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

Form 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2011

OR

o **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 þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer þ	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

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

As of July 29, 2011, 96,528,332 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)

	June 30, 2011	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	$ 125,341	$ 120,181
Fees receivable, net	360,564	364,818
Deferred commissions	65,866	71,955
Prepaid expenses and other current assets	73,838	64,148
Total current assets	625,609	621,102
Property, equipment and leasehold improvements, net	52,922	47,614
Goodwill	516,027	510,265
Intangible assets, net	8,537	13,584
Other assets	92,877	93,093
Total Assets	$ 1,295,972	$ 1,285,658
Liabilities and Stockholders’ Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 172,314	$ 247,733
Deferred revenues	572,053	523,263
Current portion of long-term debt	55,000	40,156
Total current liabilities	799,367	811,152
Long-term debt	165,000	180,000
Other liabilities	115,786	107,450
Total Liabilities	1,080,153	1,098,602
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; 156,234,415 shares issued for both periods	78	78
Additional paid-in capital	628,545	611,782
Accumulated other comprehensive income, net	14,363	14,638
Accumulated earnings	667,091	605,677
Treasury stock, at cost, 59,709,249 and 60,245,718 common shares, respectively	(1,094,258)	(1,045,119)
Total Stockholders’ Equity	215,819	187,056
Total Liabilities and Stockholders’ Equity	$ 1,295,972	$ 1,285,658

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 June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Revenues:				
Research	$ 250,015	$ 209,095	$ 493,450	$ 419,768
Consulting	77,962	75,760	148,592	147,399
Events	37,566	29,340	53,068	42,861
Total revenues	365,543	314,195	695,110	610,028
Costs and expenses:				
Cost of services and product development	152,461	138,336	285,777	261,382
Selling, general and administrative	152,758	130,322	294,430	260,890
Depreciation	6,234	6,440	12,505	13,024
Amortization of intangibles	2,522	2,537	5,049	5,463
Acquisition and integration charges	—	2,330	—	5,841
Total costs and expenses	313,975	279,965	597,761	546,600
Operating income	51,568	34,230	97,349	63,428
Interest expense, net	(2,797)	(3,180)	(5,581)	(6,564)
Other (expense) income, net	(571)	(643)	(953)	1,109
Income before income taxes	48,200	30,407	90,815	57,973
Provision for income taxes	15,977	10,294	29,401	18,457
Net income	$ 32,223	$ 20,113	$ 61,414	$ 39,516
Income per common share:				
Basic	$ 0.33	$ 0.21	$ 0.64	$ 0.41
Diluted	$ 0.32	$ 0.20	$ 0.62	$ 0.40
Weighted average shares outstanding:				
Basic	96,886	95,657	96,664	95,810
Diluted	99,340	98,855	99,642	99,689

See the accompanying notes to the condensed consolidated financial statements.

GARTNER, INC.

Condensed Consolidated Statements of Cash Flows

(Unaudited, in thousands)

	Six Months Ended June 30,	
	2011	**2010**
Operating activities:		
Net income	$ 61,414	$ 39,516
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of intangibles	17,554	18,487
Stock-based compensation expense	16,993	16,034
Excess tax benefits from stock-based compensation	(21,940)	(7,821)
Deferred taxes	(1,395)	(707)
Amortization of debt issue costs	1,182	531
Changes in assets and liabilities:		
Fees receivable, net	11,915	21,359
Deferred commissions	7,561	13,497
Prepaid expenses and other current assets	(2,098)	5,150
Other assets	(792)	(33,572)
Deferred revenues	35,478	26,631
Accounts payable, accrued, and other liabilities	(61,959)	(37,513)
Cash provided by operating activities	63,913	61,592
Investing activities:		
Additions to property, equipment and leasehold improvements	(9,460)	(7,693)
Acquisitions (net of cash received)	—	(12,151)
Cash used in investing activities	(9,460)	(19,844)
Financing activities:		
Proceeds from stock issued under stock plans	16,347	10,997
Proceeds from debt issuance	10,000	63,000
Payments on debt	(10,156)	(35,000)
Purchases of treasury stock	(87,859)	(75,104)
Excess tax benefits from stock-based compensation	21,940	7,821
Cash used by financing activities	(49,728)	(28,286)
Net increase in cash and cash equivalents	4,725	13,462
Effects of exchange rates on cash and cash equivalents	435	(7,672)
Cash and cash equivalents, beginning of period	120,181	116,574
Cash and cash equivalents, end of period	$ 125,341	$ 122,364

See the accompanying notes to the condensed consolidated financial statements.

Note 1 — Business and Basis of Presentation

Business. Gartner, Inc. is a global information technology research and advisory company with its headquarters in Stamford, Connecticut. Gartner, Inc. delivers its principal products and services through three business segments: Research, Consulting, and Events.

Basis of presentation. These interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States of America, as defined in the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 270 for interim financial information and with the instructions to Securities and 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 Gartner, Inc. filed in its Annual Report on Form 10-K for the year ended December 31, 2010.

The fiscal year of Gartner, Inc. (the “Company”) represents the period from January 1 through December 31. When used in these notes, the terms “Company,” “we,” “us,” or “our” refer to Gartner, Inc. and its consolidated subsidiaries. In the opinion of management, all normal recurring accruals 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 six months ended June 30, 2011 may not be indicative of the results of operations for the remainder of 2011.

Principles of consolidation. The accompanying interim condensed consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. All significant 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 accounts 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, and the allowance for losses. Management believes its use of estimates in these interim condensed consolidated financial statements to be reasonable.

Management continuously evaluates and revises its estimates using historical experience and other factors, including the general economic environment and actions it may take in the future. We adjust such 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 our 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.

Note 2 — Comprehensive Income

The components of Comprehensive income include net income, foreign currency translation adjustments, unrealized gains and losses on interest rate swaps, and deferred gains and losses on defined benefit pension plans. Amounts recorded in Comprehensive income were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Net income:	$ 32,223	$ 20,113	$ 61,414	$ 39,516
Other comprehensive loss, net of tax effect:				
Foreign currency translation adjustments	672	(3,789)	1,524	(6,329)
Unrealized (loss) gain on interest rate swaps	(2,563)	906	(1,732)	1,584
Amortization of pension unrealized gain	(34)	(54)	(67)	(113)
Other comprehensive loss	(1,925)	(2,937)	(275)	(4,858)
Comprehensive income	$ 30,298	$ 17,176	$ 61,139	$ 34,658

Note 3 — Computation of Earnings per Share

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Numerator:				
Net income used for calculating basic and diluted earnings per share	$ 32,223	$ 20,113	$ 61,414	$ 39,516
Denominator:				
Weighted average number of common shares used in the calculation of basic earnings per share	96,886	95,657	96,664	95,810
Common stock equivalents associated with stock-based compensation plans (1), (2)	2,454	3,198	2,978	3,879
Shares used in the calculation of diluted earnings per share	99,340	98,855	99,642	99,689
Basic earnings per share	$ 0.33	$ 0.21	$ 0.64	$ 0.41
Diluted earnings per share	$ 0.32	$ 0.20	$ 0.62	$ 0.40

(1) For the three months ended June 30, 2011 and 2010, 0.8 million and 1.6 million respectively, of common stock equivalents were not included in the computation of diluted earnings per share because the effect would have been anti-dilutive.

(2) For the six months ended June 30, 2011 and 2010, 0.3 million and 0.4 million respectively, of common stock equivalents were not included in the computation of diluted earnings per share because the effect would have been 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- and performance-based restricted stock units, and common stock equivalents. At June 30, 2011, the Company had approximately 6.4 million shares of its common stock, par value $.0005 per share (the "Common Stock") available for awards of stock-based compensation under its 2003 Long-Term Incentive Plan.

The Company accounts for stock-based compensation in accordance with FASB ASC Topics 505 and 718, as interpreted by SEC Staff Accounting Bulletins No. 107 ("SAB No. 107") and No. 110 ("SAB No. 110"). Stock-based compensation expense is based on the fair value of the award on the date of grant, which is recognized over the related service period, net of estimated forfeitures. The service period is the period over which the related service is performed, which is generally the same as the vesting period. At the present time, 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 compensation awards requires the input of certain complex and subjective assumptions, including the expected life of the stock compensation awards and the Common Stock price volatility. In addition, determining the appropriate amount of associated periodic expense requires management to estimate the amount of employee forfeitures and the likelihood of the achievement of certain performance targets. The assumptions used in calculating the fair value of stock compensation awards and the associated periodic expense represent management's best estimates, but these estimates involve inherent uncertainties and the application of judgment. As a result, if factors 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 compensation expense could be materially different from what has been recorded in the current period.

Stock-Based Compensation Expense

The Company recognized the following amounts of stock-based compensation expense by award type in the periods indicated (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
Award type:	2011	2010	2011	2010
Stock appreciation rights (SARs)	$ 0.9	$ 1.1	$ 2.4	$ 2.8
Common stock equivalents (CSEs)	0.1	0.1	0.3	0.2
Restricted stock units (RSUs)	6.8	5.6	14.3	13.0
Total	$ 7.8	$ 6.8	$ 17.0	$ 16.0

Stock-based compensation expense was recognized in the Consolidated Statements of Operations as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
Amount recorded in:	**2011**	**2010**	**2011**	**2010**
Cost of services and product development	$ 3.4	$ 3.1	$ 7.9	$ 7.8
Selling, general and administrative	4.4	3.7	9.1	8.2
Total stock-based compensation expense	$ 7.8	$ 6.8	$ 17.0	$ 16.0

As of June 30, 2011, the Company had $57.5 million of total unrecognized stock-based compensation cost, which is expected to be expensed over the remaining weighted-average service period of approximately 2.4 years.

