro forma basic and diluted (loss) per share	(0.08)	(0.45)	(0.79)	(1.48)

The pro forma results have been prepared in accordance with U.S. GAAP and include the following pro forma adjustments:

(a) An increase in interest expense and amortization of debt issuance costs related to the financing of the CEB acquisition. Note 7 — Debt provides further information regarding the Company's borrowings related to the CEB acquisition;

(b) A decrease in revenue as a result of the required fair value adjustment to deferred revenue; and

(c) An adjustment for additional depreciation and amortization expense as a result of the preliminary purchase price allocation for finite-lived intangible assets and property, equipment, and leasehold improvements.

(4) The Company's financial statements include the operating results of L2 beginning on March 9, 2017, the acquisition date. L2's operating results were not material to the Company's consolidated operating results and segment results for either the three or nine months ended September 30, 2017. Had the Company acquired L2 in prior periods, the impact to the Company's operating results would not have been material, and as a result pro forma financial information for L2 for prior periods has not been presented. L2's operating results and the related goodwill are being reported as part of the Company's Research segment.

The Company recognized $30.5 million and $142.1 million of acquisition and integration charges in the three and nine months ended September 30, 2017, respectively, compared to $16.6 million and $33.0 million in the three and nine months ended September 30, 2016. The additional charges during 2017 primarily consisted of higher professional fees, severance, stock-based compensation charges, and accruals for exit costs for certain office space that the Company does not intend to occupy at a new building in Arlington, Virginia that was related to the CEB acquisition. The following table presents a summary of the amounts related to this space for the period ended September 30, 2017 (in thousands):

	For the period ended September 30, 2017
Liability balance at December 31, 2016	$ —
Charges during the six months ended June 30, 2017	20,149
Liability balance at June 30, 2017	20,149
Charges and adjustments during the three months ended September 30, 2017	974
Liability balance at September 30, 2017	$ 21,123

Note 3 — Net (Loss) Income per Share

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Numerator:				
Net (loss) income used for calculating basic and diluted (loss) income per common share	$ (48,180)	$ 30,484	$ (104,028)	$ 127,097
Denominator:				
Weighted average number of common shares used in the calculation of basic (loss) income per share	90,624	82,638	87,585	82,549
Common stock equivalents associated with stock-based compensation plans (1), (2)	—	1,165	—	1,212
Shares used in the calculation of diluted (loss) income per share	90,624	83,803	87,585	83,761
Basic (loss) income per share	$ (0.53)	$ 0.37	$ (1.19)	$ 1.54
Diluted (loss) income per share	$ (0.53)	$ 0.36	$ (1.19)	$ 1.52

(1) For the three and nine months ended September 30, 2016, certain common stock equivalents were not included in the computation of diluted income per share because the effect would have been anti-dilutive. These common share equivalents totaled less than 0.2 million for both 2016 periods.

(2) Approximately 1.4 million common stock equivalents for both the three and nine months ended September 30, 2017 were completely excluded from the calculation of diluted (loss) per share because they were anti-dilutive.

Note 4 — Stock-Based Compensation

The Company grants stock-based compensation awards as an incentive for employees and directors to contribute to the Company's long-term success. The Company currently awards stock-settled stock appreciation rights, service-based and performance-based restricted stock units, and common stock equivalents. As of September 30, 2017, the Company had 5.5 million shares of its common stock, par value $.0005 per share (the "Common Stock"), available for stock-based compensation awards under its 2014 Long-Term Incentive Plan.

The Company accounts for stock-based compensation awards in accordance with FASB ASC Topics 505 and 718 and SEC Staff Accounting Bulletins No. 107 and No. 110. Stock-based compensation expense is based on the fair value of the award on the date of grant. The Company recognizes stock-based compensation expense over the period that the related service is performed, which is generally the same as the vesting period of the underlying award. Currently, the Company issues treasury shares upon the exercise, release or settlement of stock-based compensation awards.

Determining the appropriate fair value model and calculating the fair value of stock-based compensation awards requires the use of certain complex and subjective assumptions, including the expected life of a stock-based compensation award and Common Stock price volatility. In addition, determining the appropriate periodic stock-based compensation expense requires management to estimate the likelihood of the achievement of certain performance targets. The assumptions used in calculating the fair values of stock-based compensation awards and the related periodic expense represent management's best estimates, which involve inherent uncertainties and the application of judgment. As a result, if circumstances change and the Company deems it necessary in the future to modify the assumptions it made or to use different assumptions, or if the quantity and nature of the Company's stock-based compensation awards changes, then the amount of expense may need to be adjusted and future stock-based compensation expense could be materially different from what has been recorded in the current period.

Stock-Based Compensation Expense

The Company recognized the following stock-based compensation expense by award type and expense category line item in the periods indicated (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
Award type	**2017**	**2016**	**2017**	**2016**
Stock appreciation rights	$ 1.1	$ 1.3	$ 5.2	$ 4.3
Restricted stock units	13.2	8.0	62.3	31.3
Common stock equivalents	0.1	0.2	0.5	0.5
Total (1)	$ 14.4	$ 9.5	$ 68.0	$ 36.1

	Three Months Ended September 30,		Nine Months Ended September 30,	
Expense category line item	**2017**	**2016**	**2017**	**2016**
Cost of services and product development	$ 6.1	$ 4.6	$ 21.5	$ 17.0
Selling, general and administrative	7.1	4.9	30.8	19.1
Acquisition and integration charges (2)	1.2	—	15.7	—
Total (1)	$ 14.4	$ 9.5	$ 68.0	$ 36.1

(1) Includes charges of $2.1 million and $2.5 million during the three months ended September 30, 2017 and 2016, respectively, and $22.6 million and $16.5 million during the nine months ended September 30, 2017 and 2016, respectively, for awards to retirement-eligible employees. Those awards vest on an accelerated basis.

(2) These charges are primarily the result of the acceleration of the vesting of certain restricted stock units related to the CEB acquisition.

As of September 30, 2017, the Company had $97.4 million of total unrecognized stock-based compensation cost, which is expected to be expensed over the remaining weighted-average service period of approximately 2.5 years.
Stock-Based Compensation Awards

The disclosures presented below provide information regarding the Company's stock-based compensation awards, all of which are classified as equity awards in accordance with FASB ASC Topic 505.

Stock Appreciation Rights

Stock-settled stock appreciation rights ("SARs") permit the holder to participate in the appreciation of the value of the Common Stock. After the applicable vesting criteria have been satisfied, SARs are settled in shares of Common Stock upon exercise by the employee. SARs vest ratably over a four-year service period and expire seven years from the date of grant. The fair value of a SARs award is recognized as compensation expense on a straight-line basis over four years. SARs have only been awarded to the Company's executive officers.

When SARs are exercised, the number of shares of Common Stock issued is calculated as follows: (1) the total proceeds from the exercise of the SARs award (calculated as the closing price of the Common Stock on the date of exercise less the exercise price of the SARs award, multiplied by the number of SARs exercised) is divided by (2) the closing price of the Common Stock as reported on the New York Stock Exchange on the date of exercise. The Company withholds a portion of the shares of the Common Stock issued upon exercise to satisfy statutory tax withholding requirements. SARs recipients do not have any stockholder rights until the shares of Common Stock are issued in respect of the award, which is subject to the prior satisfaction of the vesting and other criteria relating to such grants.

The following table summarizes changes in SARs outstanding during the nine months ended September 30, 2017:

	Stock Appreciation Rights ("SARs") (in millions)	Per Share Weighted Average Exercise Price	Per Share Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (Years)
Outstanding at December 31, 2016	1.3	$ 66.22	$ 15.77	4.40
Granted	0.3	99.07	22.02	6.35
Exercised	(0.3)	51.25	14.74	n/a
Outstanding at September 30, 2017 (1) (2)	1.3	76.64	17.36	4.57
Vested and exercisable at September 30, 2017 (2)	0.6	$ 64.71	$ 15.60	3.49

n/a=not applicable.

(1) As of September 30, 2017, 0.7 million of the total SARs outstanding were unvested. The Company expects that substantially all of those unvested awards will vest in future periods.

(2) As of September 30, 2017, the total SARs outstanding had an intrinsic value of $62.8 million. On such date, SARs vested and exercisable had an intrinsic value of $33.4 million.

The fair value of a SARs award is determined on the date of grant using the Black-Scholes-Merton valuation model with the following weighted average assumptions:

	Nine Months Ended September 30,	
	2017	2016
Expected dividend yield (1)	—%	—%
Expected stock price volatility (2)	22%	22%
Risk-free interest rate (3)	1.8%	1.1%
Expected life in years (4)	4.5	4.4

(1) The expected dividend yield assumption was based on both the Company's historical and anticipated dividend payouts. Historically, the Company has not paid cash dividends on its Common Stock.

(2) The determination of expected stock price volatility was based on both historical Common Stock prices and implied volatility from publicly traded options in the Common Stock.

(3) The risk-free interest rate was based on the yield of a U.S. Treasury security with a maturity similar to the expected life of the award.

(4) The expected life represents the Company's estimate of the weighted average period of time the SARs are expected to be outstanding (that is, the period between the service inception date and the expected exercise date).

Restricted Stock Units

Restricted stock units ("RSUs") give the awardee the right to receive shares of Common Stock when the vesting conditions are met and certain restrictions lapse. Each RSU that vests entitles the awardee to one share of Common Stock. RSU awardees do not have any of the rights of a Gartner stockholder, including voting rights and the right to receive dividends and distributions, until the shares are released. The fair value of an RSU award is determined on the date of grant based on the closing price of the Common Stock as reported on the New York Stock Exchange on that date. Service-based RSUs vest ratably over four years and are expensed on a straight-line basis over the vesting period. Performance-based RSUs are subject to the satisfaction of both performance and service conditions, vest ratably over four years and are expensed on an accelerated basis over the vesting period.

The following table summarizes the changes in RSUs outstanding during the nine months ended September 30, 2017:

	Restricted Stock Units ("RSUs") (in millions)	**Per Share Weighted Average Grant Date Fair Value**
Outstanding at December 31, 2016	1.3	$ 73.19
Granted (1) (2)	1.1	105.45
Vested and released	(0.7)	78.44
Forfeited	(0.1)	93.18
Outstanding at September 30, 2017 (3) (4)	1.6	$ 91.37

(1) The 1.1 million of RSUs granted during the nine months ended September 30, 2017 consisted of 0.2 million of performance-based RSUs awarded to executives and 0.9 million of service-based RSUs awarded to non-executive employees and non-management board members. The 0.2 million of performance-based RSUs represents the target amount of the grant for the year, which is tied to an increase in the Company's total contract value for 2017. Total contract value for this determination represents the value attributable to all of the Company's subscription-related contracts but not including CEB contract value. The final number of performance-based RSUs that will ultimately be awarded for 2017 ranges from 0% to 200% of the target amount, with the final number dependent on the actual increase in total contract value for 2017 as measured on December 31, 2017. If the specified minimum level of achievement is not met, the performance-based RSUs will be forfeited in their entirety and any previously recorded compensation expense will be reversed.

(2) Includes 0.6 million of RSUs awarded to employees that joined Gartner as a result of the CEB acquisition.

(3) The Company expects that substantially all of the RSUs outstanding will vest in future periods.

(4) As of September 30, 2017, the weighted average remaining contractual term of the RSUs outstanding was approximately 1.4 years.

Common Stock Equivalents

Common stock equivalents ("CSEs") are convertible into Common Stock. Each CSE entitles the holder to one share of Common Stock. Members of our Board of Directors receive their directors' fees in CSEs unless they opt to receive up to 50% of those fees in cash. Generally, CSEs have no defined term and are converted into shares of Common Stock when service as a director terminates unless the director has elected an accelerated release. The fair value of a CSE award is determined on the date of grant based on the closing price of the Common Stock as reported on the New York Stock Exchange on that date. CSEs vest immediately and as a result they are recorded as expense on the date of grant.

The following table summarizes the changes in CSEs outstanding during the nine months ended September 30, 2017:

	Common Stock Equivalents ("CSEs")	Per Share Weighted Average Grant Date Fair Value
Outstanding at December 31, 2016	107,338	$ 20.74
Granted	4,382	118.75
Converted to shares of Common Stock upon grant	(3,177)	118.71
Outstanding at September 30, 2017	108,543	$ 21.82

Employee Stock Purchase Plan

The Company has an employee stock purchase plan (the "ESP Plan") under which eligible employees are permitted to purchase shares of Common Stock through payroll deductions, which may not exceed 10% of an employee's compensation (or $23,750 in any calendar year), at a price equal to 95% of the closing price of the Common Stock as reported on the New York Stock Exchange at the end of each offering period. As of September 30, 2017, the Company had 0.8 million shares available for purchase under the ESP Plan. The ESP Plan is considered non-compensatory under FASB ASC Topic 718 and, as a result, the Company does not record stock-based compensation expense for employee share purchases. The Company received $8.6 million and $6.9 million in cash from employee share purchases under the ESP Plan during the nine months ended September 30, 2017 and 2016, respectively.

Note 5 — Segment Information

On April 5, 2017, Gartner completed its acquisition of CEB. With the CEB acquisition, Gartner is reporting four business segments reflecting the Company's enlarged scale and breadth of advisory services aligned to the mission-critical priorities of virtually all functional business leaders across every industry and size of enterprise worldwide. The Company's reportable segments are as follows:

- *Research* - includes our previous Gartner Research segment as well as the results of CEB's core subscription-based best practice and decision support research activities. In addition, Research now includes our Strategic Advisory Services ("SAS") business, which was previously included in the Consulting segment. Research consists primarily of subscription-based research products, access to research inquiry, peer networking services, and membership programs.

- *Consulting* - includes our previous Gartner Consulting segment except, as noted above, the results of our SAS business are now included in the Research segment. Consulting consists primarily of consulting and measurement engagements.

- *Events* - includes our previous Gartner Events segment and the results of CEB's former Evanta business and destination event activities. Events consists of various symposia, conferences, exhibitions, and destination activities.

- *Talent Assessment & Other* - this is a new segment for Gartner and it includes CEB's previously disclosed Talent Assessment business as well as certain CEB non-subscription based talent products and services. On October 4, 2017, the Company announced that it has initiated a process to explore and evaluate strategic alternatives for the Talent Assessment business, which is a substantial part of the Talent Assessment & Other segment. See Note 14 — Subsequent Event for additional information.

The Company evaluates segment performance and allocates resources based on gross contribution margin. Gross contribution, as presented in the table below, is defined as operating income excluding certain Cost of services and product development expenses, Selling, general and administrative expenses, Depreciation, Amortization of intangibles, and Acquisition and integration charges. Certain bonus and fringe benefit costs included in consolidated Cost of services and product development are not allocated to segment expense. The accounting policies used by the reportable segments are the same as those used by the Company. There are no intersegment revenues. The Company does not identify or allocate assets, including capital expenditures, by reportable segment. Accordingly, assets are not reported by segment because the information is not available by segment and is not reviewed in the evaluation of segment performance or in making decisions in the allocation of resources.

The following tables present operating information about the Company's reportable segments for the periods indicated (in thousands). The segment results for the three and nine months ended September 30, 2017 include the results of CEB beginning on the acquisition date:

Three Months Ended September 30, 2017	Research	Consulting	Events	Talent Assessment & Other	Consolidated
Revenues	$ 653,443	$ 72,117	$ 44,953	$ 57,572	$ 828,085
Gross contribution	436,222	16,188	16,011	31,215	499,636
Corporate and other expenses					(523,985)
Operating (loss)					$ (24,349)

Three Months Ended September 30, 2016	Research	Consulting	Events	Talent Assessment & Other	Consolidated
Revenues (1)	$ 466,877	$ 73,707	$ 33,475	$ —	$ 574,059
Gross contribution (1)	322,646	18,215	14,529	—	355,390
Corporate and other expenses					(306,664)
Operating income					$ 48,726

Nine Months Ended September 30, 2017	Research	Consulting	Events	Talent Assessment & Other	Consolidated
Revenues	$ 1,778,481	$ 242,404	$ 171,427	$ 104,673	$ 2,296,985
Gross contribution	1,187,906	71,558	79,313	48,512	1,387,289
Corporate and other expenses					(1,456,512)
Operating (loss)					$ (69,223)

Nine Months Ended September 30, 2016	Research	Consulting	Events	Talent Assessment & Other	Consolidated
Revenues (1)	$ 1,371,157	$ 237,876	$ 132,290	$ —	$ 1,741,323
Gross contribution (1)	954,276	71,110	63,574	—	1,088,960
Corporate and other expenses					(892,506)
Operating income					$ 196,454

(1) Effective June 30, 2017, the Company began reporting the results of its SAS business in Research whereas previously the SAS business was reported with Consulting. As a result, revenues of $5.4 million and $20.2 million pertaining to the three and nine months ended September 30, 2016, respectively, were reclassified from Consulting to Research to be comparable with the current year presentation. Gross contribution of $3.4 million and $13.2 million for the three and nine months ended September 30, 2016, respectively, was also reclassified from Consulting to Research.

The following table provides a reconciliation of total segment gross contribution to net (loss) income for the periods indicated (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Total segment gross contribution	$ 499,636	$ 355,390	$ 1,387,289	$ 1,088,960
Costs and expenses:				
Cost of services and product development - unallocated (1)	3,758	4,453	12,124	14,222
Selling, general and administrative	421,163	269,902	1,133,633	799,322
Depreciation and amortization	68,564	15,752	168,651	46,004
Acquisition and integration charges	30,500	16,557	142,104	32,958
Operating (loss) income	(24,349)	48,726	(69,223)	196,454
Interest expense and other, net	37,591	3,978	86,971	14,208
(Benefit) provision for income taxes	(13,760)	14,264	(52,166)	55,149
Net (loss) income	$ (48,180)	$ 30,484	$ (104,028)	$ 127,097

(1) The unallocated amounts consist of certain bonus and related fringe costs recorded in consolidated Cost of services and product development expense that are not allocated to segment expense. The Company's policy is to only allocate bonus and related fringe charges to segments for up to 100% of the segment employee's target bonus. Amounts above 100% are absorbed by corporate.

Note 6 — Goodwill and Intangible Assets

Goodwill

Goodwill represents the excess of the purchase price of acquired businesses over the estimated fair values of the tangible and identifiable intangible net assets acquired. Evaluations of the recoverability of goodwill are performed in accordance with FASB ASC Topic 350, which requires an annual assessment of potential goodwill impairment at the reporting unit level and whenever events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable. The annual assessment of the recoverability of recorded goodwill can be based on either a qualitative or quantitative assessment or a combination of the two approaches. Both methods utilize estimates which, in turn, require judgments and assumptions regarding future trends and events. As a result, both the precision and reliability of the resulting estimates are subject to uncertainty. If our goodwill impairment evaluation determines that the fair value of a reporting unit is less than its related carrying amount, we may recognize an impairment charge. In connection with our most recent annual impairment test of goodwill during the quarter ended September 30, 2017, which indicated no impairment of recorded goodwill, the Company utilized the qualitative approach in assessing the fair values of its reporting units relative to their respective carrying values.

The following table presents changes to the carrying amount of goodwill by reportable segment during the nine months ended September 30, 2017 (in thousands):

	Research	Consulting	Events	Talent Assessment & Other	Total
Balance at December 31, 2016 (1)	$ 595,450	$ 96,480	$ 46,523	$ —	$ 738,453
Additions due to acquisitions (2)	1,717,750	—	123,423	535,693	2,376,866
Foreign currency translation impact	23,183	1,375	1,462	3,707	29,727
Balance at September 30, 2017	$ 2,336,383	$ 97,855	$ 171,408	$ 539,400	$ 3,145,046

(1) The Company does not have any accumulated goodwill impairment losses.

(2) The goodwill additions are due to the acquisitions of CEB and L2 during April 2017 and March 2017, respectively (see Note 2 for additional information regarding our recent acquisitions).

Finite-Lived Intangible Assets

The following tables present reconciliations of the carrying amounts of the Company's finite-lived intangible assets as of the dates indicated (in thousands):

September 30, 2017	Customer Relationships	Software	Content	Other	Total
Gross cost at December 31, 2016	$ 63,369	$ 16,025	$ 3,728	$ 33,645	$ 116,767
Additions due to acquisitions (1)	1,251,000	181,000	143,500	14,490	1,589,990
Write-off of fully amortized intangible assets	—	—	(4,227)	—	(4,227)
Foreign currency translation impact	12,073	1,194	6,080	496	19,843
Gross cost	1,326,442	198,219	149,081	48,631	1,722,373
Accumulated amortization (2)	(75,173)	(24,419)	(36,884)	(21,432)	(157,908)
Balance at September 30, 2017	$ 1,251,269	$ 173,800	$ 112,197	$ 27,199	$ 1,564,465

December 31, 2016	Customer Relationships	Software	Content	Other	Total
Gross cost	$ 63,369	$ 16,025	$ 3,728	$ 33,645	$ 116,767
Accumulated amortization (2)	(16,744)	(8,904)	(2,033)	(12,285)	(39,966)
Balance at December 31, 2016	$ 46,625	$ 7,121	$ 1,695	$ 21,360	$ 76,801

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(1) The additions were primarily due to the acquisitions of CEB and L2 during April 2017 and March 2017, respectively (see Note 2 for additional information regarding our recent acquisitions).

(2) Finite-lived intangible assets are amortized using the straight-line method over the following periods: Customer relationships—4 to 13 years; Software—3 to 7 years; Content—1.5 to 5 years; and Other (consisting of trade names and non-competes) —2 to 5 years.

Amortization expense related to finite-lived intangible assets was $51.2 million and $6.2 million during the three months ended September 30, 2017 and 2016, respectively, and $123.0 million and $18.6 million during the nine months ended September 30, 2017 and 2016, respectively. The estimated future amortization expense by year for finite-lived intangible assets will be as follows (in thousands):

2017 (remaining three months)	$ 59,743
2018	222,102
2019	165,855
2020	158,981
2021	138,639
Thereafter	819,145
	$ 1,564,465

Note 7 — Debt

2016 Credit Agreement

The Company entered into a term loan and revolving credit facility on June 17, 2016 (the "2016 Credit Agreement"). As discussed below, the 2016 Credit Agreement was amended three times during 2017 in conjunction with the acquisition of CEB. As of September 30, 2017, the 2016 Credit Agreement provides for a $1.5 billion Term loan A facility, a $500.0 million Term loan B facility, and a $1.2 billion revolving credit facility. The 2016 Credit Agreement contains certain customary restrictive loan covenants, including, among others, financial covenants that apply a maximum leverage ratio and a minimum interest expense coverage ratio, and covenants limiting Gartner's ability to incur indebtedness, grant liens, make acquisitions, merge, dispose of assets, pay dividends, repurchase stock, make investments and enter into certain transactions with affiliates. The Company was in full compliance with the covenants as of September 30, 2017.

The Company borrowed a total of $2.78 billion for the CEB acquisition. The Company borrowed $1.675 billion under the 2016 Credit Agreement, which consisted of $900.0 million under an increased Term loan A facility, $500.0 million under a new Term loan B facility, and $275.0 million on its existing revolving credit facility. The $1.675 billion drawn under the 2016 Credit Agreement, along with the funds raised through the issuance of $800.0 million Senior Notes and $300.0 million 364-day Bridge Credit Facility discussed below, were used to fund the CEB acquisition and related costs. As discussed below, the funds borrowed under the 364-day Bridge Credit Facility were completely repaid by September 30, 2017.

On January 20, 2017, the Company entered into a First Amendment to the 2016 Credit Agreement, which was entered into to permit the acquisition of CEB and the incurrence of additional debt to finance, in part, the acquisition and repay certain debt of CEB, and to modify certain covenants. On March 20, 2017, the Company entered into a Second Amendment to the 2016 Credit Agreement. The Second Amendment was also entered into in connection with the acquisition of CEB and was executed primarily to extend the maturity date of the Term loan A facility and revolving credit facility through March 20, 2022 and to revise the interest rate and amortization schedule. On April 5, 2017, in conjunction with the closing of the CEB acquisition, the Company entered into a Third Amendment to the 2016 Credit Agreement with its lenders which increased the aggregate principal amount of the existing Term loan A facility by $900.0 million and added a new incremental Term loan B facility in an aggregate principal amount of $500.0 million.

The Term loan A facility will be repaid in 16 consecutive quarterly installments that commenced on June 30, 2017, plus a final payment to be made on March 20, 2022. The additional amount drawn under the Term loan A facility has the same maturity date and is subject to the same interest, repayment terms, amortization schedules, representations and warranties, affirmative and negative covenants and events of default as the amounts outstanding under such facility prior to entry by the Company into the Incremental Amendment. The revolving credit facility may be borrowed, repaid, and re-borrowed through March 20, 2022, at which time all amounts must be repaid. Amounts borrowed under the Term loan A facility and the revolving credit facility bear interest at a rate equal to, at the Company's option, either:

(i) the greatest of: (x) the Administrative Agent’s prime rate; (y) the average rate on Federal Reserve Board of New York rate plus 1/2 of 1%; and (z) the eurodollar rate (adjusted for statutory reserves) plus 1%, in each case plus a margin equal to between 0.125% and 1.50% depending on Gartner’s consolidated leverage ratio as of the end of the four consecutive fiscal quarters most recently ended; or

(ii) the eurodollar rate (adjusted for statutory reserves) plus a margin equal to between 1.125% and 2.50%, depending on Gartner’s leverage ratio as of the end of the four consecutive fiscal quarters most recently ended.

The Term loan B facility contains representations and warranties, affirmative and negative covenants and events of default that are the same as the Term loan A facility and revolving credit facility, except that a breach of financial maintenance covenants will not result in an event of default under the Term loan B facility unless the lenders under the revolving credit facility and Term loan A facility have accelerated the revolving loans and Term loan A loans and terminated their commitments thereunder. Additionally, the Term loan B facility includes mandatory prepayment requirements related to asset sales (subject to reinvestment), debt incurrence (other than permitted debt) and excess cash flow, subject to certain limitations described therein. The Term loan B facility will mature on April 5, 2024 and amounts outstanding thereunder will bear interest at a rate per annum equal to, at the option of Gartner, (i) adjusted LIBOR plus 2.00% or (ii) an alternate base rate plus 1.00%.

364-day Bridge Credit Facility

On April 5, 2017, in conjunction with the acquisition of CEB, the Company entered into a senior unsecured 364-day Bridge Credit Facility in an aggregate principal amount of $300.0 million, which was immediately drawn down to fund a portion of the purchase price associated with the CEB acquisition. The Company repaid $100.0 million of the 364-day Bridge Credit Facility during the second quarter of 2017 and the remaining $200.0 million was repaid during the third quarter of 2017.

Senior Notes

On March 30, 2017, in conjunction with the acquisition of CEB, the Company issued $800.0 million aggregate principal amount of 5.125% Senior Notes due 2025 (the “Senior Notes”). The proceeds of the Senior Notes were also used to fund a portion of the purchase price associated with the CEB acquisition.

The Senior Notes were issued at an issue price of 100.00% and bear interest at a fixed rate of 5.125% per annum. Starting on October 1, 2017, interest on the Senior Notes will be payable on April 1 and October 1 of each year. The Senior Notes will mature on April 1, 2025. The Company may redeem some or all of the Senior Notes at any time on or after April 1, 2020 for cash at the redemption prices set forth in the Note Indenture, plus accrued and unpaid interest to, but not including, the redemption date. Prior to April 1, 2020, the Company may redeem up to 40% of the aggregate principal amount of the Senior Notes with the proceeds of certain equity offerings at a redemption price of 105.125% plus accrued and unpaid interest to, but not including, the redemption date. In addition, the Company may redeem some or all of the Senior Notes prior to April 1, 2020, at a redemption price of 100% of the principal amount of the Senior Notes plus accrued and unpaid interest to, but not including, the redemption date, plus a “make-whole” premium. If the Company experiences specific kinds of change of control, it will be required to offer to purchase the Senior Notes at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest.

The Senior Notes are the Company’s general unsecured senior obligations, and are effectively subordinated to all of the Company’s existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness, structurally subordinated to all existing and future indebtedness and other liabilities of the Company’s non-guarantor subsidiaries, equal in right of payment to all of the Company’s and Company’s guarantor subsidiaries’ existing and future senior indebtedness and senior in right of payment to all of the Company’s future subordinated indebtedness, if any.

Outstanding Borrowings - September 30, 2017

The following table summarizes the Company’s total outstanding borrowings (in thousands):

Description:	**Balance September 30, 2017**	**Balance December 31, 2016**
2016 Credit Agreement - Term loan A facility (1)	$ 1,447,875	$ 585,000
2016 Credit Agreement - Term loan B facility (1)	497,500	—
2016 Credit Agreement - Revolving credit facility (1), (2)	640,000	115,000
Senior notes (3)	800,000	—
Other (4)	2,500	2,500
Principal amount outstanding (5)	$ 3,387,875	$ 702,500
Less: deferred financing fees (6)	(46,045)	(8,109)
Net balance sheet carrying amount	$ 3,341,830	$ 694,391

(1) The contractual annualized interest rate as of September 30, 2017 on the Term loan A and B facilities was 3.23%, which consisted of a floating eurodollar base rate of 1.23% plus a margin of 2.00%. The contractual annualized interest rate on the revolving credit facility was 3.73%, which consisted of a floating eurodollar base rate of 1.23% plus a margin of 2.50%. However, the Company has interest rate swap contracts which effectively convert the floating eurodollar base rates on a portion of the amounts outstanding to a fixed base rate.

(2) The Company had $534.0 million of available borrowing capacity on the revolver (not including the expansion feature) as of September 30, 2017.

(3) Consists of $800.0 million principal amount of Senior Notes outstanding, which the Company issued on March 30, 2017 to finance in part the CEB acquisition. The Senior Notes pay a fixed rate of 5.125% and have an eight year maturity.

(4) Consists of a $2.5 million State of Connecticut economic development loan with a 3.00% fixed rate of interest. The loan was originated in 2012 and has a 10 year maturity. Principal payments are deferred for the first five years and the loan may be repaid at any point by the Company without penalty.

(5) The average annual effective rates on the Company's total debt outstanding for the three and nine months ended September 30, 2017, including the effect of its interest rate swaps discussed below, were 4.01% and 3.73%, respectively.

(6) The deferred financing fees are being amortized to Interest expense, net over the term of the respective debt obligation. During the nine months ended September 30, 2017, the Company paid $51.2 million in additional deferred financing fees and recorded a charge of approximately $6.1 million for the write-off of deferred financing fees related to the prior financing arrangement.

Interest Rate Swaps

The Company has fixed-for-floating interest rate swap contracts which it designates as accounting hedges of the forecasted interest payments on the Company's variable rate borrowings. The Company pays base fixed rates on the swaps and in return receives a floating eurodollar base rate on 30 day notional borrowings. The Company accounts for the interest rate swaps as cash flow hedges in accordance with FASB ASC Topic 815. Since the swaps hedge forecasted interest payments, changes in the fair value of the swaps are recorded in accumulated other comprehensive income (loss), a component of equity, as long as the swaps continue to be highly effective hedges of the designated interest rate risk. Any ineffective portion of change in the fair value of the hedges is recorded in earnings. All of the swaps were highly effective hedges of the forecasted interest payments as of September 30, 2017. The interest rate swaps had a total negative fair value (liability) to the Company of $8.0 million at September 30, 2017, which is deferred and recorded in Accumulated other comprehensive loss, net of tax effect.

Note 8 — Equity

Share Repurchase Program

The Company has a $1.2 billion board approved authorization to repurchase the Company's common stock, of which $1.1 billion remained available as of September 30, 2017. The Company may repurchase its common stock from time to time in amounts and at prices the Company deems appropriate, subject to the availability of stock, prevailing market conditions, the trading price of the stock, the Company's financial performance and other conditions. Repurchases may be made through open market purchases, private transactions or other transactions and will be funded from cash on hand and borrowings under the Company's credit arrangement.