Stock-Based Compensation Awards

The following disclosures 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) are settled in common shares and are similar to stock options as they permit the holder to participate in the appreciation of the Common Stock. SARs may be settled in shares of Common Stock by the employee once the applicable vesting criteria have been met. SARs vest ratably over a four-year service period and expire seven years from the grant date. The fair value of SARs awards is recognized as compensation expense on a straight-line basis over four years. Presently, SARs are awarded only 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 SARs exercise (calculated as the closing price of the Common Stock on the date of exercise less the exercise price of the SARs, multiplied by the number of SARs exercised) is divided by (2) the closing price of the Common Stock on the exercise date. The Company withholds a portion of the shares of Common Stock issued upon exercise to satisfy minimum statutory tax withholding requirements. SARs recipients do not have any stockholder rights until after actual 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.

A summary of the changes in SARs outstanding for the six months ended June 30, 2011, follows:

	SARs in millions	Per Share Weighted-Average Exercise Price	Per Share Weighted-Average Grant Date Fair Value	Weighted Average Remaining Contractual Term
Outstanding at December 31, 2010	2.5	$ 17.22	$ 6.62	4.55 years
Granted	0.4	38.05	13.58	6.65 years
Forfeited	—	—	—	na
Exercised	(0.3)	16.96	6.62	na
Outstanding at June 30, 2011 (1), (2)	2.6	$ 20.13	$ 7.58	4.50 years
Vested and exercisable at June 30, 2011 (1)	1.2	$ 17.71	$ 6.67	3.54 years

na=not applicable

(1) Total SARs outstanding had an intrinsic value of $52.0 million. SARs vested and exercisable had an intrinsic value of $27.1 million.

(2) Approximately 1.4 million of these outstanding SARs were unvested. The Company expects that substantially all of these unvested awards will vest in future periods.

The fair value of the SARs was estimated on the date of grant using the Black-Scholes-Merton valuation model with the following weighted-average assumptions:

	Six Months Ended June 30, (1)	
	2011	**2010**
Expected dividend yield (2)	0%	0%
Expected stock price volatility (3)	38%	40%
Risk-free interest rate (4)	2.2%	2.4%
Expected life in years (5)	4.8	4.8

(1) The Company did not make any SARs grants during the three months ended June 30, 2011 or June 30, 2010.

(2) The dividend yield assumption is based on the history and expectation of the Company's dividend payouts. Historically, Gartner has not paid cash dividends on its Common Stock.

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

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

(5) The expected life represents a weighted-average estimate of the period of time the SARs are expected to be outstanding (that is, the period between the service inception date and the expected exercise date). The expected life in years is based on the "simplified" calculation permitted by SEC SAB No. 107. Under the simplified method, the expected life is calculated by taking the average of the vesting period plus the original contractual term and dividing by two.

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 the restrictions lapse, and each RSU that vests entitles the awardee to one common share. RSU awardees do not have any stockholder rights until after the common shares are released. The fair value of RSUs is determined on the date of grant based on the closing price of the Common Stock as reported by 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 four years. Performance-based RSUs are subject to both performance and service conditions, vest ratably over four years, and are expensed on an accelerated basis.

A summary of the changes in RSUs during the six months ended June 30, 2011 follows:

	Restricted Stock Units (RSUs)	Per Share Weighted Average Grant Date Fair Value
Outstanding at December 31, 2010	3,868,271	$ 16.52
Granted (1)	668,458	38.07
Vested	(1,390,310)	17.17
Forfeited	(84,126)	20.20
Outstanding at June 30, 2011 (2), (3)	3,062,293	$ 21.48

(1) The 0.7 million RSUs granted in 2011 consisted of 0.3 million performance-based RSUs awarded to executives and 0.4 million service-based RSUs awarded to non-executive employees and certain board members. The 0.3 million performance-based RSUs represents the target amount of the award. The actual number of performance-based RSUs that will ultimately be granted will be between 0% and 200% of the target amount, depending on the performance metric achieved. For 2011, the performance metric is the dollar level of the Company's subscription-based contract value at December 31, 2011. If the specified minimum level of achievement is not met, the performance-based RSUs will be forfeited in their entirety, and any compensation expense already recorded will be reversed.

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

(3) The weighted-average remaining contractual term of the outstanding RSUs is approximately 1.5 years.

Common Stock Equivalents

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

A summary of changes in CSEs during the six months ended June 30, 2011, follows:

	Common Stock Equivalents (RSUs)	Per Share Weighted Average Grant Date Fair Value
Outstanding at December 31, 2010	117,208	$ na
Granted	6,057	41.30
Converted to common shares	(2,834)	na
Forfeited	—	na
Outstanding at June 30, 2011	120,431	$ na

na=not available

Stock Options

Historically, the Company granted stock options to employees that allowed them to purchase shares of the Common Stock at a certain price. The Company has not made any stock option grants since 2006. All outstanding options are fully vested and there is no remaining unamortized cost. The Company received $14.6 million and $9.5 million in cash from option exercises in the six months ended June 30, 2011 and 2010, respectively.

A summary of the changes in stock options outstanding in the six months ended June 30, 2011 follows:

	Options in millions	Per Share Weighted-Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (in millions)
Vested and outstanding at December 31, 2010	2.6	$ 11.13	2.59 years	$ 58.2
Expired	—	—	na	na
Exercised (1)	(1.3)	11.50	na	na
Vested and outstanding at June 30, 2011	1.3	$ 10.79	1.80 years	$ 40.5

na=not applicable

(1) Options exercised during the six months ended June 30, 2011 had an intrinsic value of $34.0 million.

Employee Stock Purchase Plan

The Company has an employee stock purchase plan (the “ESPP Plan”) under which eligible employees are permitted to purchase 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 by the New York Stock Exchange at the end of each offering period.

At June 30, 2011, the Company had approximately 1.4 million shares available for purchase under the ESPP Plan. The ESPP Plan is considered non-compensatory under FASB ASC Topic 718, and as a result the Company does not record compensation expense for employee share purchases. The Company received $1.8 million and $1.5 million in cash from share purchases under the ESPP Plan in the six months ended June 30, 2011 and 2010, respectively.

The Company’s Board of Directors and Stockholders have approved a new Employee Stock Purchase Plan that will be effective September 1, 2011. The shares remaining available under the current ESPP Plan on August 31, 2011 will be transferred to the new plan, and no additional shares will be reserved for issuance under the new plan.

Note 5 — Segment Information

The Company manages its business through three reportable segments: Research, Consulting and Events. Research consists primarily of subscription-based research products, access to research inquiry, as well as peer networking services and membership programs. Consulting consists primarily of consulting, measurement engagements, and strategic advisory services. Events consists of various symposia, conferences, and exhibitions.

The Company evaluates reportable 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 and Selling, general and administrative expenses, depreciation, acquisition and integration charges, amortization of intangibles, and Other 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 inter-segment 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 information about the Company's reportable segments (in thousands):

Three Months Ended June 30, 2011:	Research	Consulting	Events	Consolidated
Revenues	$ 250,015	$ 77,962	$ 37,566	$ 365,543
Gross contribution	168,304	28,873	17,315	214,492
Corporate and other expenses				(162,924)
Operating income				51,568
Interest expense, net				(2,797)
Other expense, net				(571)
Income before income taxes				$ 48,200

Three Months Ended June 30, 2010:	Research	Consulting	Events	Consolidated
Revenues	$ 209,095	$ 75,760	$ 29,340	$ 314,195
Gross contribution	135,970	31,819	11,499	179,288
Corporate and other expenses				(145,058)
Operating income				34,230
Interest expense, net				(3,180)
Other expense, net				(643)
Income before income taxes				$ 30,407

Six Months Ended June 30, 2011:	Research	Consulting	Events	Consolidated
Revenues	$ 493,450	$ 148,592	$ 53,068	$ 695,110
Gross contribution	332,805	54,362	22,980	410,147
Corporate and other expenses				(312,798)
Operating income				97,349
Interest expense, net				(5,581)
Other expense, net				(953)
Income before income taxes				$ 90,815

Six Months Ended June 30, 2010:	Research	Consulting	Events	Consolidated
Revenues	$ 419,768	$ 147,399	$ 42,861	$ 610,028
Gross contribution	274,706	60,241	16,714	351,661
Corporate and other expenses				(288,233)
Operating income				63,428
Interest expense, net				(6,564)
Other income, net				1,109
Income before income taxes				$ 57,973

Note 6 — Goodwill and Intangible Assets

Goodwill

Goodwill represents the excess of the purchase price of acquired businesses over the estimated fair value of the tangible and identifiable intangible net assets acquired. The evaluation of goodwill is performed in accordance with FASB ASC Topic 350, which requires an annual assessment of potential goodwill impairment at the reporting unit level. A reporting unit can be an operating segment or a business if discrete financial information is prepared and reviewed by management. Under the impairment test, if a reporting unit's carrying amount exceeds its estimated fair value, goodwill impairment is recognized to the extent that the reporting unit's carrying amount of goodwill exceeds the implied fair value of the goodwill. The fair value of reporting units is estimated using discounted cash flows, market multiples, and other valuation techniques.