The Company's recent share repurchase activity is presented in the following table:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2017	**2016**	**2017**	**2016**
Number of shares repurchased (1)	26,725	9,882	348,236	542,792
Cash paid for repurchased shares (in thousands) (2)	$ 3,275	$ 922	$ 37,188	$ 52,889

(1) The average purchase price for repurchased shares was $122.53 and $106.79 for the three and nine months ended September 30, 2017, respectively, and $93.33 and $84.17 for the three and nine months ended September 30, 2016.

(2) The cash paid for the nine months ended September 30, 2016 includes $7.2 million for share repurchases that were executed in late December 2015 and were settled in early January 2016.

Share Issuance Related to the Acquisition of CEB

On April 5, 2017, the Company completed the CEB acquisition and issued 7.4 million of its common shares at a fair value of $109.65 per common share. Note 2 — Acquisitions provides additional information regarding the CEB acquisition. The fair value of the Company's common stock was determined based on an average of the high and low prices of the common stock as reported by the New York Stock Exchange on April 5, 2017, the date of the acquisition.

Accumulated Other Comprehensive (Loss) Income ("AOCL/I")

The following tables disclose information about changes in AOCL/I by component and the related amounts reclassified out of AOCL/I to income during the periods indicated (net of tax, in thousands) (1):

For the three months ended September 30, 2017:

	Interest Rate Swaps	Defined Benefit Pension Plans	Foreign Currency Translation Adjustments	Total
Balance - June 30, 2017	$ (6,107)	$ (5,700)	$ (37,082)	$ (48,889)
Changes during the period:				
Change in AOCL/I before reclassifications to income	9	—	46,319	46,328
Reclassifications from AOCL/I to income during the period (2), (3)	1,293	52	—	1,345
Other comprehensive (loss) income for the period	1,302	52	46,319	47,673
Balance – September 30, 2017	$ (4,805)	$ (5,648)	$ 9,237	$ (1,216)

For the three months ended September 30, 2016:

	Interest Rate Swaps	Defined Benefit Pension Plans	Foreign Currency Translation Adjustments	Total
Balance – June 30, 2016	$ (12,158)	$ (4,757)	$ (31,088)	$ (48,003)
Changes during the period:				
Change in AOCL/I before reclassifications to income	2,076	—	(3,032)	(956)
Reclassifications from AOCL/I to income during the period (2), (3)	1,138	37	—	1,175
Other comprehensive (loss) income for the period	3,214	37	(3,032)	219
Balance – September 30, 2016	$ (8,944)	$ (4,720)	$ (34,120)	$ (47,784)

For the nine months ended September 30, 2017:

	Interest Rate Swaps	Defined Benefit Pension Plans	Foreign Currency Translation Adjustments	Total
Balance – December 31, 2016	$ (1,409)	$ (5,797)	$ (42,477)	$ (49,683)
Changes during the period:				
Change in AOCL/I before reclassifications to income	(6,912)	—	51,714	44,802
Reclassifications from AOCL/I to income during the period (2), (3)	3,516	149	—	3,665
Other comprehensive (loss) income for the period	(3,396)	149	51,714	48,467
Balance – September 30, 2017	$ (4,805)	$ (5,648)	$ 9,237	$ (1,216)

For the nine months ended September 30, 2016:

	Interest Rate Swaps	Defined Benefit Pension Plans	Foreign Currency Translation Adjustments	Total
Balance – December 31, 2015	$ (3,079)	$ (4,832)	$ (36,491)	$ (44,402)
Changes during the period:				
Change in AOCL/I before reclassifications to income	(9,376)	—	2,371	(7,005)
Reclassifications from AOCL/I to income during the period (2), (3)	3,511	112	—	3,623
Other comprehensive (loss) income for the period	(5,865)	112	2,371	(3,382)
Balance – September 30, 2016	$ (8,944)	$ (4,720)	$ (34,120)	$ (47,784)

(1) Amounts in parentheses represent debits (deferred losses).

(2) The reclassifications related to interest rate swaps (cash flow hedges) were recorded in Interest expense, net of tax effect. See Note 10 – Derivatives and Hedging for information regarding the hedges.

(3) The reclassifications related to defined benefit pension plans were recorded in Selling, general and administrative expense, net of tax effect. See Note 12 – Employee Benefits for information regarding the Company's defined benefit pension plans.

Note 9 — Income Taxes

The provision for income taxes for the three months ended September 30, 2017 was a benefit of $(13.8) million on a pretax loss of $(61.9) million compared to an expense of $14.3 million on pretax income of $44.7 million in the three months ended September 30, 2016. The effective income tax rate was 22.2% for the three months ended September 30, 2017 and 31.9% for the same period in 2016. The quarter-over-quarter change in the effective income tax rate was primarily attributable to increases in non-deductible acquisition and integration charges.

The provision for income taxes for the nine months ended September 30, 2017 was a benefit of $(52.2) million on a pretax loss of $(156.2) million compared to an expense of $55.1 million on pretax income of $182.2 million in the nine months ended September 30, 2016. The effective income tax rate was 33.4% for the nine months ended September 30, 2017 and 30.3% for the same period in 2016. The change in the effective income tax rate was primarily attributable to a favorable estimated mix of earnings and an increase in stock-based compensation benefits.

As of September 30, 2017 and December 31, 2016, the Company had gross unrecognized tax benefits of $72.2 million and $37.1 million, respectively. The increase is largely attributable to unrecognized tax benefits of CEB included in the purchase price allocation. It is reasonably possible that gross unrecognized tax benefits will decrease by approximately $8.0 million within the next 12 months, due to the anticipated closure of audits and the expiration of certain statutes of limitation.

In July 2015, the United States Tax Court (the "Court") issued an opinion relating to the treatment of stock-based compensation expense in an inter-company cost-sharing arrangement. In its opinion, the Court held that affiliated companies may exclude stock-based compensation expense from their cost-sharing arrangement. The Internal Revenue Service is appealing the decision. Because of uncertainty related to the final resolution of this litigation and the recognition of potential benefits to the Company, the Company has not recorded any financial statement benefit associated with this decision. The Company will monitor developments related to this case and the potential impact of those developments on the Company's consolidated financial statements.

Note 10 — Derivatives and Hedging

The Company enters into a limited number of derivative contracts to mitigate the cash flow risk associated with changes in interest rates on variable rate debt and changes in foreign exchange rates on forecasted foreign currency transactions. The Company accounts for its outstanding derivative contracts in accordance with FASB ASC Topic 815, which requires all derivatives, including derivatives designated as accounting hedges, to be recorded on the balance sheet and recognized at fair value. The following tables provide information regarding the Company's outstanding derivatives contracts as of the dates indicated (in thousands, except for number of outstanding contracts):

September 30, 2017

Derivative Contract Type	Number of Outstanding Contracts	Notional Amounts	Fair Value Asset (Liability), Net (3)	Balance Sheet Line Item	Unrealized Loss Recorded in OCI
Interest rate swaps (1)	5	$ 1,400,000	$ (8,009)	Other liabilities	$ (4,805)
Foreign currency forwards (2)	29	102,262	(88)	Accrued liabilities	—
Total	34	$ 1,502,262	$ (8,097)		$ (4,805)

December 31, 2016

Derivative Contract Type	Number of Outstanding Contracts	Notional Amounts	Fair Value Asset (Liability), Net (3)	Balance Sheet Line Item	Unrealized Loss Recorded in OCI
Interest rate swaps (1)	3	$ 700,000	$ (2,349)	Other liabilities	$ (1,409)
Foreign currency forwards (2)	84	86,946	(320)	Accrued liabilities	—
Total	87	$ 786,946	$ (2,669)		$ (1,409)

(1) The swaps have been designated and are accounted for as cash flow hedges of the forecasted interest payments on borrowings. As a result, changes in fair value of the swaps are deferred and are recorded in AOCL/I, net of tax effect (see Note 7 — Debt for additional information).

(2) The Company has foreign exchange transaction risk since it typically enters into transactions in the normal course of business that are denominated in foreign currencies that differ from the local functional currency. The Company enters into short-term foreign currency forward exchange contracts to mitigate the cash flow risk associated with changes in foreign currency rates on forecasted foreign currency transactions. These contracts are accounted for at fair value with realized and unrealized gains and losses recognized in Other expense, net since the Company does not designate these contracts as hedges for accounting purposes. All of the contracts outstanding at September 30, 2017 matured by the end of October 2017.

(3) See Note 11 — Fair Value Disclosures for the determination of the fair value of these instruments.

At September 30, 2017, all of the Company's derivative counterparties were investment grade financial institutions. The Company did not have any collateral arrangements with its derivative counterparties, and none of the derivative contracts contained credit-risk related contingent features. The following table provides information regarding amounts recognized in the Condensed Consolidated Statements of Operations for derivative contracts for the periods indicated (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
Amount recorded in:	**2017**	**2016**	**2017**	**2016**
Interest expense, net (1)	$ 2,154	$ 1,895	$ 5,860	$ 5,851
Other (income), net (2)	(1,764)	(814)	(960)	(239)
Total expense, net	$ 390	$ 1,081	$ 4,900	$ 5,612

(1) Consists of interest expense from interest rate swap contracts.

(2) Consists of net realized and unrealized gains and losses on foreign currency forward contracts.

Note 11 — Fair Value Disclosures

The Company's financial instruments include cash equivalents, fees receivable from customers, accounts payable, and accruals which are normally short-term in nature. The Company believes the carrying amounts of these financial instruments reasonably approximate their fair value due to their short-term nature. The Company's financial instruments also include its outstanding borrowings. The Company believes the carrying amount of its variable-rate debt reasonably approximates its fair value because the rate of interest on those borrowings reflects current market rates of interest for similar instruments with comparable maturities.

The Company enters into a limited number of derivatives transactions but does not enter into repurchase agreements, securities lending transactions, or master netting arrangements. Receivables or payables that result from derivatives transactions are recorded gross in the Condensed Consolidated Balance Sheets.

FASB ASC Topic 820 provides a framework for the measurement of fair value and a valuation hierarchy based upon the transparency of inputs used in the valuation of assets and liabilities. Classification within the hierarchy is based upon the lowest level of input that is significant to the resulting fair value measurement. The valuation hierarchy contains three levels. Level 1 measurements consist of quoted prices in active markets for identical assets or liabilities. Level 2 measurements include significant other observable inputs such as quoted prices for similar assets or liabilities in active markets; identical assets or liabilities in inactive markets; observable inputs such as interest rates and yield curves; and other market-corroborated inputs. Level 3 measurements include significant unobservable inputs, such as internally-created valuation models. The Company does not currently utilize Level 3 valuation inputs to remeasure any of its assets or liabilities. However, level 3 inputs may be used by the Company in its required annual impairment review of recorded goodwill. Information regarding the periodic assessment of the Company's goodwill is included in Note 6 — Goodwill and Intangible Assets. The Company does not typically transfer assets or liabilities between different levels of the fair value hierarchy.

The following table presents the fair value of certain financial assets and liabilities (in thousands):

Description:	**Fair Value September 30, 2017**	**Fair Value December 31, 2016**
Assets:		
Values based on Level 1 inputs:		
Deferred compensation plan assets (1)	$ 12,478	$ 10,247
Total Level 1 inputs	12,478	10,247
Values based on Level 2 inputs:		
Deferred compensation plan assets (1)	31,050	27,847
Foreign currency forward contracts (2)	64	165
Total Level 2 inputs	31,114	28,012
Total Assets	$ 43,592	$ 38,259
Liabilities:		
Values based on Level 2 inputs:		
Deferred compensation plan liabilities (1)	$ 48,793	$ 43,075
Foreign currency forward contracts (2)	152	485
Interest rate swap contracts (3)	8,009	2,349
Senior Notes due 2025 (4)	844,448	—
Total Level 2 inputs	901,402	45,909
Total Liabilities	$ 901,402	$ 45,909

(1) The Company has a deferred compensation plan for the benefit of certain highly compensated officers, managers and other key employees. The assets consist of investments in money market and mutual funds, and company-owned life insurance contracts, all of which are valued based on Level 1 or Level 2 valuation inputs. The related deferred compensation plan liabilities are recorded at fair value, or the estimated amount needed to settle the liability, which the Company considers to be a Level 2 input.

(2) The Company enters into foreign currency forward exchange contracts to hedge the effects of adverse fluctuations in foreign currency exchange rates. Valuation of the foreign currency forward contracts is based on observable foreign currency exchange rates in active markets, which the Company considers a Level 2 input.

(3) The Company has interest rate swap contracts which hedge the risk of variability from interest payments on its borrowings (see Note 7 — Debt). The fair value of the swaps is based on mark-to-market valuations prepared by a third-party broker. The valuations are based on observable interest rates from recently executed market transactions and other observable market data, which the Company considers Level 2 inputs. The Company independently corroborates the reasonableness of the valuations prepared by the third-party broker through the use of an electronic quotation service.

(4) As discussed in Note 7 — Debt, the Company issued $800.0 million of principal amount fixed-rate Senior Notes due 2025 on March 30, 2017. The estimated fair value of the notes was derived from quoted market prices provided by an independent dealer which the Company considers to be a Level 2 input.

Note 12 — Employee Benefits

Defined-Benefit Pension Plans

The Company has defined-benefit pension plans in several of its international locations. Benefits paid under these plans are based on years of service and level of employee compensation. The Company's defined-benefit pension plans are accounted for in accordance with FASB ASC Topics 715 and 960. Net periodic pension expense was $0.9 million and $2.4 million for the three and nine months ended September 30, 2017, respectively, and $0.9 million and $2.4 million for the three and nine months ended September 30, 2016, respectively.

Note 13 — Commitments and Contingencies

Contingencies

The Company is involved in legal proceedings and litigation arising in the ordinary course of business. We believe that the potential liability, if any, in excess of amounts already accrued from all proceedings, claims and litigation will not have a material effect on our financial position, cash flows, or results of operations when resolved in a future period.

The Company has various agreements that may obligate us 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 the Company's obligations and the unique facts of each particular agreement. Historically, payments made by us under these agreements have not been material. As of September 30, 2017, the Company did not have any material payment obligations under any such indemnification agreements.

Note 14 — Subsequent Event

On October 4, 2017, the Company announced that it initiated a process to explore and evaluate strategic alternatives for its Talent Assessment business, which is a substantial part of its Talent Assessment & Other segment. The Talent Assessment & Other segment is entirely composed of business operations that were acquired as part of the CEB acquisition.

As part of this process, the Company intends to consider a range of strategic options, which may include, among other things, a sale of the business. There is no timetable for completion of the review process and the Company does not intend to announce any updates until the conclusion of the strategic review. There can be no assurance that this review will result in a transaction being announced or agreed upon.

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 quarterly 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 our Annual Report on Form 10-K for the year ended December 31, 2016 (the "2016 Form 10-K"). Historical results and percentage relationships are not necessarily indicative of operating results for future periods. References to "Gartner," the "Company," "we," "our," and "us" in this MD&A are to Gartner, Inc. and its consolidated subsidiaries.

Acquisition of CEB Inc.

On April 5, 2017, the Company completed its previously announced acquisition of CEB Inc. ("CEB"). Note 2 — Acquisitions in the Notes to the Condensed Consolidated Financial Statements provides additional information regarding the CEB acquisition. Our operating results discussed below for the three and nine months ended September 30, 2017 include the results of CEB beginning on the acquisition date. References to "traditional Gartner" operating results and business measurements below refer to Gartner excluding CEB. References to "CEB" below refer to the operating results and business measurements of CEB subsequent to the acquisition.