The following table presents changes to the carrying amount of goodwill by reporting segment during the six months ended June 30, 2011 (in thousands):

	Research	Consulting	Events	Total
Balance, December 31, 2010	$ 368,521	$ 99,817	$ 41,927	$ 510,265
Foreign currency translation adjustments	4,862	798	102	5,762

Balance, June 30, 2011 (1)	$ 373,383	$ 100,615	$ 42,029	$ 516,027

(1) The Company did not record any goodwill impairment losses during the six months ended June 30, 2011. In addition, the Company does not have any accumulated goodwill impairment losses.

Amortizable Intangible Assets

The following tables present the carrying amounts of amortizable intangible assets as of June 30, 2011 and December 31, 2010 (in thousands):

June 30, 2011	Content	Trade Name	Customer Relationships	Total
Gross cost	$ 10,634	$ 5,758	$ 7,210	$ 23,602
Accumulated amortization	(10,634)	(1,727)	(2,704)	(15,065)
Net	$ —	$ 4,031	$ 4,506	$ 8,537

December 31, 2010	Content	Trade Name	Customer Relationships	Total
Gross cost	$ 10,634	$ 5,758	$ 7,210	$ 23,602
Accumulated amortization	(7,089)	(1,152)	(1,777)	(10,018)
Net	$ 3,545	$ 4,606	$ 5,433	$ 13,584

The Company's amortizable intangible assets are charged against earnings over the following periods:

	Content	Trade Name	Customer Relationships
Useful Life (Years)	1.5	5	4

Aggregate amortization expense related to intangible assets was $2.5 million for both the three months ended June 30, 2011 and 2010, and $5.0 million and $5.5 million for the six months ended June 30, 2011 and 2010, respectively.

The estimated future amortization expense by year from amortizable intangibles is as follows (in thousands):

2011 (remaining six months)	$ 1,483
2012	2,955
2013	2,955
2014	1,144
	$ 8,537

Note 7 — Debt

Credit Agreement

In December 2010, the Company entered into a new credit agreement with a syndication of banks led by JPMorgan Chase. The 2010 Credit Agreement provides for a five-year, $200.0 million term loan and a $400.0 million revolving credit facility. In addition, the 2010 Credit Agreement contains an expansion feature by which the term loan and revolving credit facility may be increased, at the Company's option and under certain conditions, by up to an additional $150.0 million in the aggregate.

The term loan will be repaid in 19 consecutive quarterly installments, which commenced on March 31, 2011, plus a final payment due on December 22, 2015, and may be prepaid at any time without penalty or premium at the Company's option. The revolving credit facility may be used for loans, and up to $40.0 million may be used for letters of credit. The revolving loans may be borrowed, repaid and re-borrowed until December 22, 2015, at which time all amounts borrowed must be repaid.

Amounts borrowed under the 2010 Credit Agreement bear interest at a rate equal to, at the Company's option, either (i) the greatest of: the administrative agent's prime rate; the average rate on overnight federal funds plus 1/2 of 1%; and the eurodollar rate (adjusted for statutory reserves) plus 1%, in each case plus a margin equal to between 0.50% and 1.25% depending on the Company's 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 1.50% and 2.25%, depending on the Company's leverage ratio as of the end of the four consecutive fiscal quarters most recently ended.

The 2010 Credit Agreement contains certain customary restrictive loan covenants, including, among others, financial covenants requiring a maximum leverage ratio, a minimum interest expense coverage ratio, and covenants limiting the Company's ability to incur indebtedness, grant liens, make acquisitions, be acquired, dispose of assets, pay dividends, repurchase stock, make capital expenditures, make investments and enter into certain transactions with affiliates. The Company was in full compliance with these covenants at June 30, 2011 and December 31, 2010.

The following table provides information regarding the Company's borrowings:

Description:	Amount Outstanding June 30, 2011 (In thousands)	Contractual Annualized Interest Rate June 30, 2011 (2)	Amount Outstanding December 31, 2010 (In thousands)
Term loans	$ 190,000	2.25%	$ 200,000
Revolver (1)	30,000	2.21%	20,156
Total	$ 220,000		$ 220,156

(1) The Company had $367.0 million of available borrowing capacity on the revolver (not including the expansion feature) as of June 30, 2011.

(2) The term loan rate consisted of a 0.25% Eurodollar base rate plus a margin of 2.00%, while the revolver rate consisted of a weighted-average Eurodollar base rate of 0.21% plus a margin of 2.00%. The Company has an interest rate swap contract which converts the floating Eurodollar base rate to a fixed base rate of 2.26% on $200.0 million of borrowings (see below). Including the impact of the swap, the annualized effective interest rate as of June 30, 2011 on $200.0 million of these borrowings was 4.26%.

Interest Rate Swap Hedge

The Company has a $200.0 million notional fixed-for-floating interest rate swap contract which it accounts for as a designated hedge of the forecasted interest payments on the Company's variable rate borrowings. Under the swap terms, the Company pays a base fixed rate of 2.26% and in return receives a three-month Eurodollar base rate.

The Company accounts for the interest rate swap as a cash flow hedge in accordance with FASB ASC Topic 815. Since the swap is hedging forecasted interest payments, changes in the fair value of the swap are recorded in OCI as long as the swap continues to be a highly effective hedge of the designated interest rate risk. Any ineffective portion of change in the fair value of the hedge is recorded in earnings. At June 30, 2011, there was no ineffective portion of the hedge. The interest rate swap had a negative fair value to the Company of $5.0 million at June 30, 2011, which is recorded in OCI, net of tax effect.

Letters of Credit

The Company issues letters of credit and related guarantees in the ordinary course of business. At June 30, 2011 and December 31, 2010, the Company had outstanding letters of credit and guarantees of $3.8 million and $4.7 million, respectively.

Note 8 — Equity and Stock Programs

Share Repurchase Program

The Company has a board approved $500.0 million share repurchase program. Repurchases under the program may be made from time-to-time through open market purchases, private transactions, tender offers or other transactions. The amount and timing of repurchases will be 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 also be made from time-to-time in connection with the settlement of the Company's shared-based compensation awards. Repurchases are funded from cash flow from operations or borrowings.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Number of shares repurchased (1)	932,624	1,636,341	2,343,452	3,140,041
Cost of repurchased shares (in thousands) (2)	$ 35,964	$ 39,932	$ 87,860	$ 75,104

(1) The 2010 share repurchases were made under the Company's previously authorized share repurchase program. The share repurchases for the six months ended June 30, 2011 includes 500,000 shares the Company repurchased directly from ValueAct Capital Master Fund L.P. ("ValueAct Capital") in February 2011 under a stock purchase agreement between the Company and ValueAct Capital.

(2) As of June 30, 2011, the Company had $416.2 million remaining for share repurchases under the $500.0 million share repurchase program.

Note 9 — Income Taxes

The provision for income taxes was $16.0 million for the three months ended June 30, 2011 compared to $10.3 million in the prior year quarter. The effective tax rate was 33.1% for the three months ended June 30, 2011 and 33.9% for the same period in 2010. The decrease in the effective tax rate was primarily due to the impact of a change in the estimated annual mix of pre-tax income by jurisdiction. The provision for income taxes was $29.4 million for the six months ended June 30, 2011 compared to $18.5 million in the prior year quarter. The effective tax rate was 32.4% for the six months ended June 30, 2011 and 31.8% for the same period in 2010.

At June 30, 2011 and December 31, 2010, the Company had gross unrecognized tax benefits of $17.8 million and $15.8 million, respectively. The increase of $2.0 million is primarily attributable to gross unrecognized tax benefits recorded during the period. It is reasonably possible that the gross unrecognized tax benefits will decrease by $1.2 million within the next 12 months, primarily due to settlements of outstanding audits and the expiration of the relevant statutes of limitation. At June 30, 2011 and December 31, 2010, the Company had Other liabilities of $16.6 million and $15.7 million, respectively, related to long term uncertain tax positions.

The Internal Revenue Service ("IRS") has completed its examination of the Federal income tax return of the Company for the tax year ended December 31, 2007. In December 2010 the Company received a report of the audit findings. The Company disagrees with certain of the proposed adjustments and is disputing this matter through applicable IRS and judicial procedures, as appropriate. In April 2011 the Company received notice that the IRS intends to conduct an audit of the 2008 and 2009 tax years. The audits for these years have commenced and are in the early stages of examination. Although the final resolution of these audits is uncertain and there are no assurances that the ultimate resolution will not exceed the amounts recorded, the Company believes that the ultimate disposition of these matters will not have a material adverse effect on our consolidated financial position, cash flows, or results of operations.

Note 10 — Derivatives and Hedging

The Company enters into a limited number of derivative contracts to offset the potentially negative economic effects of interest rate and foreign exchange movements. The Company accounts for its outstanding derivative contracts in accordance with FASB ASC Topic 815, which requires all derivatives, to include derivatives designated as accounting hedges, to be recorded on the balance sheet at fair value.

The following tables provide information regarding the Company's outstanding derivatives contracts (in thousands, except for number of outstanding contracts):

June 30, 2011

Derivative Contract Type	Number of Outstanding Contracts	Contract Notional Amounts	Fair Value Asset (Liability) (4)	Balance Sheet Line Item	Unrealized Loss Recorded in OCI
Interest Rate Swap (1)	1	$ 200,000	$ (4,988)	Accrued liabilities	$ (3,000)
Interest Rate Swaps (2)	2	92,250	(1,556)	Accrued liabilities	—
Foreign Currency Forwards (3)	18	83,500	(331)	Accrued Liabilities	—
Total	21	$ 375,750	$ (6,875)		$ (3,000)

December 31, 2010

Derivative Contract Type	Number of Outstanding Contracts	Contract Notional Amounts	Fair Value Asset (Liability) (4)	Balance Sheet Line Item	Unrealized Loss Recorded in OCI (1)
Interest Rate Swap (1)	1	$ 200,000	$ (2,101)	Other liabilities	$ (1,261)
Interest Rate Swaps (2)	2	147,750	(3,966)	Other liabilities	—
Foreign Currency Forwards (3)	63	250,220	618	Other current assets	—
Total	66	$ 597,970	$ (5,449)		$ (1,261)

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(1) The Company entered into this swap on December 22, 2010. The Company designated and accounts for this swap as a cash flow hedge of the forecasted interest payments on borrowings (see Note 7 — Debt). As a result, changes in fair value of this swap are recognized in Other Comprehensive Income ("OCI"), net of tax.