Talent Assessment Business - Announcement Regarding Strategic Alternatives

On October 4, 2017, the Company announced that it initiated a process to explore and evaluate strategic alternatives for its Talent Assessment business, which is a substantial part of its Talent Assessment & Other segment. The Talent Assessment & Other segment is entirely composed of business operations that were acquired as part of the CEB acquisition. As part of this process, the Company intends to consider a range of strategic options, which may include, among other things, a sale of the business. There is no timetable for completion of the review process and the Company does not intend to announce any updates until the conclusion of the strategic review. There can be no assurance that this review will result in a transaction being announced or agreed upon.

Forward-Looking Statements

In addition to historical information, this Quarterly Report contains certain 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," "expect," "should," "could," "believe," "plan," "anticipate," "estimate," "predict," "potential," "continue," or other words of similar meaning.

Forward-looking statements are subject to risks, estimates 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 Quarterly Report and in the 2016 Form 10-K. 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 should review carefully our risk factors described herein and in our 2016 Form 10-K.

BUSINESS OVERVIEW

Gartner, Inc. (NYSE: IT) is the world's leading research and advisory company. The Company helps business leaders across all major functions in every industry and enterprise size with the objective insights they need to make the right decisions. Gartner's comprehensive suite of services delivers strategic advice and proven best practices to help clients succeed in their mission-critical priorities. Gartner is headquartered in Stamford, Connecticut, U.S.A., and has more than 14,000 associates serving clients in over 11,000 enterprises in approximately 100 countries.

Research provides objective insight and advice on the mission-critical priorities of functional leaders across the C-suite, as well as technology companies and the institutional investment community, through reports, briefings, proprietary tools, access to our analysts, peer networking services and membership programs that enable our clients to make better decisions.

Consulting provides customized solutions to unique client needs through on-site, day-to-day support, as well as proprietary tools for measuring and improving IT performance with a focus on cost, performance, efficiency and quality.

Events provides IT, supply chain, HR, marketing, and other business professionals the opportunity to attend conferences to learn, share and network. From our flagship CIO event Gartner Symposium/ITxpo, to industry-leading conferences focused on specific business roles and topics, to member-driven sessions, our events provide attendees with valuable insight and advice.

Talent Assessment & Other helps organizations assess, engage, manage and improve talent. This is accomplished through knowledge and skills assessments, training programs, workshops, and survey and questionnaire services. These products and services use science and data to assist clients with achieving their particular business results and objectives.

BUSINESS MEASUREMENTS

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

BUSINESS SEGMENT	BUSINESS MEASUREMENTS
Research	**Total contract value** represents the value attributable to all of our subscription-related contracts. It is calculated as the annualized value of all contracts in effect at a specific point in time, without regard to the duration of the contract. Total contract value primarily includes Research deliverables for which revenue is recognized on a ratable basis, as well as other deliverables (primarily Events tickets) for which revenue is recognized when the deliverable is utilized. **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. Client retention is calculated at an enterprise level, which represents a single company or customer. **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 ago, by the total contract value from a year ago, excluding the impact of foreign currency exchange. When wallet retention exceeds client retention, it is an indication of retention of higher-spending clients, or increased spending by retained clients, or both. Wallet retention is calculated at an enterprise level, which represents a single company or customer.
Consulting	**Consulting backlog** represents future revenue to be derived from in-process consulting and measurement engagements. **Utilization rate** represents 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. **Billing Rate** represents earned billable revenue divided by total billable hours. **Average annualized revenue per billable headcount** represents a measure of the revenue generating ability of an average billable consultant and is calculated periodically by multiplying the average billing rate per hour times the utilization percentage times the billable hours available for one year.
Events	**Number of events** represents the total number of hosted events completed during the period. Single day, local events are excluded. **Number of attendees** represents the total number of people who attend events. Single day, local events are excluded.

EXECUTIVE SUMMARY OF OPERATIONS AND FINANCIAL POSITION

We have executed a consistent growth strategy since 2005 to drive revenue and earnings growth. The fundamentals of our strategy include a focus on creating extraordinary research insight, delivering innovative and highly differentiated product offerings, building a strong sales capability, providing world class client service with a focus on client engagement and retention, and continuously improving our operational effectiveness.

We had total revenues of $828.1 million in the third quarter of 2017, an increase of 44% compared to the third quarter of 2016. Quarter-over-quarter revenues for Research and Events increased 40% and 34%, respectively, during the third quarter of 2017, which included the results of the CEB acquisition. Consulting revenues declined 2% during the 2017 quarterly period. As a result of the CEB acquisition, we added a new reportable segment in second quarter 2017 called Talent Assessment & Other, which contributed $57.6 million of revenues during the third quarter of 2017. For a more complete discussion of our results by segment, see Segment Results below. Additionally, Note 2 — Acquisitions in the Notes to the Condensed Consolidated Financial Statements provides information regarding the CEB acquisition.

For the third quarter of 2017, we had a net loss of $(48.2) million and a diluted loss per share of $(0.53). Cash provided by operating activities was $232.3 million and $282.3 million during the nine months ended September 30, 2017 and 2016, respectively. We had $630.0 million of cash and cash equivalents at September 30, 2017 and $534.0 million of available borrowing capacity on our revolving credit facility. For a more complete discussion of our cash flows and financial position, see Liquidity and Capital Resources below.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements requires the application of appropriate accounting policies and the use of estimates. Our significant accounting policies are described in Note 1 in the Notes to the Consolidated Financial Statements of Gartner, Inc. contained in the 2016 Form 10-K. There were no changes in our accounting policies in the current period that had a material impact on our financial statements. Management considers the policies discussed below to be critical to an understanding of our financial statements because their application requires complex and subjective management judgments and estimates. Specific risks for these critical accounting policies are also described below.

The preparation of our financial statements requires us to make estimates and assumptions about future events. We develop our estimates using both current and historical experience, as well as other factors, including the general economic environment and actions we may take in the future. We adjust such estimates when facts and circumstances dictate. However, our estimates may involve significant uncertainties and judgments and cannot be determined with precision. In addition, these estimates are based on our best judgment at a point in time and as such these estimates may ultimately differ materially from actual results. On-going changes in our estimates could be material and would be reflected in the Company's consolidated financial statements in future periods.

Our critical accounting policies are as follows:

Revenue recognition — Revenue is recognized in accordance with the requirements of U.S. GAAP as well as SEC Staff Accounting Bulletin No. 104, *Revenue Recognition* ("SAB 104"). Revenue is only recognized once all required criteria for revenue recognition have been met. Revenue by significant source is accounted for as follows:

- Research revenues are mainly derived from subscription contracts for research products. The related revenues are deferred and recognized ratably over the applicable contract term. Fees derived from assisting organizations in selecting the right business software for their needs is recognized when the leads are provided to vendors.

- Consulting revenues are principally generated from fixed fee and time and material engagements. Revenues from fixed fee contracts are recognized on a proportional performance basis. Revenues from time and materials engagements are recognized as work is delivered and/or services are provided. Revenues related to contract optimization contracts are contingent in nature and are only recognized upon satisfaction of all conditions related to their payment.

- Events revenues are deferred and recognized upon the completion of the related symposium, conference or exhibition.

- Talent Assessment & Other revenues arising from knowledge and skill assessment services are recognized depending on the nature of the underlying contract: (i) ratably over the term of the service period; (ii) upon delivery; or (iii) on a proportional performance basis. Revenues from training programs and survey and questionnaire products are primarily recognized upon delivery of the service.

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 may have cancellation or fiscal funding clauses. It is our policy to record the 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.

Uncollectible fees receivable — We maintain an allowance for losses which is composed of a bad debt allowance and a sales reserve. Provisions are charged against earnings, either as a reduction in revenues or an increase to expense. The determination of the allowance for losses is based on historical loss experience, an assessment of current economic conditions, the aging of outstanding receivables, the financial health of specific clients, and probable losses. This evaluation is inherently judgmental and requires estimates. These valuation reserves are periodically re-evaluated and adjusted as more information about the ultimate collectability 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.

The following table provides our total fees receivable and the related allowance for losses (in thousands):

	September 30, 2017	December 31, 2016
Total fees receivable	$ 884,283	$ 650,413
Allowance for losses	(10,000)	(7,400)
Fees receivable, net	$ 874,283	$ 643,013

Goodwill and other intangible assets —The Company evaluates recorded goodwill in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 350, which requires goodwill to be assessed for impairment at least annually and whenever events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable. In addition, an impairment evaluation of our amortizable intangible assets may also be performed if events or circumstances indicate potential impairment. Among the factors that could trigger an impairment review are our current operating results relative to our annual plan or historical performance; changes in our strategic plan or use of our assets; restructuring charges or other changes in our business segments; competitive pressures and changes in the general economy or in the markets in which we operate; and a significant decline in our stock price and our market capitalization relative to our net book value.

FASB ASC Topic 350 requires an annual assessment of the recoverability of recorded goodwill, which can be either quantitative or qualitative in nature, or a combination of the two approaches. Both methods utilize estimates which, in turn, require judgments and assumptions regarding future trends and events. As a result, both the precision and reliability of the resulting estimates are subject to uncertainty. If our goodwill impairment evaluation determines that the fair value of a reporting unit is less than its related carrying amount, we may recognize an impairment charge. Among the factors we consider in a qualitative assessment are general economic conditions and the competitive environment; actual and projected reporting unit financial performance; forward-looking business measurements; and external market assessments. A quantitative analysis requires management to consider each of the factors relevant to a qualitative assessment, as well as the utilization of detailed financial projections, to include the rate of revenue growth, profitability, and cash flows, as well as assumptions regarding discount rates, the Company's weighted-average cost of capital, and other data, in order to determine a fair value for our reporting units. We conducted a qualitative assessment of the fair value of all of the Company's reporting units during the quarter ended September 30, 2017. The results of this test determined that the fair values of the Company's reporting units continue to exceed their respective carrying values and as a result, no goodwill impairment was indicated.

Accounting for income taxes — The Company uses the asset and liability method of accounting for income taxes. We estimate our income taxes in each of the jurisdictions where we operate. This process involves estimating our current tax expense 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 sheets. In assessing the realizability of deferred tax assets, management considers if it is more likely than not that some or all of the deferred tax assets will not be realized. We consider the availability of loss carryforwards, projected reversal of deferred tax liabilities, projected future taxable income, and ongoing prudent and feasible tax planning strategies in making this assessment. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained based on the technical merits of the position.

Accounting for stock-based compensation — The Company accounts for stock-based compensation awards in accordance with FASB ASC Topics 505 and 718 and SEC Staff Accounting Bulletins No. 107 and No. 110. The Company recognizes stock-based compensation expense, which is based on the fair value of the award on the date of grant, over the related service period (see Note 4 — Stock-Based Compensation in the Notes to the Condensed Consolidated Financial Statements for additional information). Determining the appropriate fair value model and calculating the fair value of stock-based compensation awards requires the use of certain complex and subjective assumptions, including the expected life of a stock-based compensation award and the Company's Common Stock price volatility. In addition, determining the appropriate periodic stock-based compensation expense requires management to estimate the likelihood of the achievement of certain performance targets. The assumptions used in calculating the fair values of stock-based compensation awards and the related periodic expense represent management's best estimates, which involve inherent uncertainties and the application of judgment. As a result, if circumstances change and the Company deems it necessary in the future to modify the assumptions it made or to use different assumptions, or if the quantity and nature of the Company's stock-based compensation awards changes, then the amount of expense may need to be adjusted and future stock-based compensation expense could be materially different from what has been recorded in the current period.

Restructuring and other accruals — We may record accruals for severance costs, costs associated with excess facilities that we have leased, contract terminations, asset impairments, and other costs as a result of on-going 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. These accruals may need to be adjusted to the extent actual costs differ from such estimates. 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. We also record accruals during the year for our various employee cash incentive programs. Amounts accrued at the end of each reporting period are based on our estimates and may require adjustment as the ultimate amount paid for these incentives are sometimes not known with certainty until the end of our fiscal year.

RESULTS OF OPERATIONS

Overall Results

The following table presents an analysis of selected line items and period-over-period changes in our interim Condensed Consolidated Statements of Operations for the periods indicated (in thousands). The operating results of CEB are included beginning on April 5, 2017, the date of the acquisition.

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Income Increase (Decrease) $	Increase (Decrease) %
Total revenues	$ 828,085	$ 574,059	$ 254,026	44 %
Costs and expenses:				
Cost of services and product development	332,207	223,122	(109,085)	(49)
Selling, general and administrative	421,163	269,902	(151,261)	(56)
Depreciation	17,340	9,531	(7,809)	(82)
Amortization of intangibles	51,224	6,221	(45,003)	>(100)
Acquisition and integration charges	30,500	16,557	(13,943)	(84)
Operating (loss) income	(24,349)	48,726	(73,075)	>(100)
Interest expense, net	(38,762)	(5,932)	(32,830)	>(100)
Other income, net	1,171	1,954	(783)	(40)
(Benefit) provision for income taxes	(13,760)	14,264	28,024	>100
Net (loss) income	$ (48,180)	$ 30,484	$ (78,664)	>(100)%

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016	Income Increase (Decrease) $	Increase (Decrease) %
Total revenues	$ 2,296,985	$ 1,741,323	$ 555,662	32 %
Costs and expenses:				
Cost of services and product development	921,820	666,585	(255,235)	(38)
Selling, general and administrative	1,133,633	799,322	(334,311)	(42)
Depreciation	45,637	27,390	(18,247)	(67)
Amortization of intangibles	123,014	18,614	(104,400)	>(100)
Acquisition and integration charges	142,104	32,958	(109,146)	>(100)
Operating (loss) income	(69,223)	196,454	(265,677)	>(100)
Interest expense, net	(88,624)	(19,294)	(69,330)	>(100)
Other income, net	1,653	5,086	(3,433)	(67)
(Benefit) provision for income taxes	(52,166)	55,149	107,315	>100
Net (loss) income	$ (104,028)	$ 127,097	(231,125)	>(100)%

Total revenues for the three months ended September 30, 2017 increased $254.0 million, to $828.1 million, an increase of 44% compared to the three months ended September 30, 2016 and 43% adjusted for the impact of foreign currency exchange. CEB contributed $165.1 million of the increase. Revenues for the nine months ended September 30, 2017 increased $555.7 million, to $2.3 billion, an increase of 32% compared to the nine months ended September 30, 2016 on both a reported basis and adjusted for foreign exchange impact, with CEB contributing $317.7 million of the increase. Please refer to the section of this MD&A below entitled “Segment Results” for a discussion of revenues and results by segment.

Cost of services and product development increased $109.1 million, or 49%, in the third quarter of 2017 compared to the third quarter of 2016, but excluding the impact of foreign exchange, costs increased 48%. Approximately $73.2 million of the increase was attributable to CEB. The $35.9 million increase attributable to traditional Gartner was primarily due to higher payroll and related benefits costs resulting from increased headcount, which increased 18%. Cost of services and product development as a percentage of revenues was 40% and 39% for the third quarter of 2017 and 2016, respectively. For the nine months ended September 30, 2017 compared to the same period in 2016, cost of services and product development expense increased $255.2 million, or 38% in the 2017 period. Adjusted for the foreign exchange impact, cost of service and product development increased 39% in the 2017 period. Approximately $159.4 million of the increase was attributable to CEB. Approximately $95.8 million of the increase was attributable to traditional Gartner, with the increase primarily due to higher payroll and benefit costs due to increased headcount, consistent with the quarter. Cost of services and product development as a percentage of revenues was 40% and 38% for the nine months ended September 30, 2017 and 2016, respectively.

Selling, general and administrative ("SG&A") expense increased $151.3 million, or 56%, in the third quarter of 2017 compared to the third quarter of 2016, and 55% adjusted for the impact of foreign exchange. Approximately $96.9 million of the increase was attributable to CEB. Traditional Gartner costs for the quarter increased $54.4 million, primarily due to $25.3 million in higher payroll and related benefits costs, reflecting a 17% overall headcount increase; $10.0 million in higher commissions due to increased sales bookings; and $19.1 million in higher corporate costs and foreign exchange impact. The overall headcount growth includes a 17% increase in quota-bearing sales associates, which increased to 2,716 at September 30, 2017. For the nine months ended September 30, 2017, SG&A expense increased $334.3 million, a 42% increase as reported and 43% adjusted for the foreign exchange impact. Approximately $184.7 million of the increase was attributable to CEB. Approximately $149.6 million of the increase was related to traditional Gartner due to the same drivers as the quarter.

Depreciation increased $7.8 million and $18.3 million during the three and nine months ended September 30, 2017, respectively, when compared to the same periods in 2016, primarily due to property, equipment and leasehold improvements acquired with CEB and, to a lesser extent, additional traditional Gartner investment.

Amortization of intangibles increased $45.0 million and $104.4 million during the three and nine months ended September 30, 2017, respectively, when compared to the same periods in 2016 due to additional amortization from the intangibles recorded in connection with our recent acquisitions.

Acquisition and integration charges increased $13.9 million and $109.1 million during the three and nine months ended September 30, 2017, respectively, when compared to the same periods in 2016. These increases reflect the additional charges resulting from our recent acquisitions and primarily consist of higher professional fees, severance, stock-based compensation charges and, during the 2017 nine month period, an accrual for exit costs of approximately $21.1 million for office space that the Company does not intend to occupy at a new building in Arlington, Virginia. To date, the Company has not made any payments related to the excess space.

During the three months ended September 30, 2017, we had an operating loss of $(24.3) million compared to operating income of $48.7 million during the three months ended September 30, 2016. The decline reflects several factors. We had a lower segment contribution margin in our Research business resulting from a CEB deferred revenue fair value adjustment. We also had substantially higher acquisition-related costs, including depreciation, amortization of intangibles, and acquisition and integration charges. During the nine months ended September 30, 2017, our operating loss was $(69.2) million, compared to operating income of $196.5 million during the nine months ended September 30, 2016. The 2017 nine month period was similarly affected by the same factors as the third quarter of 2017.

Interest expense, net increased $32.8 million and $69.3 million during the three and nine months ended September 30, 2017, respectively, when compared to the same periods in 2016. The increases were primarily due to higher borrowings during 2017 compared to 2016.

Other income, net for the periods presented herein primarily reflects the net impact of foreign currency gains and losses from our hedging activities, as well as the sale of certain state tax credits and the recognition of other tax incentives.

(Benefit) provision for income taxes for the three months ended September 30, 2017 was a benefit of $(13.8) million on a pretax loss of $(61.9) million compared to an expense of $14.3 million on pretax income of $44.7 million in the three months ended September 30, 2016. The effective income tax rate was 22.2% for the three months ended September 30, 2017 and 31.9% for the same period in 2016. The quarter-over-quarter change in the effective income tax rate was primarily attributable to increases in non-deductible acquisition and integration charges.

(Benefit) provision for income taxes for the nine months ended September 30, 2017 was a benefit of $(52.2) million on a pretax loss of $(156.2) million compared to an expense of $55.1 million on pretax income of $182.2 million in the nine months ended September 30, 2016. The effective income tax rate was 33.4% for the nine months ended September 30, 2017 and 30.3% for the same period in 2016. The change in the effective income tax rate was primarily attributable to a favorable estimated mix of earnings and an increase in stock-based compensation benefits.

During the three months ended September 30, 2017, our net loss was $48.2 million, compared to net income of $30.5 million during the three months ended September 30, 2016. During the nine months ended September 30, 2017, our net loss was $104.0 million, compared to net income of $127.1 million during the nine months ended September 30, 2016. Both the quarter-over-quarter and year-over-year changes primarily reflect declines in our operating profitability and higher interest expense, partially offset by income tax benefits in the 2017 periods.

SEGMENT RESULTS

We evaluate reportable segment performance and allocate resources based on gross contribution margin. Gross contribution is defined as operating income (loss), excluding certain Cost of services and product development charges, SG&A expenses, Depreciation, Acquisition and integration charges, and Amortization of intangibles. Gross contribution margin is defined as gross contribution as a percentage of revenues.

On April 5, 2017, Gartner completed its acquisition of CEB. With the CEB acquisition, Gartner is now reporting four business segments reflecting the Company's enlarged scale and breadth of advisory services.

The Company's reportable segments are as follows:

- *Research* - includes our previous Gartner Research segment as well as the results of CEB's core subscription-based best practice and decision support research activities. In addition, Research now includes our traditional Gartner Strategic Advisory Services ("SAS") business, which was previously included in the Consulting segment. Research consists primarily of subscription-based research products, access to research inquiry, peer networking services, and membership programs.

- *Consulting* - includes our previous Gartner Consulting segment except, as noted above, the results of our SAS business are now included in the Research segment. Consulting consists primarily of consulting and measurement engagements.

- *Events* - includes the results of our previous Gartner Events segment and the results of CEB's former Evanta business and destination event activities. Events provides IT, Supply chain, HR, Marketing, and other business professionals the opportunity to attend conferences to learn, share and network.

- *Talent Assessment & Other* - this is a new segment for Gartner and it includes CEB's previously disclosed Talent Assessment business as well as certain CEB non-subscription based talent products and services.

The sections below present the results of these four reportable business segments. References to "traditional Gartner" operating results and business measurements below refer to Gartner excluding CEB. References to "CEB" below refer to the operating results and business measurements of CEB subsequent to the acquisition.

Research

	As Of And For The Three Months Ended September 30, 2017	As Of And For The Three Months Ended September 30, 2016	Increase (Decrease)	Percentage Increase (Decrease)	For The Nine Months Ended September 30, 2017	For The Nine Months Ended September 30, 2016	Increase (Decrease)	Percentage Increase (Decrease)
Financial Measurements:								
Revenues (1)	$ 653,443	$ 466,877	$ 186,566	40 %	$ 1,778,481	$ 1,371,157	$ 407,324	30%
Gross contribution (1)	$ 436,222	$ 322,646	$ 113,576	35 %	$ 1,187,906	$ 954,276	$ 233,630	24%
Gross contribution margin	67%	69%	(2) points	—	67%	70%	(3) points	—
Business Measurements:								
Traditional Gartner:								
Total contract value (1)	$ 2,063,000	$ 1,815,000	$ 248,000	14 %				
Client retention	83%	83%	—	—				
Wallet retention	104%	104%	—	—				
CEB:								
Total contract value (1) (2)	$ 571,000	$ 578,000	$ (7,000)	(1)%				
Wallet retention	93%	93%	—	—				

(1) Dollars in thousands.
(2) The 2016 CEB contract value was calculated based on Gartner's 2017 foreign exchange rates.

Research segment revenues increased $186.6 million, or 40%, during the three months ended September 30, 2017 compared to the same quarter in 2016 on a reported basis and 38% adjusted for the impact of foreign currency exchange. Traditional Gartner revenues increased $82.1 million in the third quarter of 2017 compared to 2016, which represents an 18% increase on a reported basis, with almost 2 points of the increase due to L2, which we acquired in first quarter 2017. Adjusted for the foreign exchange impact, traditional Gartner revenues increased 16% quarter-over-quarter. CEB contributed $104.5 million of the $186.6 million quarter-over-quarter revenue increase. The quarterly gross contribution margin declined 2 points, primarily driven by the impact of the deferred revenue fair value accounting adjustment resulting from the CEB acquisition and to a lesser extent, a modest decline in profitability in our digital markets products and some of our recent acquisitions such as SCM and L2, which have lower gross contribution margins than our traditional business.

For the nine month periods, revenues increased $407.3 million, or 30%, during 2017 on both a reported basis and adjusted for the impact of foreign currency exchange. Traditional Gartner revenues increased $212.8 million during the nine months ended September 30, 2017 compared to 2016, a 16% increase on both a reported basis and adjusted for the impact of foreign exchange, with L2 also adding approximately 2 points of the revenue increase. CEB contributed $194.5 million of the 2017 nine month revenue increase. The gross contribution margin declined by 3 points, driven by the same factors as the quarterly decline discussed above.

Traditional Gartner total contract value was $2.1 billion at September 30, 2017, an increase of 14% as reported and 15% on a foreign exchange neutral basis compared to September 30, 2016. Traditional Gartner client retention was 83% in both the third quarter of 2017 and 2016, while wallet retention was 104% in each of those periods. Traditional Gartner total contract value as of September 30, 2017 increased by double-digits across all of the Company's sales regions, client sizes, and virtually every industry segment compared to September 30, 2016. CEB contract value was $571.0 million at September 30, 2017 and wallet retention was 93%.

Consulting

	As Of And For The Three Months Ended September 30, 2017	As Of And For The Three Months Ended September 30, 2016	Increase (Decrease)	Percentage Increase (Decrease)	For The Nine Months Ended September 30, 2017	For The Nine Months Ended September 30, 2016	Increase (Decrease)	Percentage Increase (Decrease)
Financial Measurements:								
Revenues (1)	$ 72,117	$ 73,707	$ (1,590)	(2)%	$ 242,404	$ 237,876	$ 4,528	2 %
Gross contribution (1)	$ 16,188	$ 18,215	$ (2,027)	(11)%	$ 71,558	$ 71,110	$ 448	1 %
Gross contribution margin	22%	25%	(3) points	—	30%	30%	—	—
Business Measurements:								
Backlog (1) (2)	$ 91,400	$ 89,900	$ 1,500	2 %				
Billable headcount	682	630	52	8 %				
Consultant utilization	61%	63%	(2) points	—	64%	66%	(2) points	—
Average annualized revenue per billable headcount (1)	$ 355	$ 368	$ (13)	(4)%	$ 364	$ 387	$ (23)	(6)%

(1) Dollars in thousands.
(2) The September 30, 2016 traditional Gartner backlog of $89.9 million has been restated to reflect the reclassification of the SAS business.

Consulting revenues declined 2% during the three months ended September 30, 2017 compared to the same quarter in 2016 on a reported basis and declined 3% adjusted for the impact of foreign currency exchange, with revenue declines in both core consulting and contract optimization. Gross contribution margin was 22% for the three months ended September 30, 2017 and 25% for the three months ended September 30, 2016, with the decline due to a combination of factors, to include a decline in contract optimization revenues, lower utilization, and our investment in additional managing partners.

For the nine month periods, revenues increased 2% during 2017 on a reported basis and 3% adjusted for the impact of foreign currency exchange, while gross contribution margin was flat. Backlog increased by $1.5 million, or 2%, year-over-year. The $91.4 million of backlog at September 30, 2017 represents approximately four months of backlog, which is in line with the Company's operational target.

Events

	As Of And For The Three Months Ended September 30, 2017	As Of And For The Three Months Ended September 30, 2016	Increase (Decrease)	Percentage Increase (Decrease)	For The Nine Months Ended September 30, 2017	For The Nine Months Ended September 30, 2016	Increase (Decrease)	Percentage Increase (Decrease)
Financial Measurements:								
Revenues (1)	$ 44,953	$ 33,475	$ 11,478	34 %	$ 171,427	$ 132,290	$ 39,137	30%
Gross contribution (1)	$ 16,011	$ 14,529	$ 1,482	10 %	$ 79,313	$ 63,574	$ 15,739	25%
Gross contribution margin	36%	43%	(7) points	—	46%	48%	(2) points	—
Business Measurements:								
Traditional Gartner:								
Number of events (2)	16	15	1	7 %	52	52	—	—
Number of attendees (2)	10,075	7,431	2,644	36 %	37,174	30,522	6,652	22%
CEB:								
Number of events (2)	1	1	—	—	2			
Number of attendees (2)	565	767	(202)	(26)%	1,040			

(1) Dollars in thousands.
(2) Single day, local events are excluded.

Events revenues increased $11.5 million, or 34%, during the three months ended September 30, 2017 compared to the same quarter in 2016 on a reported basis and 31% adjusted for the impact of foreign currency exchange. Traditional Gartner revenues increased $8.4 million in the third quarter of 2017 compared to 2016, a 25% increase on a reported basis and 22% adjusted for the foreign exchange impact. CEB contributed $3.1 million of the revenue increase. The gross contribution margin for traditional Gartner was 43% for both periods. In the traditional Gartner business, we held 16 events and 15 events in the third quarter of 2017 and 2016, respectively, while the number of attendees for the third quarter of 2017 increased 36% and exhibitors increased 26% compared to 2016, with average revenue per attendee down by 1% and average revenue per exhibitor flat. CEB held one event with 565 attendees in the third quarter of 2017.

Events revenues increased $39.1 million, or 30%, during the nine months ended September 30, 2017 compared to the same period in 2016 on a reported basis and 29% adjusted for the impact of foreign currency exchange. Traditional Gartner revenues increased $20.6 million during the nine months ended September 30, 2017 compared to 2016, a 16% increase as reported, and 15% adjusted for the foreign exchange impact. CEB contributed $18.5 million of the revenue increase. The traditional Gartner segment gross contribution margin was 48% for both the nine months ended September 30, 2017 and 2016. We held 52 events in the traditional Gartner business in both the nine months ended September 30, 2017 and 2016 while the number of attendees for the 2017 period increased 22% and exhibitors increased 9% compared to 2016, with average revenue per attendee up by 2% and average revenue per exhibitor up by 3%. CEB held two events with 1,040 attendees during the nine months ended September 30, 2017.

Talent Assessment & Other

	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017
Financial Measurements:		
Revenues (1)	$ 57,572	$ 104,673
Gross contribution (1)	$ 31,215	$ 48,512
Gross contribution margin	54%	46%

(1) Dollars in thousands.

LIQUIDITY AND CAPITAL RESOURCES

We finance our operations through cash generated from our operating activities and borrowings (Note 7 — Debt in the Notes to the Condensed Consolidated Financial Statements provides additional information regarding the Company's 2016 Credit Agreement and other outstanding debt obligations). At September 30, 2017, we had $630.0 million of cash and cash equivalents and $534.0 million of available borrowing capacity on the revolving credit facility under our 2016 Credit Agreement. We believe that the Company has adequate liquidity to meet its currently anticipated needs.

Our cash and cash equivalents are held in numerous locations throughout the world. At September 30, 2017, approximately 97% of our cash and cash equivalents was held overseas, with a substantial portion representing accumulated undistributed earnings of our non-U.S. subsidiaries. Under U.S. GAAP, no provision for income taxes that may result from the remittance of accumulated undistributed foreign earnings is required if the Company intends to reinvest such earnings overseas indefinitely. While our current plans do not demonstrate a need to repatriate accumulated undistributed foreign earnings to fund our U.S. operations or otherwise satisfy the liquidity needs of our U.S. operations, the Company has not asserted its intention to indefinitely reinvest approximately $80.0 million of CEB accumulated undistributed foreign earnings. As a result, the purchase price allocation for CEB includes a deferred tax liability of approximately $12.0 million for the estimated tax that could result from the remittance of these earnings. The Company continues to assert its intention to reinvest all other accumulated undistributed foreign earnings, except in instances in which the repatriation of those earnings would result in minimal additional tax. As a result, the Company has not recognized additional income tax expense that could result from the remittance of all other accumulated undistributed foreign earnings.

The following table summarizes the changes in the Company’s cash and cash equivalents for the periods indicated (in thousands):

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016	Cash Increase (Decrease)
Cash provided by operating activities	$ 232,267	$ 282,263	$ (49,996)
Cash used in investing activities	(2,710,428)	(66,240)	(2,644,188)
Cash provided by (used in) financing activities	2,605,567	(130,933)	2,736,500
Net increase in cash and cash equivalents	127,406	85,090	42,316
Effects of exchange rates	28,377	7,668	20,709
Beginning cash and cash equivalents	474,233	372,976	101,257
Ending cash and cash equivalents	$ 630,016	$ 465,734	$ 164,282

Operating

Cash provided by operating activities was $232.3 million and $282.3 million during the nine months ended September 30, 2017 and 2016, respectively. The decline was primarily due to (i) a net loss of $104.0 million during the 2017 period compared to net income of $127.1 million during the 2016 period and (ii) substantially higher cash payments for bonuses, commissions, and acquisition and integration costs during the 2017 period.