(2) Changes in fair value of these swaps are recognized in earnings. Both swaps mature in January 2012.

(3) 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 currencies. The Company enters into short-term foreign currency forward exchange contracts to offset the economic effects of these foreign currency transaction risks. These contracts are accounted for at fair value with realized and unrealized gains and losses recognized in Other income

(expense), net since the Company does not designate these contracts as hedges for accounting purposes. All of the outstanding contracts at June 30, 2011 matured by the end of July 2011.

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

The Company's derivative counterparties are all large investment grade financial institutions. The Company did not have any collateral arrangements with its derivative counterparties, and none of the derivative contracts contain credit-risk related contingent features.

The following table provides information regarding derivative gains and losses that have been recognized in the Condensed Consolidated Statements of Operations for the periods indicated (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
Amount recorded in:	**2011**	**2010**	**2011**	**2010**
Interest expense, net (1)	$ 1,040	$ 1,875	$ 2,078	$ 4,318
Other expense (income), net (2)	676	(2,184)	3,770	(2,910)
Total expense (income), net	$ 1,716	$ (309)	$ 5,848	$ 1,408

(1) Includes interest expense (income) recorded on the Company's interest rate swap contracts.

(2) Includes 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 approximates their fair value.

At June 30, 2011, the Company had $220.0 million of outstanding floating rate borrowings under its 2010 Credit Facility, which is carried at amortized cost. The Company believes the carrying amount of the debt reasonably approximates its fair value since the borrowings carry floating interest rates which reflect current market rates for similar instruments with comparable maturities.

FASB ASC Topic 820 provides a framework for measuring fair value and a valuation hierarchy based upon the transparency of inputs used in the valuation of an asset or liability. 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 — Valuation inputs are unadjusted quoted market prices for identical assets or liabilities in active markets.
- Level 2 — Valuation inputs are quoted prices for identical assets or liabilities in markets that are not active, quoted market prices for similar assets and liabilities in active markets and other observable inputs directly or indirectly related to the asset or liability being measured.
- Level 3 — Valuation inputs are unobservable and significant to the fair value measurement.

The following table presents Company assets and liabilities measured at fair value on a recurring basis (in thousands):

	Fair Value June 30, 2011	Fair Value December 31, 2010
Description		
Assets:		
Deferred compensation assets (1)	$ 25,904	$ 24,113
Foreign currency exchange forward contracts, net (2)	—	618
	$ 25,904	$ 24,731
Liabilities:		
Interest rate swap contracts (3)	$ 6,544	$ 6,067
Foreign currency exchange forward contracts, net (2)	331	—
	$ 6,875	$ 6,067

(1) The Company has two supplemental deferred compensation arrangements 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. The money market and mutual funds consist of cash equivalents or securities traded in active markets, which the Company considers the fair value of these assets to be based on a Level 1 input. The value of the Company-owned life insurance is based on indirectly observable prices, which the Company considers to be a Level 2 input.

(2) The Company enters into foreign currency exchange forward contracts to hedge the effects of adverse fluctuations in foreign currency exchange rates (see Note 10—Derivatives and Hedging). Valuation of the foreign currency forward contracts is based on foreign currency exchange rates in active markets; thus the Company measures the fair value of these contracts under a Level 2 input.

(3) The Company has three interest rate swap contracts (see Note 10—Derivatives and Hedging). To determine the fair value of the swaps, the Company relies on mark-to-market valuations prepared by third-party brokers based on observable interest rate yield curves. Accordingly, the fair value of the swaps is determined under 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 $0.7 million and $0.4 million for the three months ended June 30, 2011 and 2010, respectively, and $1.3 million and $0.8 million for the six months ended June 30, 2011 and 2010, respectively.

Note 13 — Commitments and Contingencies

Contingencies

We are 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 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 June 30, 2011, the Company did not have any indemnification agreements that would require material payments.

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 in our Annual Report on Form 10-K for the year ended December 31, 2010. Historical results and percentage relationships are not necessarily indicative of operating results for future periods. References to "the Company," "we," "our," and "us" in this MD&A are to Gartner, Inc. and its subsidiaries.

Forward-Looking Statements

In addition to historical information, this Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are any statements other than statements of historical fact, including statements regarding our expectations, beliefs, hopes, intentions or strategies regarding the future. In some cases, forward-looking statements can be identified by the use of words such as "may," "will," "expects," "should," "believes," "plans," "anticipates," "estimates," "predicts," "potential," "continue," or other words of similar meaning. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in, or implied by, the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Factors That May Affect Future Performance" and elsewhere in this report and in our Annual Report on Form 10-K for the year ended December 31, 2010. Readers should not place undue reliance on these forward-looking statements, which reflect management's opinion only as of the date on which they were made. Except as required by law, we disclaim any obligation to review or update these forward-looking statements to reflect events or circumstances as they occur. Readers also should review carefully any risk factors described in other reports filed by us with the Securities and Exchange Commission.

BUSINESS OVERVIEW

Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. We deliver the technology-related insight necessary for our clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, we are the valuable partner to clients in over 11,600 distinct organizations. Through the resources of Gartner Research, Gartner Consulting, and Gartner Events, we work with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, U.S.A., with over 4,700 associates, including 1,250 research analysts and consultants, and clients in 85 countries.

The foundation for all Gartner products and services is our independent research on IT issues. The findings from this research are delivered through our three customer segments — Research, Consulting and Events:

- ***Research*** provides insight for CIOs, IT professionals, technology companies and the investment community through reports and briefings, access to our analysts, as well as peer networking services and membership programs designed specifically for CIOs and other senior executives.
- ***Consulting*** consists primarily of consulting, measurement engagements and strategic advisory services (paid one-day analyst engagements) ("SAS"), which provide assessments of cost, performance, efficiency and quality focused on the IT industry.
- ***Events*** consists of various symposia, conferences and exhibitions focused on the IT industry.

For more information regarding Gartner and our products and services, visit www.gartner.com.

BUSINESS MEASUREMENTS

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

BUSINESS SEGMENT	BUSINESS MEASUREMENTS
Research	**Contract value** represents the value attributable to all of our subscription-related research products that recognize revenue on a ratable basis. Contract value is calculated as the annualized value of all subscription research contracts in effect at a specific point in time, without regard to the duration of the contract. **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. **Wallet retention rate** represents a measure of the amount of contract value we have retained with clients over a twelve-month period. Wallet retention is calculated on a percentage basis by dividing the contract value of clients, who were clients one year earlier, by the total contract value from a year earlier, 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.
Consulting	**Consulting backlog** represents future revenue to be derived from in-process consulting, measurement and strategic advisory services engagements. **Utilization rates** represent a measure of productivity of our consultants. Utilization rates are calculated for billable headcount on a percentage basis by dividing total hours billed by total hours available to bill. **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. **Number of attendees** represents the total number of people who attend events.

EXECUTIVE SUMMARY OF OPERATIONS AND FINANCIAL POSITION

We have executed a consistent growth strategy since 2005 to drive double-digit revenue and earnings growth. The fundamentals of our strategy include a focus on creating extraordinary research insight, deliver innovative and highly differentiated product offerings, build a strong sales capability, provide world class client service, and continuously improve our operational effectiveness.

We had total revenues of $365.5 million in the second quarter of 2011, an increase of 16% over the same quarter of 2010. Revenues were up strongly in our Research and Events segments, at 20% and 28% respectively, while Consulting was up 3%. Overall quarterly revenues increased 11% when adjusted for the impact of foreign currency. For a more complete discussion of our results by segment, see Segment Results below. We had net income of $32.2 million in the second quarter of 2011, an increase of 60% compared to second quarter 2010. Diluted earnings per share increased $0.12 quarter-over-quarter, to $0.32 per share for second quarter 2011. Our operating cash flow increased by 4% in the six months ended June 30, 2011 compared to the same period of 2010.

We repurchased over 2.3 million of our common shares in the six months ended June 30, 2011 as part of our continued focus on enhancing shareholder value. We had over $125.0 million of cash and cash equivalents on June 30, 2011 and we had $367.0 million of available borrowing capacity under our revolving credit facility.

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 Consolidated Financial Statements of Gartner, Inc. contained in our Annual Report on Form 10-K for the year ended December 31, 2010. 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 also 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 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 SEC Staff Accounting Bulletins No. 101, Revenue Recognition in Financial Statements ("SAB 101"), and 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 derived from subscription contracts for research products and are deferred and recognized ratably over the applicable contract term. Fees from research reprints are recognized when the reprint is delivered.
- 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.

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 entire amount of the contract that is billable as a fee receivable at the time the contract is signed with a corresponding amount as deferred revenue, since the contract represents a legally enforceable claim.