Investing

Cash used in investing activities was $2.7 billion during the nine months ended September 30, 2017 compared to cash used of $66.2 million in the same period of 2016. Cash used in 2017 was substantially higher due to the acquisitions of CEB and L2 in April 2017 and March 2017, respectively. Note 2 — Acquisitions in the Notes to the Condensed Consolidated Financial Statements provides additional information regarding the Company's acquisitions.

Financing

Cash provided by financing activities was $2.6 billion during the nine months ended September 30, 2017 compared to cash used of $130.9 million during the nine months ended September 30, 2016. During the 2017 period, the Company borrowed a total of approximately $3.0 billion and paid: (i) $339.6 million in principal repayments, including $300.0 million for the senior unsecured 364-day Bridge Credit Facility; (ii) $51.2 million for deferred financing fees on borrowings; and (iii) $37.2 million for share repurchases. During the 2016 period, the Company used $52.9 million in cash for share repurchases and $85.0 million for debt payments on a net basis, and we realized $6.9 million from employee share-related activities. Note 7 — Debt in the Notes to the Condensed Consolidated Financial Statements provides additional information regarding the Company's debt obligations.

OBLIGATIONS AND COMMITMENTS

Debt

As of September 30, 2017, the Company had $3.4 billion of principal amount of debt outstanding. Note 7 — Debt in the Notes to the Condensed Consolidated Financial Statements provides additional information regarding the Company's debt obligations.

Off-Balance Sheet Arrangements

Through September 30, 2017, we have not entered into any material off-balance sheet arrangements or transactions with unconsolidated entities or other persons.

Contractual Cash Commitments

The Company has certain commitments that contractually require future cash payments. The table below summarizes the Company's contractual cash commitments as of September 30, 2017 (in thousands).

Commitment Description:	Due On Or Before December 31, 2017	Due During 2018 and 2019	Due During 2020 and 2021	Due After December 31, 2021	Total
Debt – principal and interest (1)	$ 143,791	$ 770,812	$ 404,368	$ 2,945,674	$ 4,264,645
Operating leases (2)	49,233	188,981	157,138	621,337	1,016,689
Deferred compensation arrangement (3)	3,867	10,279	6,764	73,797	94,707
Other (4)	16,494	30,146	28,827	43,358	118,825
Totals	$ 213,385	$ 1,000,218	$ 597,097	$ 3,684,166	$ 5,494,866

(1) Principal repayments of the Company's debt obligations have been classified in the above table based on both contractual and anticipated repayment dates. Interest payments were based on the effective interest rates as of September 30, 2017. Note 7 — Debt in the Notes to the Condensed Consolidated Financial Statements provides additional information regarding the Company's debt obligations.

(2) The Company leases various offices, furniture, computer equipment, automobiles and equipment under non-cancelable operating lease agreements expiring between 2017 and 2032.

(3) The Company has supplemental deferred compensation arrangements with certain of its employees. Amounts payable with known payment dates have been classified in the above table based on those scheduled payment dates. Amounts payable whose payment dates are unknown have been included in the Due After December 31, 2021 category since the Company cannot determine when the amounts will be paid.

(4) The Other category includes (i) contractual commitments for software, building maintenance, telecom and other services and (ii) projected cash contributions to the Company's defined benefit pension plans.

In addition to the contractual cash commitments included in the above table, the Company has other payables and liabilities that may be legally enforceable but are not considered contractual commitments.

BUSINESS AND TRENDS

Our quarterly and annual revenues, operating income, and cash flows fluctuate as a result of many factors, including: the timing of our Symposium/ITxpo series that normally occurs during the fourth quarter, as well as our other events; the amount of new business generated, including from acquisitions; the mix of domestic and international business; domestic and international economic conditions; changes in market demand for our products and services; changes in foreign currency rates; the timing of the development, introduction and marketing of new products and services; competition in the industry; the payment of performance compensation; and other factors. 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.

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. A description of the risk factors associated with our business is included under “Risk Factors” contained herein in Part II, Item 1A., *Risk Factors*, and in Item 1A. of our 2016 Annual Report on Form 10-K, which are incorporated herein by reference.

RECENTLY ISSUED ACCOUNTING STANDARDS

Accounting standards issued by the various U.S. standard setting and governmental authorities that have not yet become effective and may impact our Consolidated Financial Statements in future periods are described below, together with our assessment of the potential impact they may have on our Consolidated Financial Statements and related disclosures in future periods:

Targeted Improvements to Accounting for Hedging Activities - In August 2017, the FASB issued Accounting Standards Update ("ASU") No. 2017-12, "*Derivatives and Hedging (Topic 815)*" ("ASU No. 2017-12"). ASU No. 2017-12 is intended to improve the financial reporting of hedging relationships to better portray economic results of an entity's risk management activities in its financial statements. In addition to that main objective, the amendments would make certain targeted improvements to simplify the application of the hedge accounting guidance in current U.S. GAAP. ASU No. 2017-12 is effective for Gartner on January 1, 2019. We are currently evaluating the potential impact of ASU No. 2017-12 on the Company's consolidated financial statements.

Distinguishing Liabilities from Equity — In July 2017, the FASB issued Accounting Standards Update ("ASU") No. 2017-11, "*Earnings Per Share, Distinguishing Liabilities from Equity, and Derivatives and Hedging"* ("ASU No. 2017-11"). ASU No. 2017-11 is intended to simplify the accounting for financial instruments with characteristics of liabilities and equity. Among the issues addressed are: (i) determining whether an instrument (or embedded feature) is indexed to an entity's own stock; (ii) distinguishing liabilities from equity for mandatorily redeemable financial instruments of certain nonpublic entities; and (iii) identifying mandatorily redeemable non-controlling interests. ASU No. 2017-11 is effective for Gartner on January 1, 2019. We are currently evaluating the potential impact of ASU No. 2017-11 on the Company's consolidated financial statements.

Stock Compensation Award Modifications — In May 2017, the FASB issued ASU No. 2017-09, "*Compensation—Stock Compensation - Scope of Modification Accounting*" ("ASU No. 2017-09"). ASU No. 2017-09 provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting. ASU No. 2017-09 is effective for Gartner on January 1, 2018. We have concluded that the adoption of ASU No. 2017-09 will not have a material impact on the Company's consolidated financial statements.

Retirement Benefits Cost Presentation — In March 2017, the FASB issued ASU No. 2017-07, *"Compensation—Retirement Benefits"* ("ASU No. 2017-07"). ASU No. 2017-07 improves the reporting of net benefit cost in the financial statements, and provides additional guidance on the presentation of net benefit cost in the income statement and clarifies the components eligible for capitalization. ASU No. 2017-07 is effective for Gartner on January 1, 2018. We have concluded that the adoption of ASU No. 2017-07 will not have a material impact on the Company's consolidated financial statements.

*Partial Sales of Non-financial Asset*s — In February 2017, the FASB issued ASU No. 2017-05, *"Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Non-financial Assets"* ("ASU No. 2017-05"). ASU No. 2017-05 clarifies the scope of the FASB's recently established guidance on non-financial asset de-recognition as well as the accounting for partial sales of non-financial assets. It conforms the de-recognition guidance on non-financial assets with the model for revenue transactions. ASU No. 2017-05 is effective for Gartner on January 1, 2018. We have concluded that the adoption of ASU No. 2017-05 will not have a material impact on the Company's consolidated financial statements.

Goodwill Impairment — In January 2017, the FASB issued ASU No. 2017-04, "*Intangibles—Goodwill and Other - Simplifying the Test for Goodwill Impairment*" ("ASU No. 2017-04"). ASU No. 2017-04 simplifies the determination of the amount of goodwill to be potentially charged off by eliminating Step 2 of the goodwill impairment test. ASU No. 2017-04 is effective for Gartner on January 1, 2020. We have concluded that the adoption of ASU No. 2017-04 will not have a material impact on the Company's consolidated financial statements.

Definition of a Business — In January 2017, the FASB issued ASU No. 2017-01, *"Clarifying the Definition of a Business"* ("ASU No. 2017-01"), which is effective for Gartner on January 1, 2018. ASU No. 2017-01 changes the U.S. GAAP definition of a business which can impact the accounting for asset purchases, acquisitions, goodwill impairment, and other assessments. We have concluded that the adoption of ASU No. 2017-01 will not have a material impact on the Company's consolidated financial statements.

Presentation of Restricted Cash — In November 2016, the FASB issued ASU No. 2016-18, *"Restricted Cash"* ("ASU No. 2016-18"). ASU No. 2016-18 requires that amounts generally described as restricted cash and restricted cash equivalents be presented with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. If different, a reconciliation of the cash balances reported in the cash flow statement and the balance sheet would need to be provided along with explanatory information. ASU No. 2016-18 is effective for Gartner on January 1, 2018. The adoption of ASU No. 2016-18 will require the Company to disclose restricted cash and, as a result, will change the presentation of the consolidated statements of cash flows.

Income Taxes — In October 2016, the FASB issued ASU No. 2016-16, *"Intra-Entity Transfers of Assets Other Than Inventory"* ("ASU No. 2016-16"). ASU No. 2016-16 accelerates the recognition of taxes on certain intra-entity transactions and is effective for Gartner on January 1, 2018. Current U.S. GAAP requires deferral of the income tax implications of an intercompany sale of assets until the assets are sold to a third party or recovered through use. Under the new rule, the seller's tax effects and the buyer's deferred taxes on post-adoption asset transfers will be immediately recognized upon the sale. On the date of adoption of ASU No. 2016-16 any taxes attributable to pre-2018 intra-entity transfers that were previously deferred will be accelerated and recorded to retained earnings as permitted by the transition rules. ASU 2016-16 could have a material impact on our consolidated financial statements in the future depending on the nature, size, and tax consequences of future intra-entity transfers, if any.

Statement of Cash Flows — In August 2016, the FASB issued ASU No. 2016-15, *"Classification of Certain Cash Receipts and Cash Payments"* ("ASU No. 2016-15"). ASU No. 2016-15 sets forth classification requirements for certain cash flow transactions. ASU No. 2016-15 is effective for Gartner on January 1, 2018. We have concluded that the adoption of ASU No. 2016-15 will not have a material impact on the Company's consolidated financial statements.

Financial Instrument Credit Losses — In June 2016, the FASB issued ASU No. 2016-13, "*Financial Instruments—Credit Losses"* ("ASU No. 2016-13"). ASU No. 2016-13 amends the current financial instrument impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. ASU No. 2016-13 is effective for Gartner on January 1, 2020, with early adoption permitted. We are currently evaluating the potential impact of ASU No. 2016-13 on our consolidated financial statements.

Leases — In February 2016, the FASB issued ASU No. 2016-02, "*Leases*" ("ASU No. 2016-02") which will require significant changes in the accounting and disclosure for lease arrangements. Currently under U.S. GAAP, lease arrangements that meet certain criteria are considered operating leases and are not recorded on the balance sheet. All of the Company's existing lease arrangements are accounted for as operating leases and are thus not recorded on the Company's balance sheet. ASU No. 2016-02 will significantly change the accounting for leases since a right-of-use ("ROU") model must be used in which the lessee must record a ROU asset and a lease liability on the balance sheet for leases with terms longer than 12 months. Leases will be classified as either finance or operating arrangements, with classification affecting the pattern of expense recognition in the income statement. ASU No. 2016-02 also requires expanded disclosures about leasing arrangements. ASU No. 2016-02 will be effective for Gartner on January 1, 2019. We are currently evaluating the impact of ASU No. 2016-02 on our consolidated financial statements.

Financial Instruments Recognition and Measurement — In January 2016, the FASB issued ASU No. 2016-01, "*Financial Instruments Overall - Recognition and Measurement of Financial Assets and Liabilities*" ("ASU No. 2016-01") to address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Among the significant changes required by ASU No. 2016-01 is that equity investments will be measured at fair value with changes in fair value recognized in net income. ASU No. 2016-01 will be effective for Gartner on January 1, 2018. We have concluded that the adoption of ASU No. 2016-01 will not have a material impact on the Company's consolidated financial statements.

Revenue Recognition — In May 2014, the FASB issued ASU No. 2014-09, "*Revenue from Contracts with Customers*" ("ASU No. 2014-09"). ASU No. 2014-09 and related amendments require changes in revenue recognition policies as well as enhanced disclosures. ASU No. 2014-09 is intended to clarify the principles for recognizing revenue by removing inconsistencies and weaknesses in existing revenue recognition rules; provide a more robust framework for addressing revenue recognition issues; improve comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets; and provide more useful information to users of financial statements through improved disclosures. The Company has completed an initial assessment of the impact of ASU No. 2014-09 on its existing revenue recognition policies and plans to adopt the rule on January 1, 2018 using the cumulative effect method of adoption. ASU No. 2014-09 also requires significantly expanded disclosures around the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, which the Company is currently compiling. While the Company has not fully completed its assessment of the impact of ASU No. 2014-09, primarily the completion of our review of the recently-acquired CEB's revenue recognition policies, based on the analysis completed to date, the Company does not currently anticipate that the new rule will have a material impact on its consolidated financial statements.

The FASB also continues to work on a number of other significant accounting standards which if issued could materially impact the Company's accounting policies and disclosures in future periods. However, since these standards have not yet been issued, the effective dates and potential impact are unknown.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

INTEREST RATE RISK

As of September 30, 2017, the Company had $3.4 billion in total debt outstanding. Note 7 — Debt in the Notes to the Condensed Consolidated Financial Statements provides additional information regarding the Company's debt obligations.

Approximately $2.6 billion of the Company's total debt outstanding as of September 30, 2017 was based on a floating base rate of interest, which potentially exposes the Company to increases in interest rates. However, we partially reduce our overall exposure to changes in interest rates through our interest rate swap contracts, which effectively convert the floating base interest rate on a portion of these variable rate borrowings to fixed rates. Thus we are exposed to base interest rate risk on floating rate borrowings only in excess of any amounts that are not hedged. At September 30, 2017, we had interest rate risk on approximately $1.2 billion of borrowings. As an indication of our potential exposure to changes in interest rates, a hypothetical 25 basis point increase or decrease in interest rates could change our annual pre-tax interest expense by approximately $3.0 million.

FOREIGN CURRENCY RISK

A significant portion of our revenues are earned outside of the U.S., and as a result we conduct business in numerous currencies other than the U.S dollar. Among the major foreign currencies in which we conduct business are the Euro, the British Pound, the Japanese Yen, the Australian dollar, and the Canadian dollar. The reporting currency of our consolidated financial statements is the U.S. dollar. As the values of the foreign currencies in which we operate fluctuate over time relative to the U.S dollar, the Company is exposed to both foreign currency translation and transaction risk.

Translation risk arises as our foreign currency assets and liabilities are translated into U.S. dollars since the functional currencies of our foreign operations are generally denominated in the local currency. Adjustments resulting from the translation of these assets and liabilities are deferred and recorded as a component of stockholders' equity. A measure of the potential impact of foreign currency translation can be determined through a sensitivity analysis of our cash and cash equivalents. At September 30, 2017, we had $630.0 million of cash and cash equivalents, a portion of which was denominated in foreign currencies. If the exchange rates of the foreign currencies we hold all changed in comparison to the U.S. dollar by 10%, the amount of cash and cash equivalents we would have reported on September 30, 2017 would have increased or decreased by approximately $36.0 million. The translation of our foreign currency revenues and expenses historically has not had a material impact on our consolidated earnings since movements in and among the major currencies in which we operate tend to impact our revenues and expenses fairly equally. However, our earnings could be impacted during periods of significant exchange rate volatility, or when some or all of the major currencies in which we operate move in the same direction against the U.S dollar.

Transaction risk arises when our foreign subsidiaries enter into transactions that are denominated in a currency that may differ from the local functional currency. As these transactions are translated into the local functional currency, a gain or loss may result, which is recorded in current period earnings. We typically enter into foreign currency forward exchange contracts to mitigate the effects of some of this foreign currency transaction risk. Our outstanding currency contracts as of September 30, 2017 had an immaterial net unrealized loss.