Uncollectible fees receivable — The allowance for losses 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 measurement of likely and probable losses and the allowance for losses is based on historical loss experience, aging of outstanding receivables, an assessment of current economic conditions and the financial health of specific clients. This evaluation is inherently judgmental and requires estimates. These valuation reserves are periodically re-evaluated and adjusted as more information about the ultimate collectibility of fees receivable becomes available. Circumstances that could cause our valuation reserves to increase include changes in our clients' liquidity and credit quality, other factors negatively impacting our clients' ability to pay their obligations as they come due, and the effectiveness of our collection efforts.

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

	June 30, 2011	December 31, 2010
Total fees receivable	$ 367,441	$ 372,018
Allowance for losses	(6,877)	(7,200)
Fees receivable, net	$ 360,564	$ 364,818

Impairment of goodwill and other intangible assets — The evaluation of goodwill is performed 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 may not be recoverable. In addition, we also perform a periodic impairment evaluation of our amortizable intangible assets.

Our annual goodwill assessment requires us to estimate the fair values of our reporting units based on estimates of future business operations and market and economic conditions in developing long-term forecasts. If we determine that the fair value of any reporting unit is less than its carrying amount, we must recognize an impairment charge for a portion of the associated goodwill of that reporting unit against earnings in our financial statements.

Factors we consider important that could trigger a review for impairment include, but are not limited to, the following:

- Significant under-performance relative to historical or projected future operating results;
- Significant changes in the strategy for our overall business or the manner of acquired assets usage;
- Significant negative industry or economic trends;
- Significant decline in our stock price for a sustained period; and
- Our market capitalization relative to net book value.

Due to the numerous variables associated with our judgments and assumptions relating to the valuation of the reporting units and the effects of changes in circumstances affecting these valuations, both the precision and reliability of the resulting estimates are subject to uncertainty, and as additional information becomes known, we may change our estimates.

Accounting for income taxes — As we prepare our consolidated financial statements, we estimate our income taxes in each of the jurisdictions where we operate. This process involves estimating our current tax 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. We record a valuation allowance to reduce our deferred tax assets when future realization is in question. We consider the availability of loss carryforwards, existing deferred tax liabilities, future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for the valuation allowance. In the event we determine that we are able to realize our deferred tax assets in the future in excess of our net recorded amount, an adjustment is made to reduce the valuation allowance and increase income in the period such determination is made. Likewise, if we determine that we will not be able to realize all or part of our net deferred tax asset in the future, an adjustment to the valuation allowance is charged against income in the period such determination is made.

Accounting for stock-based compensation — The Company accounts for stock-based compensation in accordance with FASB ASC Topics 505 and 718, as interpreted by SEC Staff Accounting Bulletins No. 107 (“SAB No. 107”) and No. 110 (“SAB 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, net of estimated forfeitures (see Note 4 — Stock-Based Compensation in the Notes to the Consolidated Financial Statements).

Determining the appropriate fair value model and calculating the fair value of stock compensation awards requires the input of certain complex and subjective assumptions, including the expected life of the stock compensation awards and the Company’s Common Stock price volatility. In addition, determining the appropriate amount of associated periodic expense requires management to estimate the rate of employee forfeitures and the likelihood of achievement of certain performance targets. The assumptions used in calculating the fair value of stock compensation awards and the associated periodic expense represent management’s best estimates, but these estimates involve inherent uncertainties and the application of judgment. As a result, if factors 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 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 summarizes the changes in selected line items in our interim Condensed Consolidated Statements of Operation for the periods indicated (dollars in thousands):

For the three months ended June 30, 2011 and 2010:

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Income Increase (Decrease) $	Income Increase (Decrease) %
Total revenues	$ 365,543	$ 314,195	$ 51,348	16%
Costs and expenses:				
Cost of services and product development	152,461	138,336	(14,125)	(10)%
Selling, general and administrative	152,758	130,322	(22,436)	(17)%
Depreciation	6,234	6,440	206	3%
Amortization of intangibles	2,522	2,537	15	—
Acquisition and integration charges	—	2,330	2,330	100%
Operating income	51,568	34,230	17,338	51%
Interest expense, net	(2,797)	(3,180)	383	12%
Other expense, net	(571)	(643)	72	11%
Provision for income taxes	(15,977)	(10,294)	(5,683)	(55)%
Net income	$ 32,223	$ 20,113	$ 12,110	60%

For the six months ended June 30, 2011 and 2010:

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	Income Increase (Decrease) $	Income Increase (Decrease) %
Total revenues	$ 695,110	$ 610,028	$ 85,082	14%
Costs and expenses:				
Cost of services and product development	285,777	261,382	(24,395)	(9)%
Selling, general and administrative	294,430	260,890	(33,540)	(13)%
Depreciation	12,505	13,024	519	4%
Amortization of intangibles	5,049	5,463	414	8%
Acquisition and integration charges	—	5,841	5,841	100%
Operating income	97,349	63,428	33,921	53%
Interest expense, net	(5,581)	(6,564)	983	15%
Other (expense) income, net	(953)	1,109	(2,062)	>(100)%
Provision for income taxes	(29,401)	(18,457)	(10,944)	(59)%
Net income	$ 61,414	$ 39,516	$ 21,898	55%

TOTAL REVENUES for the three months ended June 30, 2011 increased $51.3 million, or 16%, compared to the same quarter in 2010. Quarterly revenues increased in all three of our segments. Excluding the favorable impact of foreign currency translation, total quarterly revenues increased 11%. For the six month periods, revenues increased 14% in 2011, with increases in all three of our business units. Excluding the favorable impact of foreign currency translation, revenues for the six months ended June 30, 2011 increased 11% over 2010. 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 was $14.1 million, or 10%, higher quarter-over-quarter. The increase was primarily due to higher payroll and related benefits costs due to increased headcount and merit salary increases, the impact of foreign currency translation, and additional travel expenses. Cost of services and product development as a percentage of revenues decreased by 2 points, to 42% in 2011 from 44% in 2010, primarily driven by the operating leverage inherent in our Research business.

For the six month periods, Cost of services and product development increased 9%, or $24.4 million, in 2011 compared to 2010. Consistent with the quarter, the increase was primarily due to higher payroll and related benefits costs due to increased headcount and merit salary increases, the impact of foreign currency translation, and additional travel costs. Cost of services and product development as a percentage of revenues for the six month periods declined 2 points in 2011, to 41% compared to 43% in the 2010 period, again driven by the operating leverage in the Research business.

SELLING, GENERAL AND ADMINISTRATIVE ("SG&A") was $22.4 million, or 17%, higher quarter-over-quarter. The increase was primarily due to higher payroll costs and the impact of foreign currency translation. The higher payroll costs resulted from additional headcount, higher sales commissions, and merit salary increases. The increased headcount was primarily due to the investment in additional quota-bearing sales associates, which increased 13%, to 1,146 at June 30, 2011 from 1,013 at June 30, 2010. SG&A expense increased 13%, or $33.5 million, in the six months ended June 30, 2011 compared to the same period in the prior year. Consistent with the quarter-over-quarter increase, the additional expense was primarily driven by higher payroll costs and the impact of foreign currency translation.

DEPRECIATION expense declined slightly in both the three and six months ended June 30, 2011 compared to the same periods in the prior year. The decline was due to certain fixed assets becoming fully depreciated which was only partially offset by depreciation on asset additions.

AMORTIZATION OF INTANGIBLES decreased in both the three and six months ended June 30, 2011 compared to the same periods in the prior year due to certain intangibles becoming fully amortized.

ACQUISITION AND INTEGRATION CHARGES was zero in the three and six months ended June 30, 2011 and $2.3 million and $5.8 million in the three and six months ended June 30, 2010, respectively. These charges related to the acquisitions of AMR Research and Burton Group in December 2009 and included legal, consulting, severance, and other costs.

OPERATING INCOME increased $17.3 million, or 51%, quarter-over-quarter, to $51.6 million in the three months ended June 30, 2011 compared to $34.2 million in 2010. Operating income as a percentage of revenues increased strongly, to 14% in the second quarter of 2011 compared to 11% in the second quarter of 2010, due to significantly higher segment contributions in our Research and Events businesses in the 2011 quarter and $2.3 million of acquisition and integration charges in the 2010 quarter which was not repeated in 2011.

For the six month periods, operating income increased 53% in 2011 compared to 2010. As a percentage of revenues, operating income increased 4 points in the first half of 2011, to 14% compared to 10% in the 2010 period, again due to significantly higher segment contributions from Research and Events and $5.8 million of acquisition and integration charges in the 2010 quarter which was not repeated in 2011.

Please refer to the section of this MD&A entitled "Segment Results" below for a further discussion of revenues and results by segment.

INTEREST EXPENSE, NET decreased 12% in the three months ended June 30, 2011 compared to the same period in 2010, primarily due to a lower average amount of debt outstanding. The lower interest expense on our debt was partially offset by higher amortization charges on capitalized deferred financing costs from the December 2010 debt refinancing. For the six month periods, Interest expense, net, decreased 15%, also due to a lower average amount of debt outstanding.

OTHER (EXPENSE) INCOME, NET for the three months ended June 30, 2011 and 2010 was $(0.6) million for both periods, which consisted of net foreign currency exchange gains and losses. Other (expense) income, net was $(1.0) million for the six months ended June 30, 2011, which consisted of net foreign currency exchange gains and losses, and $1.1 million for the six months ended June 30, 2010, which consisted of a $2.4 million gain from an insurance settlement partially offset by $(1.3) million of net foreign currency exchange losses.

PROVISION FOR INCOME TAXES was $16.0 million for the three months ended June 30, 2011 compared to $10.3 million in the prior year quarter. The effective tax rate was 33.1% for the three months ended June 30, 2011 and 33.9% for the same period in 2010. The decrease in the effective tax rate was primarily due to the impact of a change in the estimated annual mix of pre-tax income by jurisdiction. For the six months ended June 30, 2011, the provision for income taxes was $29.4 million compared to $18.5 million in the six months ended June 30, 2010, and the effective tax rates were 32.4% and 31.8%, respectively.

NET INCOME was $32.2 million and $20.1 million for the three months ended June 30, 2011 and 2010, respectively, an increase of 60%. Both basic and diluted earnings per share increased $0.12 per share over the prior year quarter. For the six month periods, net income increased 55%, while basic earnings per share increased 56% and diluted earnings per share increased 55%.

SEGMENT RESULTS

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

The following sections present the results of our three segments:

Research

	As Of And For The Three Months Ended June 30, 2011	As Of And For The Three Months Ended June 30, 2010	Increase (Decrease)	Percentage Increase (Decrease)	As Of And For The Six Months Ended June 30, 2011	As Of And For The Six Months Ended June 30, 2010	Increase (Decrease)	Percentage Increase (Decrease)
Financial Measurements:								
Revenues (1)	$ 250,015	$ 209,095	$ 40,920	20%	$ 493,450	$ 419,768	$ 73,682	18%
Gross contribution (1)	$ 168,304	$ 135,970	$ 32,334	24%	$ 332,805	$ 274,706	$ 58,099	21%
Gross contribution margin	67%	65%	2 points	—	67%	65%	2 points	—
Business Measurements:								
Contract value (1)	$ 1,006,923	$ 872,192	$ 134,731	15%				
Client retention	82%	81%	1 point	—				
Wallet retention	100%	93%	7 points	—				

(1) Dollars in thousands.

Research segment revenues increased strongly, up 20% on a quarter-over-quarter basis with increases across all of our regions, products, and client types. Excluding the favorable effect of foreign currency translation, revenues increased 14%. The segment gross contribution margin increased by 2 points quarter-over-quarter due to the higher revenues and the operating leverage inherent in the Research business. When comparing the six month periods, revenues increased 18% in the 2011 period, but excluding the favorable effect of foreign currency translation, revenues increased 14%. The segment gross contribution margin increased by 2 points, again due to higher revenues and the operating leverage in this business.

Research contract value at June 30, 2011 increased 15% compared to June 30, 2010 and 16% excluding the foreign currency translation impact. Contract value increased across all of the Company's sales regions and product lines. Both client retention and wallet retention improved over 2010, with increases of 1 point in client retention and 7 points in wallet retention. The increase in wallet retention substantially above the increase in client retention reflects the successful sales efforts by the Company to increase the spending of retained clients.

Consulting

	As Of And For The Three Months Ended June 30, 2011	As Of And For The Three Months Ended June 30, 2010	Increase (Decrease)	Percentage Increase (Decrease)	As Of And For The Six Months Ended June 30, 2011	As Of And For The Six Months Ended June 30, 2010	Increase (Decrease)	Percentage Increase (Decrease)
Financial Measurements:								
Revenues (1)	$ 77,962	$ 75,760	$ 2,202	3%	$ 148,592	$ 147,399	$ 1,193	1%
Gross contribution (1)	$ 28,873	$ 31,819	$ (2,946)	(9)%	$ 54,362	$ 60,241	$ (5,879)	(10)%
Gross contribution margin	37%	42%	(5) points	—	37%	41%	(4) points	—
Business Measurements:								
Backlog (1)	$ 94,845	$ 93,600	$ 1,245	1%				
Billable headcount	490	440	50	11%				
Consultant utilization	64%	71%	(7) points	—	65%	71%	(6) points	—
Average annualized revenue per billable headcount	$ 414	$ 430	$ (16)	(4)%	$ 419	$ 435	$ (16)	(4)%

(1) Dollars in thousands.

Consulting revenues increased 3% quarter-over-quarter, primarily due to higher revenues in core consulting and, to a lesser extent, increases in our strategic advisory (SAS) and contract optimization businesses. Excluding the favorable impact of foreign currency translation, revenues decreased about 2% quarter-over-quarter. The gross contribution margin declined by 5 points due to higher payroll expenses resulting from additional investment in headcount and merit salary increases, and lower consultant utilization.

For the six month periods, revenues improved 1% in 2011 due to increases in our SAS and core consulting businesses. These increases were partially offset by lower revenues in our contract optimization business, which were particularly strong in the first half of 2010. Consulting revenues declined 2% excluding the favorable impact of foreign currency translation. The gross contribution margin declined by 4 points due to the same factors impacting the quarter-over-quarter results. Backlog at June 30, 2011 increased 1% compared to June 30, 2010.

Events

	As Of And For The Three Months Ended June 30, 2011	As Of And For The Three Months Ended June 30, 2010	Increase (Decrease)	Percentage Increase (Decrease)	As Of And For The Six Months Ended June 30, 2011	As Of And For The Six Months Ended June 30, 2010	Increase (Decrease)	Percentage Increase (Decrease)
Financial Measurements:								
Revenues (1)	$ 37,566	$ 29,340	$ 8,226	28%	$ 53,068	$ 42,861	$ 10,207	24%
Gross contribution (1)	$ 17,315	$ 11,499	$ 5,816	51%	$ 22,980	$ 16,714	$ 6,266	37%
Gross contribution margin	46%	39%	7 points	—	43%	39%	4 points	—
Business Measurements:								
Number of events	21	21	—	—	32	30	2 events	7%
Number of attendees	11,295	9,697	1,598	16%	15,632	13,071	2,561	20%

(1) Dollars in thousands.

Events revenues increased 28% quarter-over-quarter but excluding the favorable impact of foreign currency translation, revenues increased 24%. The 21 events held in the second quarter of 2011 consisted of 18 ongoing events, 2 new event launches and 1 event moved in to the quarter. The event moved into the quarter, the NA Summit event, is a large event that was held in 2010 in the first quarter. Overall attendance at events was up a strong 16%. The $8.2 million revenue increase was primarily attributable to our 18 on-going events, with $6.2 million of higher revenues reflecting strong increases in the number of attendees and exhibitors. The remaining $2.0 million increase was primarily due to the net impact of events timing, including the NA Summit event, and the new events. Average revenue for attendees and exhibitors was up 10% and 12%, respectively. The gross contribution margin increased 7 points when comparing the second quarter of 2011 to 2010 due to the higher attendance and higher average revenue.

For the six month periods, Events revenues increased 24% in 2011, or $10.2 million, with foreign currency translation adding approximately 3 points of the increase. We held 32 events in 2011, which consisted of 27 ongoing events and 5 new events. Overall, we had strong increases in the number of attendees and exhibitors, while average revenue increased 8% for attendees and 9% for exhibitors. The majority of the $10.2 million revenue increase was due to our ongoing events, which increased $9.1 million. The gross contribution margin increased 4 points, primarily due to higher contribution from the ongoing events.

LIQUIDITY AND CAPITAL RESOURCES

The Company entered into a five-year credit agreement in December 2010 that provides for a $200.0 million term loan and a $400.0 million revolving credit facility (the “2010 Credit Agreement”). Under the revolving credit facility, amounts may be borrowed, repaid, and re-borrowed through the maturity date of the agreement in December 2015. The credit arrangement contains an expansion feature by which the term loan and revolving credit facility may be increased, at the Company’s option and under certain conditions, by up to an additional $150.0 million in the aggregate.

We finance our operations primarily through cash generated from our on-going operating activities. At June 30, 2011, we had $125.3 million of cash and cash equivalents and $367.0 million of available borrowing capacity under our revolving credit facility. Our cash and cash equivalents are held in numerous locations throughout the world, with approximately 88% held outside the United States at June 30, 2011. We believe that we have adequate liquidity and that the cash we expect to earn from our on-going operating activities, our existing cash balances, and the expanded borrowing capacity we have under our revolving credit facility will be sufficient for our expected short-term and foreseeable long-term operating needs.

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

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	Dollar Increase (Decrease)
Cash provided by operating activities	$ 63,913	$ 61,592	$ 2,321
Cash used in investing activities	(9,460)	(19,844)	10,384
Cash used by financing activities	(49,728)	(28,286)	(21,442)
Net change in cash and cash equivalents	4,725	13,462	(8,737)
Effects of exchange rates	435	(7,672)	8,107
Beginning cash and cash equivalents	120,181	116,574	3,607
Ending cash and cash equivalents	$ 125,341	$ 122,364	$ 2,977

Operating

Operating cash flow increased by $2.3 million when comparing the six months ended June 30, 2011 to the same period in 2010. The increase was primarily due to $21.9 million in higher net income and $18.0 million in lower cash payments for income taxes, acquisition costs, and severance. These increases were substantially offset by higher cash bonus and commission payments in the 2011 period due to our stronger financial performance and additional excess tax benefits in 2011 from exercises of stock-based compensation awards. The additional excess tax benefits resulted from higher exercise activity and a substantially higher market value of our Common Stock. In accordance with U.S. GAAP accounting rules, these excess tax benefits are required to be reclassified from the operating activities category to the financing activities category. However, the reclassification had no impact on the net change in cash and cash equivalents for the period.