CREDIT RISK

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of short-term, highly liquid investments classified as cash equivalents, accounts receivable, interest rate swap contracts and foreign exchange contracts. The majority of the Company's cash and cash equivalents, interest rate swap contracts, and its foreign exchange contracts are with large investment grade commercial banks. Accounts receivable balances deemed to be collectible from customers have limited concentration of credit risk due to our diverse customer base and geographic dispersion.

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 “Exchange 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 September 30, 2017, of the effectiveness of the design and operation 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 Exchange Act.

Except as noted below, there have been no changes in the Company’s internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

The Company acquired two businesses in 2017, L2 and CEB. We are currently in the process of integrating these businesses, evaluating their internal controls, and implementing the Company's internal control structure over these operations. Due to the timing of these acquisitions, we will exclude them from the scope of our Sarbanes-Oxley Section 404 report on internal control over financial reporting for our fiscal year ending December 31, 2017. This exclusion is in accordance with the general guidance issued by the Staff of the Securities and Exchange Commission that an assessment of a recent business acquisition may be omitted from management's report on internal control over financial reporting in the first year of consolidation. We expect to complete the implementation of our internal control structure over these acquisitions in 2018.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in legal and administrative proceedings and litigation arising in the ordinary course of business. We believe that the potential liability, if any, in excess of amounts already accrued from all proceedings, claims and litigation will not have a material effect on our financial position or results of operations when resolved in a future period.

ITEM 1A. RISK FACTORS

Risk factors associated with our business are included under “Risk Factors” contained in Item 1A. of the Company's 2016 Form 10-K and are incorporated herein by reference. On April 5, 2017, the Company completed its acquisition of CEB Inc. ("CEB"). Note 2 — Acquisitions in the Notes to the Condensed Consolidated Financial Statements herein provides additional information regarding the CEB acquisition. As a result of the CEB acquisition, the Company has identified additional risk factors, which are discussed below:

With the CEB acquisition, we now have products and services that relate to human talent assessment, management, and development, which are a new line of business for the Company. Failure to successfully manage and grow this new business, or to evaluate a strategic alternative for this line of business, could negatively impact our business, operating results, financial condition, and liquidity.

As a result of the acquisition of CEB, a portion of our revenue is now derived from products, services, and tools that relate to human talent assessment, management, and development. Revenue from these activities is concentrated in our Talent Assessment & Other business segment, which is a new line of business for the Company and in which we have no prior experience. Revenue from these activities is affected in part by our ability to create new offerings as demand changes, and our ability to support existing offerings. If we fail to successfully manage and grow this new business, our operating results, financial condition, and liquidity could be negatively impacted. Also, economic downturns in certain segments or geographic regions may cause reductions in discretionary spending by our customers, which may adversely affect our ability to maintain or grow the volume of business.

On October 4, 2017, we initiated a process to explore and evaluate strategic alternatives for our Talent Assessment business, which is a substantial part of our Talent Assessment & Other segment. We may be unable to find a suitable strategic alternative and this process may negatively impact our efforts to integrate and develop this line of business as we explore our options.

With the CEB acquisition, we acquired new types of products and services tailored for the public sector, in particular U.S. government agencies. These offerings subject us to a variety of new risks, which could harm our reputation, result in fines or penalties against us, and adversely impact our financial results.

Certain products and services acquired with CEB are tailored for the public sector, and in particular U.S. government agencies. These products and services are new to Gartner and thus expose us to new risks and potentially added costs. Revenue from these offerings is reported in our Talent Assessment & Other segment, which is a new line of business for the Company and in which we have no prior experience.

If we fail to comply with applicable laws and regulations it could result in contract terminations, suspension or debarment from contracting with the U.S. government, civil fines and damages, and criminal prosecution and penalties, any of which could have an adverse, material effect on our operating results. U.S. government agencies, including the Defense Contract Audit Agency (“DCAA”), may audit our U.S. government contracts and contractors’ administration processes and systems. An unfavorable outcome to an audit by the DCAA or another agency could result in a loss of business and/or fines and cause our operating results to differ from those anticipated. If an investigation uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeitures of profits, suspension of payments, fines, and suspension or debarment from doing business with the U.S. government. In addition, we would suffer serious harm to our reputation if allegations of impropriety were made against us. Each of these factors could have an adverse, material effect on our operating results.

With the CEB acquisition, we assumed a significant amount of additional leased office space. This additional space subjects us to a number of risks, including a plan to consolidate our space in Arlington, Virginia and sublease unused space.

We assumed significant additional leased office space as a result of the CEB acquisition, in particular in Arlington, which formerly served as CEB's headquarters location, and where the majority of its staff is currently located. Gartner is expected to continue with a plan originally approved by CEB before the acquisition to relocate and consolidate its office space in Arlington into a single, nearby building that is currently under construction, and sublease the entirety of the existing space.

The consolidation plan subjects Gartner to two significant office leases in Arlington. We plan to continue to sublease a substantial portion of the existing space to an existing major subtenant and seek additional subtenants. If we are unable to sublease all or part of the additional space at acceptable rents or at all, or if the major subtenant defaults on its lease obligation with us or otherwise terminates its sublease with us, we may experience a loss of planned sublease rental income, which could result in a material charge for the excess space and adversely affect our operating results. Also, if the new space is not completed on schedule, or if the landlord or its guarantors default on their obligations pursuant to the new lease, we may incur additional expenses. In addition, unanticipated difficulties in consolidating our operations in this new space, including IT system interruptions or other infrastructure support problems, could result in a delay in moving into the new space, resulting in a loss of employee and operational productivity and a loss of revenue and/or additional expenses, which could also have an adverse, material impact on our operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no unregistered sales of equity securities during the period covered by this report.

Issuer Purchases of Equity Securities

We have a $1.2 billion board approved authorization to repurchase the Company's common stock, of which $1.1 billion remained available as of September 30, 2017. The Company may repurchase its common stock from time to time in amounts and at prices the Company deems appropriate, subject to the availability of stock, prevailing market conditions, the trading price of the stock, the Company’s financial performance and other conditions. Repurchases may be made through open market purchases, private transactions or other transactions and will be funded from cash on hand and borrowings under the Company’s credit agreement.

The following table provides detail related to repurchases of our outstanding Common Stock during the three months ended September 30, 2017:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Approximate Dollar Value of Shares that may yet be purchased under our $1.2B Share Repurchase Program (in billions) (1)
2017			
July	10,202	$ 126.25	
August	13,294	119.31	
September	3,229	124.04	
Total for quarter	26,725	$ 122.53	$ 1.1

(1) As of September 30, 2017.

ITEM 6. EXHIBITS

EXHIBIT NUMBER	DESCRIPTION OF DOCUMENT
10.1* #	Form of 2017 Restricted Stock Unit for Certain Officers.
10.2	Gartner, Inc. Long-Term Incentive Plan, effective August 1, 2017 (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed with the Commission on August 2, 2017).
31.1*	Certification of chief executive officer under Rule 13a — 14(a)/15d — 14(a).
31.2*	Certification of chief financial officer under Rule 13a — 14(a)/15d — 14(a).
32*	Certification under 18 U.S.C. 1350.
101*	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Condensed Consolidated Balance Sheets at September 30, 2017 and December 31, 2016, (ii) the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2017 and 2016, (iii) the Condensed Consolidated Statements of Comprehensive (Loss) Income for the three and nine months ended September 30, 2017 and 2016, (iv) the Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2017 and 2016, and (v) the Notes to Condensed Consolidated Financial Statements.

* Filed with this document.
# Denotes management compensatory plan or arrangement.

Items 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: November 2, 2017	/s/ Craig W. Safian
	Craig W. Safian Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

GARTNER, INC.
2014 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

Grant # _______

NOTICE OF GRANT

Gartner, Inc. (the "Company") hereby grants you, _________ (the "Grantee"), the number of restricted stock units indicated below (the "Restricted Stock Units") under the Company's 2014 Long-Term Incentive Plan (the "Plan"). The date of this Agreement is August 10, 2017 (the "Grant Date"). Subject to the provisions of Appendix A (attached hereto) and of the Plan, the principal features of this Restricted Stock Unit grant are as follows:

Total Number of Restricted Stock Units: ________

Vesting Schedule: Twenty-five percent (25%) of the Shares to which these Restricted Stock Units pertain shall vest on each of the first four anniversaries of the date hereof, or August 10, 2018, 2019, 2020 and 2021, subject to Grantee's Continued Service through each such date.

Your signature below indicates your agreement and understanding that this grant is subject to all of the terms and conditions contained in the Plan and this Restricted Stock Unit Agreement (the "Agreement"), which includes this Notice of Grant and Appendix A. For example, important additional information on vesting and termination of this Restricted Stock Unit grant is contained in Paragraphs 4 through 7 of Appendix A.

ACCORDINGLY, PLEASE BE SURE TO READ ALL OF APPENDIX A, WHICH CONTAINS THE SPECIFIC TERMS AND CONDITIONS OF THIS RESTRICTED STOCK UNIT GRANT.

GARTNER, INC. GRANTEE

By:____________________________ ______________________
Eugene A. Hall
Chief Executive Officer

APPENDIX A

TERMS AND CONDITIONS OF RESTRICTED STOCK UNITS

1. Grant of Restricted Stock Units. The Company hereby grants to the Grantee under the Plan the number of Restricted Stock Units indicated in the Notice of Grant, subject to all of the terms and conditions in this Agreement and the Plan.

2. Payment of Purchase Price. When the Restricted Stock Units are paid out to the Grantee, the purchase price will be deemed paid by the Grantee for each Restricted Stock Unit through the past services rendered by the Grantee, and will be subject to the appropriate tax withholdings.

3. Company's Obligation to Pay. Each Restricted Stock Unit has a value equal to the Fair Market Value of a Share on the date of grant. Unless and until the Restricted Stock Units have vested in the manner set forth in Paragraphs 4 or 5, the Grantee will have no right to payment of such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Units will represent an unfunded and unsecured obligation of the Company. Payment of any vested Restricted Stock Units will be made in Shares only. In no event will the Grantee be permitted, directly or indirectly, to specify the taxable year of the payment of

any Restricted Stock Units payable under the Agreement.

4. Vesting Schedule. Except as otherwise provided in this Agreement, the Restricted Stock Units awarded by this Agreement are scheduled to vest in accordance with the vesting schedule set forth in the Notice of Grant. Restricted Stock Units scheduled to vest on a particular date actually will vest only if the Grantee remains in Continued Service through such date. Should the Grantee's Continued Service end at any time (the "**Termination Date**"), any unvested Restricted Stock Units will be immediately cancelled; *provided, however*, that if termination of Continued Service results from the Grantee's death, Disability or Retirement (as defined in Paragraph 29 below), then any unvested Restricted Stock Units shall vest as follows:

(a) If termination of Continued Service is due to the Grantee's death or Disability, the unvested portion of this Restricted Stock Unit shall vest in full on the Termination Date;

(b) If termination of Continued Service is due to Retirement and the Grantee is less than age 60, the unvested portion of this Restricted Stock Unit that would have vested by its terms within twelve (12) months from the Termination Date shall continue to vest as set forth in the Notice of Grant despite the termination of service;

(c) If termination of Continued Service is due to Retirement and the Grantee is age 60 on the Termination Date, the unvested portion of this Restricted Stock Unit that would have vested by its terms within twenty-four (24) months from the Termination Date shall continue to vest as set forth in the Notice of Grant despite the termination of service;

(d) If termination of Continued Service is due to Retirement and the Grantee is age 61 on the Termination Date, the unvested portion of this Restricted Stock Unit that would have vested by its terms within thirty-six (36) months from the Termination Date shall continue to vest as set forth in the Notice of Grant despite the termination of service; or

(e) If termination of Continued Service is due to Retirement and the Grantee is age 62 or older on the Termination Date, the entire unvested portion of this Restricted Stock Unit shall continue to vest as set forth in the Notice of grant despite the termination of Service;

provided further, *however*, that Grantee is in full compliance with all the terms of this Agreement at the time of vesting.

5. Committee Discretion. The Committee, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Committee. If the Committee, in its discretion, accelerates the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units and the Restricted Stock Units are "deferred compensation" within the meaning of Section 409A, the payment of such accelerated Restricted Stock Units nevertheless shall be made at the same time or times as if such Restricted Stock Units had vested in accordance with the vesting schedule set forth in the Notice of Grant (whether or not the Grantee remains in Continued Service through such date(s)). The immediately preceding sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to the sentence. Notwithstanding the foregoing, if such Restricted Stock Units that are "deferred compensation" within the meaning of Section 409A are accelerated in connection with the Grantee's termination of Continued Service (other than due to death), the Restricted Stock Units that vest on account of the Grantee's termination of Continued Service will not be considered due or payable until the Grantee has a "separation from service" within the meaning of Section 409A. In addition, if the Grantee is a "specified employee" within the meaning of Section 409A at the time of the Grantee's separation from service, then any such accelerated Restricted Stock Units described in the preceding sentence otherwise payable within the six (6) month period following the Grantee's separation from service instead will be paid on the date that is six (6) months and one (1) day following the date of the Grantee's separation from service, unless the Grantee dies following his or her separation from service, in which case, the accelerated Restricted Stock Units will be paid to the Grantee's estate as soon as practicable following his or her death, subject to Paragraph 9. Thereafter, such Restricted Stock Units shall continue to be paid in accordance with the vesting schedule set forth on the first page of this Agreement. Each payment payable to a U.S. taxpayer under this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). For purposes of this Agreement, "**Section 409A**" means Section 409A of the U.S. Internal Revenue Code of 1986, as amended, and any final Treasury Regulations and other Internal Revenue Service guidance thereunder, as each may be amended from

time to time.

6. Payment after Vesting. Any Restricted Stock Units that vest in accordance with Paragraph 4 will be released to the Grantee (or in the event of the Grantee's death, to his or her estate) in Shares as soon as practicable following the date of vesting, subject to Paragraph 9, but in no event later than the applicable two and one-half (2-½) month period of the "short-term deferral" rule set forth in the Section 1.409A-1(b)(4) of the Treasury Regulations issued under Section 409A. Notwithstanding the foregoing, if the Restricted Stock Units are "deferred compensation" within the meaning of Section 409A, the vested Restricted Stock Units will be released to the Grantee (or in the event of the Grantee's death, to his or her estate) in Shares as soon as practicable following the date of vesting, subject to Paragraph 9, but in no event later than the end of the calendar year that includes the date of vesting or, if later, the fifteen (15th) day of the third (3rd) calendar month following the date of vesting (provided that the Grantee will not be permitted, directly or indirectly, to designate the taxable year of the payment). Further, if some or all of the Restricted Stock Units that are "deferred compensation" within the meaning of Section 409A vest on account of the Grantee's termination of Continued Service (other than due to death) in accordance with Paragraph 4, the Restricted Stock Units that vest on account of the Grantee's termination of Continued Service will not be considered due or payable until the Grantee has a "separation from service" within the meaning of Section 409A. In addition, if the Grantee is a "specified employee" within the meaning of Section 409A at the time of the Grantee's separation from service (other than due to death), then any Restricted Stock Units accelerated on account of the Grantee's separation from service will be paid to the Grantee no earlier than six (6) months and one (1) day following the date of the Grantee's separation from service unless the Grantee dies following his or her separation from service, in which case, the Restricted Stock Units will be paid to the Grantee's estate as soon as practicable following his or her death, subject to Paragraph 9. Any Restricted Stock Units that vest in accordance with Paragraph 5 will be paid to the Grantee (or in the event of the Grantee's death, to his or her estate) in Shares in accordance with the provision of such paragraph, subject to Paragraph 9.

7. Forfeiture. Notwithstanding any contrary provision of this Agreement, the balance of the Restricted Stock Units that have not vested pursuant to Paragraphs 4 or 5 at the time the Grantee ceases to be in Continued Service will be forfeited and automatically transferred to and reacquired by the Company at no cost to the Company. The Grantee shall not be entitled to a refund of any of the price paid for the Restricted Stock Units forfeited to the Company pursuant to this Paragraph 7.