Investing

Cash used in our investing activities declined in the 2011 period due to $12.2 million in payments made for the acquisition of Burton Group in the prior year period. We used $9.5 million for capital expenditures in the 2011 period compared to $7.7 million in 2010. The $9.5 million used in the 2011 period includes $1.5 million of capital expenditures for the renovation of our Stamford headquarters facility, which is fully reimbursable by the landlord. The Company received reimbursement of $0.7 million of the $1.5 million in capital expenditures in the first half of 2011, which is recorded in the Statement of Cash Flows as an operating cash flow benefit. The Company received the remaining $0.8 million landlord reimbursement in July 2011, which will be recorded as an operating cash flow benefit in the Company’s third quarter.

Financing

We used an additional $21.4 million of cash in our financing activities in the first half of 2011 compared to the same period in 2010 as the net proceeds from borrowings was $28.2 million less in the 2011 period and we used an additional $12.8 million for share repurchases in the 2011 period. Partially offsetting these additional uses of cash was $19.5 million more in cash from option exercises and excess tax benefits in the 2011 period as a higher average stock price in the 2011 period resulted in a significantly increased number of exercises.

OBLIGATIONS AND COMMITMENTS

2010 Credit Agreement

As of June 30, 2011, we had $220.0 million outstanding under our 2010 Credit Agreement, which provides for a five-year, $200.0 million term loan and a $400.0 million revolving credit facility. The 2010 Credit Agreement contains an expansion feature by which the term loan and revolving credit facility may be increased, at the Company's option and under certain conditions, by up to an additional $150.0 million in the aggregate. The Company has not borrowed under the expansion feature.

The term loan will be repaid in 19 consecutive quarterly installments which commenced on March 31, 2011, plus a final payment due on December 22, 2015, and may be prepaid at any time without penalty or premium at the Company's option. The revolving credit facility may be used for loans, and up to $40.0 million may be used for letters of credit. The revolving loans may be borrowed, repaid and re-borrowed until December 22, 2015, at which time all amounts borrowed must be repaid. See Note 7 — Debt herein in the Notes to the Condensed Consolidated Financial Statements for additional information regarding the 2010 Credit Agreement.

Off-Balance Sheet Arrangements

Through June 30, 2011, we have not entered into any off-balance sheet arrangements or transactions with unconsolidated entities or other persons.

BUSINESS AND TRENDS

Our quarterly and annual revenue, operating income, and cash flow fluctuate as a result of many factors, including: the timing of our Symposium/ITxpo series that normally occurs during the fourth calendar quarter, as well as our other events; the amount of new business generated; the mix of domestic and international business; 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; 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 in Item 1A. of our 2010 Annual Report on Form 10-K which is incorporated herein by reference.

RECENTLY ISSUED ACCOUNTING STANDARDS

Accounting guidance 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:

Comprehensive Income. In June 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*. The new guidance eliminates the current option to report other comprehensive income and its components in the statement of stockholders' equity. Instead, the new rule will require an entity to present net income and other comprehensive income in one continuous statement, referred to as the statement of comprehensive income, or in two separate, but consecutive statements. While the new guidance changes the presentation of comprehensive income, there are no changes to the components that are recognized in net income or other comprehensive income under current accounting guidance. This new guidance is effective for fiscal years and interim periods beginning after December 15, 2011. Gartner will adopt this new rule in the quarter ending March 31, 2012. While the adoption of this new guidance will change the presentation of comprehensive income, we do not believe it will impact the determination of the Company's results of operations, cash flows, or financial position.

Fair Value Measurements. In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.* ASU No. 2011-04 establishes a number of new requirements for fair value measurements. These include: (1) a prohibition on grouping financial instruments for purposes of determining fair value, except when an entity manages market and credit risks on the basis of the entity's net exposure to the group; (2) an extension of the prohibition against the use of a blockage factor to all fair value measurements (that prohibition currently applies only to financial instruments with quoted prices in active markets); and (3) a requirement that for recurring Level 3 fair value measurements, entities disclose quantitative information about unobservable inputs, a description of the valuation process used and qualitative details about the sensitivity of the measurements. In addition, for items not carried at fair value but for which fair value is disclosed, entities will be required to disclose the level within the fair value hierarchy that applies to the fair value measurement disclosed. This ASU is effective for interim and annual periods beginning after December 15, 2011. Gartner will adopt this new rule in the quarter ending March 31, 2012. The adoption of this ASU may result in additional fair value disclosures but is not expected to have an impact on the Company's consolidated financial statements.

Repurchase Agreements. In April 2011, the FASB issued ASU No. 2011-03, *Transfers and Servicing (Topic 860): Reconsideration of Effective Control for Repurchase Agreements.* This ASU amends the sale accounting requirement concerning a transferor's ability to repurchase transferred financial assets even in the event of default by the transferee, which typically is facilitated in a repurchase agreement by the presence of a collateral maintenance provision. Specifically, the level of cash collateral received by a transferor will no longer be relevant in determining whether a repurchase agreement constitutes a sale. As a result of this amendment, more repurchase agreements will be treated as secured financings rather than sales. This ASU is effective prospectively for new transfers and existing transactions that are modified in the first interim or annual period beginning on or after December 15, 2011. Since Gartner does not engage in repurchase agreement transactions, the adoption of this ASU will not have an impact on the Company's consolidated financial statements or disclosures.

Business Combination Disclosures. In December 2010, the FASB issued ASU No. 2010-29, *"Disclosure of Supplementary Pro Forma Information for Business Combinations"* ("ASU 2010-29"). The new rule is intended to improve consistency in how pro forma disclosures are calculated and enhance the disclosure requirements and require a description of the nature and amount of any material, nonrecurring pro forma adjustments directly attributable to a business combination. ASU 2010-29 specifies that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The amendments also require a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. The new rule should be applied prospectively to business combinations for which the acquisition date is after the effective date. Gartner adopted FASB ASU 2010-29 on January 1, 2011 and there was no impact on our consolidated financial statements or disclosures. However, since the new rule is prospective in application, any future business combination will likely require additional disclosures.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We have exposure to changes in interest rates arising from borrowings under our 2010 Credit Agreement. At June 30, 2011, we had $190.0 million outstanding under the term loan and $30.0 million outstanding under the revolver. Borrowings under this facility are floating rate, which may be either prime-based or Eurodollar-based. The rate paid for these borrowings includes a base floating rate plus a margin between 0.50% and 1.25% on prime borrowings and between 1.50% and 2.25% on Eurodollar-based borrowings.

We have an interest rate swap contract which effectively converts the floating base rate on the first $200.0 million of our borrowings to a 2.26% fixed rate. The Company only hedges the base interest rate risk on the first $200.0 million of its outstanding borrowings. Accordingly, we are exposed to interest rate risk on borrowings in excess of $200.0 million. A 25 basis point increase or decrease in interest rates would change pre-tax annual interest expense on the additional revolver borrowing capacity under the 2010 Credit Agreement (not including the expansion feature) by approximately $0.9 million.

Foreign Currency Risk

We have customers in numerous countries, and 44% and 45% of our revenues for the fiscal years ended December 31, 2010 and 2009, respectively, were derived from sales outside of the U.S. 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. Our foreign currency exposure results in both translation risk and transaction risk:

Translation Risk

We are exposed to foreign currency translation risk since the functional currencies of our foreign operations are generally denominated in the local currency. Translation risk arises since the assets and liabilities that we report for our foreign subsidiaries are translated into U.S. dollars at the exchange rates in effect at the balance sheet dates, and these exchange rates fluctuate over time. These foreign currency translation adjustments are deferred and are recorded as a component of stockholders' equity and do not impact our operating results.

A measure of the potential impact of foreign currency translation on our Condensed Consolidated Balance Sheets can be determined through a sensitivity analysis of our cash and cash equivalents. At June 30, 2011, we had $125.3 million of cash and cash equivalents, a substantial portion of which was denominated in foreign currencies. If the foreign exchange rates of the major currencies in which we operate changed in comparison to the U.S. dollar by 10%, the amount of cash and cash equivalents we would have reported on June 30, 2011 would have increased or decreased by approximately $7.5 million.

Because our foreign subsidiaries generally operate in a local functional currency that differs from the U.S. dollar, revenues and expenses in these foreign currencies translate into higher or lower revenues and expenses in U.S. dollars as the U.S. dollar continuously weakens or strengthens against these other currencies. Therefore, changes in exchange rates may affect our consolidated revenues and expenses (as expressed in U.S. dollars) from foreign operations. Historically, this impact on our consolidated earnings has not been material since foreign currency movements in the major currencies in which we operate tend to impact our revenues and expenses fairly equally.

Transaction Risk

We also have foreign exchange transaction risk since we typically enter into transactions in the normal course of business that are denominated in foreign currencies that differ from the local functional currency in which the foreign subsidiary operates.

We typically enter into foreign currency forward exchange contracts to offset the effects of foreign currency transaction risk. These contracts are normally short term in duration and unrealized and realized gains and losses are recognized in current period earnings. At June 30, 2011, we had 18 outstanding foreign currency forward contracts with a total notional amount of $83.5 million and a net unrealized loss of $0.3 million. All of these contracts matured by the end of July 2011.

Concentration of 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, and interest rate swap contracts. The majority of the Company’s cash and cash equivalents and its interest rate swap contracts are with large investment grade commercial banks that are participants in the Company’s 2010 Credit Agreement. 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 “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 June 30, 2011, 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 Act.

In addition, 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.

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.

The Internal Revenue Service ("IRS") has completed its examination of the Federal income tax return of the Company for the tax year ended December 31, 2007. In December 2010 the Company received a report of the audit findings. The Company disagrees with certain of the proposed adjustments and is disputing this matter through applicable IRS and judicial procedures, as appropriate. In April 2011 the Company received notice that the IRS intends to conduct an audit of the 2008 and 2009 tax years. The audits for these years commenced during the second quarter and are in the early stages of examination. Although the final resolution of these audits is uncertain and there are no assurances that the ultimate resolution will not exceed the amounts recorded, the Company believes that the ultimate disposition of these matters will not have a material adverse effect on our consolidated financial position, cash flows, or results of operations.