8. Death of Grantee. Any distribution or delivery to be made to the Grantee under this Agreement will, if the Grantee is then deceased, be made to the administrator or executor of the Grantee's estate (or such other person to whom the Restricted Stock Units are transferred pursuant to the Grantee's will or in accordance with the laws of descent and distribution). Any such transferee must furnish the Company (a) written notice of his or her status as a transferee, (b) evidence satisfactory to the Company to establish the validity of the transfer of these Restricted Stock Units and compliance with any laws or regulations pertaining to such transfer, and (c) written acceptance of the terms and conditions of this Restricted Stock Unit grant as set forth in this Agreement.

9. Withholding of Taxes. When the Shares are issued as payment for vested Restricted Stock Units, the Grantee will recognize immediate U.S. taxable income if the Grantee is a U.S. taxpayer. If the Grantee is a non-U.S. taxpayer, the Grantee may be subject to applicable taxes in his or her jurisdiction. The Company (or the employing parent of the Company or Subsidiary) will withhold a portion of the Shares otherwise issuable in payment for vested Restricted Stock Units that have an aggregate market value sufficient to pay the minimum federal, state and local income, employment and any other applicable taxes required to be withheld by the Company (or the employing parent of the Company or Subsidiary) with respect to the Shares. No fractional Shares will be withheld or issued pursuant to the grant of Restricted Stock Units and the issuance of Shares thereunder. The Company (or the employing parent of the Company or Subsidiary) may instead, in its discretion, withhold an amount necessary to pay the applicable taxes from the Grantee's paycheck, with no withholding of Shares. In the event the withholding requirements are not satisfied through the withholding of Shares (or, through the Grantee's paycheck, as indicated above), no payment will be made to the Grantee (or his or her estate) for Restricted Stock Units unless and until satisfactory arrangements (as determined by the Committee) have been made by the Grantee with respect to the payment of any income and other taxes which the Company determines must be withheld or collected with respect to such Restricted Stock Units. By accepting this Award, the Grantee expressly consents to the withholding of Shares and to any cash or Share withholding as provided for in this Paragraph 9. All income and other taxes related to the Restricted Stock Unit award and any Shares delivered in payment thereof are the sole responsibility of the Grantee. In no event will the Company reimburse the Grantee for any taxes that may be imposed on the Grantee as result of Section 409A.

10. Rights as Stockholder. Neither the Grantee nor any person claiming under or through the Grantee shall have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) shall have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to the Grantee (including through electronic delivery to a brokerage account).

Notwithstanding any contrary provisions of this Agreement, any quarterly or other regular, periodic dividends or distributions (as determined by the Company) paid on Shares will accrue with respect to (i) unvested Restricted Stock Units and (ii) Restricted Stock Units that are vested but unpaid, and no such dividends or other distributions will be paid on Restricted Stock Units nor Restricted Stock Units that are vested but unpaid pursuant to Paragraph 5, and in each case will be subject to the same forfeiture provisions (if any), and be paid out at the same time or time(s), as the underlying Restricted Stock Units on which such dividends or other distributions have accrued. After such issuance, recordation and delivery, the Grantee will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

11. No Effect on Employment or Service. The Grantee's employment with the Company and any parent of the Company or Subsidiary is on an at-will basis only, subject to the provisions of applicable law. Accordingly, subject to any written, express employment contract with the Grantee, nothing in this Agreement or the Plan shall confer upon the Grantee any right to continue to be employed by the Company or any parent of the Company or Subsidiary or shall interfere with or restrict in any way the rights of the Company or the employing parent of the Company or Subsidiary, which are hereby expressly reserved, to terminate the employment of the Grantee at any time for any reason whatsoever, with or without cause and with or without notice. Such reservation of rights can be modified only in an express written contract executed by a duly authorized officer of the Company or the parent of the Company or Subsidiary employing the Grantee.

12. Address for Notices. Any notice to be given to the Company under the terms of this Agreement shall be addressed to the Company, in care of its Secretary at the Company's headquarters, P.O. Box 10212, 56 Top Gallant Road, Stamford, CT 06902-7700, or at such other address as the Company may hereafter designate in writing.

13. Grant is Not Transferable. Except to the limited extent provided in Paragraph 8 above, this grant and the rights and privileges conferred hereby shall not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or of any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately shall become null and void. Notwithstanding the preceding, the Grantee may transfer (not for consideration and for bona fide estate planning purposes) the Restricted Stock Units awarded under this Agreement to a revocable estate planning trust that is established solely for the benefit of Grantee and his or her immediate family. Any such transfer will be permitted only if it is in compliance with such rules and procedures as the Company may establish from time to time. Among other things, Grantee must acknowledge and agree that (a) for U.S. income tax purposes, all taxable income from the Restricted Stock Units will be reported to Grantee alone, (b) if Grantee proposes to change the nature or character of the transferee trust, Grantee first must inform the Company and the Company may require that the Restricted Stock Units be transferred back to Grantee alone, and (c) no additional other or further transfers of the Restricted Stock Units will be permitted under any circumstance.

14. Non-Competition. The Grantee agrees that, during the Restraint Period, for any reason, the Grantee will not engage in any Competitive Act within the Non-Compete Area. For purposes of this Agreement, "**Competitive Act**" (independently and collectively) shall mean any direct or indirect instance of (a) the development, marketing or selling of, or assisting others to develop, market or sell, research and/or advisory services in the areas of information technology, supply chain management, and/or digital marketing or any other area that competes with the Company or any of its or its subsidiaries' products or services, regardless of the manner in which such research and/or advisory services are provided, or (b) the solicitation, directly or indirectly, of the Company's clients or known prospects for the purposes of developing, digital marketing or selling the products or services referred to in clause (a), by the Grantee (whether as a consultant, analyst, sales person, independent contractor, agent, independent business venturer, partner, member, employee or otherwise). "**Non-Compete Area**" shall mean any jurisdiction or location in which the Company conducts business or has clients or prospects, including Europe, North America, the USA, the United Kingdom, Australia, Asia, Asia-Pacific & Japan, Middle East, Central and South America, or Africa. "**Restraint Period**" shall mean the period of three (3) years following the last date on which any Restricted Stock Units vest. During the Restraint Period, the Grantee will notify (in writing and not less than 72 hours in advance) the Company's General Counsel if he or she intends to become an employee or other service provider of any entity other than the Company (for example, but not by way of limitation, as an employee, consultant, analyst, sales person, independent contractor, agent, independent business venturer, partner or member). The Grantee agrees that the restrictions in this Paragraph 14 will apply as if they consisted of several separate, independent and cumulative covenants and restraints. Employee further agrees that if any separate covenant and restraint described in this Paragraph 14 is unenforceable, illegal or void, that covenant and restraint is severed and the other covenants and restraints remain in full force and effect. It will not be a violation of this Agreement for the Grantee to take an accounting and finance position with an entity that derives a portion (but less than a majority) of its revenues from Competitive Acts, provided that the Grantee does not engage in sales, marketing, development, operational or strategic activities related to such

Competitive Acts and or the portion of the New Entity related thereto. It also will not be a violation of this Agreement for the Grantee to take a senior executive position with an entity (the "**New Entity**") so long the New Entity itself does not engage in any Competitive Act, it being understood that affiliated corporations of the New Entity may engage in Competitive Acts but only if both the group of affiliated entities that includes the New Entity derives less than a majority of its revenues from Competitive Acts and the Grantee does not engage in any sales, marketing, development, operational or strategic activities related to such Competitive Acts. Notwithstanding the foregoing, during the final eighteen (18) months of the Restraint Period, only the following entities and their successors will be deemed to be engaged in Competitive Acts: Forrester, IDG (inclusive of IDC), Informa (inclusive of Ovum and Datamonitor), The Advisory Board Company (ABCO), IHS/Markit, Info-Tech Research, ISG (Information Services Group), The 451 Group (inclusive of Yankee, Uptime Research, etc.), eMarketer, Sirius Decisions, G2Crowd, TechTarget, Apptio, Accenture, UBM, Hackett Group, Gerson Lehrman Group (GLG) and TrustRadius; provided, however, that the Company may modify the foregoing list of entities considered to be engaging in Competitive Acts at any time upon at least thirty (30) days' written notice to the Grantee.

Grantee acknowledges that the time, geographic and scope limitations of his/her obligations set forth herein are fair and reasonable in all respects, especially in light of the international scope and nature of the Company's business, and that Grantee will not be precluded from gainful employment if he/she is obligated not to compete with the Company or solicit its customers or others during the Restraint Period and within the Non-Compete Area as described above. In the event of Grantee's breach or violation of the above restrictions, or good faith allegation by the Company of his/her breach or violation of the above restrictions, the Restraint Period shall be tolled until such breach or violation, or dispute related to an allegation by the Company that Grantee has breached or violated the above restrictions, has been duly cured or resolved, as applicable. Grantee understands that any breach or threatened breach of the above restrictions will cause irreparable injury and that money damages will not provide an adequate remedy therefor and Grantee hereby consents to the issuance of an injunction without posting of a bond.

15. Non-Solicitation and No-Hire. The Grantee agrees that for the duration of the Restraint Period, the Grantee shall not directly or indirectly solicit, induce, hire, recruit or encourage any of the Company's employees, agents or contractors to leave their employment or engagement with the Company, whether on the Grantee's own behalf or on behalf of any other person or entity. General mass solicitations of employment that are not directed at the Company or any employee(s) of the Company shall not be prohibited by this Paragraph 15. In the event of Grantee's breach or violation of the above restrictions, or good faith allegation by the Company of his/her breach or violation of the above restrictions, the Restraint Period shall be tolled until such breach or violation, or dispute related to an allegation by the Company that Grantee has breached or violated the above restrictions, has been duly cured or resolved, as applicable.

16. Successors and Assigns. The Company may assign any of its rights under the Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. The rights and obligations of the Grantee under this Agreement may be assigned only with the prior written consent of the Company.

17. Restrictions on Sale of Securities. The Shares issued as payment for vested Restricted Stock Units awarded under this Agreement will be registered under the federal securities laws and will be freely tradable upon receipt. However, the Grantee's subsequent sale of the Shares will be subject to any market blackout-period that may be imposed by the Company and must comply with the Company's insider trading policies, and any other applicable securities laws.

18. Binding Agreement. Subject to the limitation on the transferability of this grant contained herein, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

19. Conditions for Issuance of Stock. The shares of stock deliverable to the Grantee may be either previously authorized but unissued shares or issued shares which have been reacquired by the Company. The Company shall not be required to transfer on its books or list in street name with a brokerage company or otherwise issue any certificate or certificates for Shares hereunder prior to fulfillment of all the following conditions: (a) the admission of such Shares to listing on all stock exchanges on which such class of stock is then listed; and (b) the completion of any registration or other qualification of such Shares under any state or federal law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, which the Committee shall, in its absolute discretion, deem necessary or advisable; and (c) the obtaining of any approval or other clearance from any state or federal governmental agency, which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and (d) the lapse of such reasonable period of time following the date of vesting of the Restricted Stock Units as the Committee may establish from time to time for reasons of administrative convenience.

20. Plan Governs. This Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or

more provisions of this Agreement and one or more provisions of the Plan, the provisions of the Plan shall govern. Capitalized terms used and not defined in this Agreement shall have the meaning set forth in the Plan.

21. Committee Authority. The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Grantee, the Company and all other persons, and shall be given the maximum deference permitted by law. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement.

22. Electronic Delivery and Acceptance. The Company, in its sole discretion, may decide to deliver any documents related to Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

23. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

24. Agreement Severable. In the event that any provision in this Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Agreement.

25. Entire Agreement. This Agreement constitutes the entire understanding of the parties on the subjects covered. The Grantee expressly warrants that he or she is not executing this Agreement in reliance on any promises, representations, or inducements other than those contained herein.

26. Modifications to the Agreement; Clawback. This Agreement constitutes the entire understanding of the parties on the subjects covered. The Grantee expressly warrants that he or she is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without the consent of the Grantee, to avoid imposition of any additional tax or income recognition under Section 409A prior to the actual payment of Shares pursuant to this award of Restricted Stock Units, provided that such revision would not materially reduce the economic benefits provided or intended to be provided under this Agreement. Additionally, this Agreement and the award made hereunder shall be subject to any clawback policy which the Company may adopt from time to time as required by law or otherwise.

27. Amendment, Suspension or Termination of the Plan. By accepting this award, the Grantee expressly warrants that he or she has received an award under the Plan, and has received, read and understood a description of the Plan. The Grantee understands that the Plan is discretionary in nature and may be modified, suspended or terminated by the Company at any time.

28. Governing Law. This grant of Restricted Stock Units shall be governed by, and construed in accordance with, the laws of the State of Connecticut, without regard to its conflict of laws provisions.

29. Defined Terms: Capitalized terms used in this Agreement without definition will have the meanings provided for in the Plan. When used in this Agreement, the following capitalized terms will have the following meanings:

> "Continued Service" means that your employment relationship is not interrupted or terminated by you, the Company, or any parent or Subsidiary of the Company. Your employment relationship will not be considered interrupted in the case of: (i) any leave of absence approved in accordance with the Company's written personnel policies, including sick leave, family leave, military leave, or any other approved personal leave; or (ii) transfers between locations of the Company or between the Company and any parent, Subsidiary or successor; *provided*, *however*, that, unless otherwise provided in the Company's written personnel policies, in this Agreement or under applicable laws, rules or regulations, or unless the Committee has otherwise expressly provided for different treatment with respect to this Agreement, (x) no

such leave may exceed ninety (90) days, and (y) any vesting shall cease on the ninety-first (91^{st}) consecutive date of any leave of absence during which your employment relationship is deemed to continue and will not recommence until such date, if any, upon which you resume service with the Company, its parent, Subsidiary or successor. If you resume such service in accordance with the terms of the Company's military leave policy, upon resumption of service you will be given vesting credit for the full duration of your leave of absence. Continuous employment will be deemed interrupted and terminated for an Employee if the Grantee's weekly work hours change from full time to part time. Part-time status for the purpose of vesting continuation will be determined in accordance with policies adopted by the Company from time to time, which policies, if any, shall supersede the determination of part-time status set forth in the Company's posted "employee status definitions".

"Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code.

"Retirement" means termination of your employment in accordance with the Company's retirement policies, as in effect from time to time, if on the date of such termination (i) you are at least 55 years old and your Continued Service has extended for at least five (5) years, and (ii) the number of full years in your age and your number of full years of Continued Service total at least 65. By way of illustration, if you terminate your employment in accordance with the Company's retirement policies on your 63rd birthday after six (6) years of Continued Service, your total would be 69 and your termination would be treated as a Retirement; if your Continued Service had extended for only four (4) years, your total would be 67 but your termination would not be treated as a Retirement since you would not have met the minimum of five (5) years of Continued Service.

Your acceptance of this grant indicates your agreement and understanding that this grant is subject to all of the terms and conditions contained in the Plan and this Award Agreement, which includes the Notice of Grant and this Agreement.

In addition, by your acceptance of this Restricted Stock Unit grant and in consideration of such grant, you hereby ratify and reaffirm the "Agreement Regarding Certain Conditions of Employment" (the "Gartner Agreement") previously entered into between you and the Company, including but not limited to the confidentiality and post-employment restrictions on competition set forth therein, and/or you hereby agree to comply with all of the terms and conditions of the Gartner Agreement, which is incorporated herein by this reference.

Exhibit 31.1

CERTIFICATION

I, Eugene A. Hall, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d - 15(f)) 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. 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

d. 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 our 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.

November 2, 2017

/s/ Eugene A. Hall

Eugene A. Hall
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Craig W. Safian, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d - 15(f)) 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. 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

d. 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 our 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.

November 2, 2017

/s/ Craig W. Safian

Craig W. Safian
Chief Financial Officer

Exhibit 32

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 quarter ended September 30, 2017, 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. § 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/ Eugene A. Hall
Name: Eugene A. Hall
Title: Chief Executive Officer
Date: November 2, 2017

/s/ Craig W. Safian
Name: Craig W. Safian
Title: Chief Financial Officer
Date: November 2, 2017

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.