ITEM 1A. RISK FACTORS

A description of the risk factors associated with our business is included under "Risk Factors" contained in Item 1A. of our 2010 Annual Report on Form 10-K and is incorporated herein by reference.

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

The Company has a $500.0 million share repurchase program to be utilized to acquire shares of Common Stock. Repurchases may be made from time-to-time through open market purchases, private transactions, tender offers or other transactions. The amount and timing of repurchases will be 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 also be made from time-to-time in connection with the settlement of the Company's shared-based compensation awards. Repurchases will be funded from cash flow from operations and borrowings under the Company's Credit Agreement.

The following table provides detail related to repurchases of our Common Stock for treasury in the six months ended June 30, 2011:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Approximate Dollar Value of Shares that may yet be Purchased Under our Share Repurchase Program (in thousands)
2011			
January	2,031	$ 34.60	
February	1,082,232	36.26	
March	326,565	38.52	
Total (1)	1,410,828	$ 36.78	
April	5,312	$ 40.14	
May	861,294	38.59	
June	66,018	38.10	
Total (2)	932,624	$ 38.56	$ 416.2

(1) The total cash paid for these shares was $51.9 million.

(2) The total cash paid for these shares was $36.0 million.

ITEM 6. EXHIBITS

EXHIBIT NUMBER	DESCRIPTION OF DOCUMENT
10.1	Amended and Restated Employment Agreement between Eugene A. Hall and Gartner, Inc. dated as of April 13, 2011.
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 June 30, 2011 and December 31, 2010, (ii) the Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2011 and 2010, (iii) the Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2011 and 2010, and (iv) the Notes to Condensed Consolidated Financial Statements.

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: August 2, 2011	/s/ Christopher J. Lafond
	Christopher J. Lafond Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 10.1

EXECUTION COPY

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended Employment Agreement (the "Agreement") is entered into effective as of April 13, 2011 (the "Amended Effective Date"), by and between Eugene A. Hall, an individual ("Executive") and Gartner, Inc., a Delaware corporation (the "Company") and amends and restates the employment agreement dated December 31, 2008 (the "Original Effective Date"), between the Company and Executive.

1. Employment. Executive will serve as Chief Executive Officer of the Company for the Employment Term specified in Section 3 below. Executive will report solely to the Board of Directors (the "Board") and will render such services consistent with the foregoing role as the Board may from time to time direct. Executive's office will be located at the executive offices of the Company in Stamford, Connecticut. Executive may (i) serve on corporate, civic or charitable boards or committees and (ii) deliver lectures, fulfill speaking engagements or teach at educational institutions, to the extent that such activities are (x) consistent with the Company's policies (as applicable) or (y) disclosed to the Board and the Board determines in good faith that such activities do not interfere with the performance of Executive's responsibilities hereunder.

2. Board of Directors. The Executive is currently a member of the Board, and during the Employment Term, the Company will, in good faith, include Executive on the Company's slate of nominees to be elected to the Board at appropriate meetings of stockholders of the Company. Upon termination of the Employment Term for any reason, Executive will promptly resign as a director of the Company if the Board so requests.

3. Term. The employment of Executive pursuant to this Agreement will continue through December 31, 2016 (the "Employment Term"), unless extended or earlier terminated as provided in this Agreement. The Employment Term automatically will be extended for additional one-year periods commencing on January 1, 2017 and continuing each year thereafter, unless either Executive or the Company gives the other written notice, in accordance with Section 14(a) and at least sixty (60) days prior to the then scheduled expiration of the Employment Term, of such party's intention not to extend the Employment Term. Upon termination of the Employment Term for any reason, Executive will promptly resign from all positions he holds with the Company if the Board so requests.

4. Salary. As compensation for the services rendered by Executive under this Agreement, the Company will pay to Executive an annual base salary ("Base Salary") equal to $775,886, payable to Executive on a semi-monthly basis in accordance with the Company's payroll practices as in effect from time to time during the Employment Term. The Base Salary will be subject to adjustment by the Board or the Compensation Committee of the Board (the "Committee"), in the sole discretion of the Board or such Committee, on an annual basis; provided, however, that Executive's Base Salary may not be decreased other than pursuant to a reduction consistent with a general reduction of pay across the executive staff as a group, as an economic or strategic measure due to poor financial performance by the Company.

5. Bonus. In addition to Base Salary, Executive will be entitled to participate in the Company's executive bonus program. Executive's annual target bonus (the "Target Bonus") will be 100% of Base Salary, and will be payable based on achievement of specified Company

and individual objectives. The actual bonus paid may be higher or lower than the Target Bonus for over-or under-achievement of Company and individual objectives, as determined by the Committee; provided, however, that the maximum actual bonus will not exceed 200% of Base Salary. Bonus amounts will be subject to annual adjustment by the Board or the Committee, in the sole discretion of the Board or the Committee; provided, however, that Executive's Target Bonus may not be decreased without Executive's consent other than pursuant to a reduction consistent with a general reduction of pay across the executive staff as a group, as an economic or strategic measure due to poor financial performance of the Company. To receive a bonus, Executive must be an employee at the time bonuses are paid to executives.

6. Executive Benefits.

(a) Equity Grants. No later than ten (10) days following the first market trading day of the first open trading window for Company executives under the Company's insider trading policy on or after January 1 of each year during the Employment Term, Executive will be granted equity-based incentive awards settled in Common Stock of the Company (collectively, the "Incentive Awards"), provided that Executive must be an employee at the time Incentive Awards are scheduled to be granted. The Incentive Awards granted in 2012 and later years will have an aggregate value on the date of grant (assuming the applicable performance goals will be satisfied at target levels and using the methods described in the following sentence) that is no less than the result of $7,664,677 minus the sum of the Base Salary and Target Bonus for the year of grant. The value of the Incentive Awards on the date of grant will be determined by using the Black-Scholes-Merton valuation method for stock appreciation rights and the fair market value of the Company's Common Stock for restricted stock units, or such other valuation method as the Committee may use to value equity-based incentive awards. All Incentive Awards will be 100% unvested on the date of grant. Executive's entitlement to be granted the Incentive Awards for any given year under this Agreement shall accrue as of January 1 of such year. Vesting of such Incentive Awards shall be subject to Section 6(a)(iii). The terms and conditions of the Incentive Awards (including, but not limited to, the number of restricted stock units or stock appreciation rights to be granted and the applicable performance goals) shall be determined by the Committee, subject to and consistent with the terms of this Agreement and the Company's 2003 Long Term Incentive Plan (the "Plan"). Each year's Incentive Awards will be divided among:

(i) Restricted Stock Units. Each year during the Employment Term, all or a portion of the aggregate value of the Incentive Awards may, as determined by the Committee, be in the form of restricted stock units, with a par value purchase price. During each year of the Employment Term, the number of restricted stock units initially granted to Executive will be based upon an assumption that specified Company objectives will be achieved during such year. The restricted stock units granted to Executive each year may be adjusted so as to be higher or lower than the number of restricted stock units initially granted in such year by reason of over-or under-achievement during such year of such specified Company objectives, as determined by the Committee. Upon the vesting of a restricted stock unit, and in the sole discretion of the Committee, the Company may pay earned restricted stock units in cash, shares of Common Stock of the Company, or in a combination thereof. Except as otherwise set forth in this Agreement, if Executive's employment with the Company terminates for any reason, any portion of the restricted stock units still subject to restrictions will be forfeited to the Company.

(ii) Stock Appreciation Rights. Each year during the Employment Term, all or a portion of the value of the Incentive Awards may, as determined by the Committee, be in the form of stock appreciation rights, which upon exercise will be settled in shares of Common Stock of the Company. Executive will have the right to exercise such stock appreciation right upon its vesting, and will receive the excess, if any, of the value of a share of Common Stock of the Company on the date of exercise over the value of such share on the date of grant.

(iii) Vesting of Incentive Awards. Incentive Awards granted pursuant to this Agreement will be scheduled to vest in not more than four equal annual installments on January 1 of each year following the date of grant, subject in each case to Executive's continued employment with the Company through the applicable date and subject to achievement of any performance goals applicable to such Incentive Awards as determined by the Committee. Notwithstanding the preceding sentence, the Incentive Awards may vest earlier in the event of a Change in Control or Change in Control Termination as provided in Section 7 below.

(b) Other Employee and Executive Benefits. Executive will be entitled to receive all benefits provided to senior executives, executives and employees of the Company generally from time to time, including medical, dental, life insurance and long-term disability, and the executive split-dollar life insurance, executive disability plan, and all other benefits under the Company's Executive Benefits program, in each case so long as and to the extent the same exist; provided, that with respect to each such plan Executive is otherwise eligible and insurable in accordance with the terms of such plans. Notwithstanding the preceding sentence, Executive's right to receive severance payments and benefits will be only as provided in Section 7 hereof. Furthermore, the Company will provide Executive with an automobile and driver for Executive's ground transportation needs during the Employment Term.

(c) Vacation, Sick Leave, Holidays and Sabbatical. Executive will be entitled to paid time off ("PTO"), sick leave, holidays and sabbatical in accordance with the policies of the Company as they exist from time to time. Executive understands that under the current policy he is entitled to thirty-five (35) PTO days per calendar year. PTO not used during any calendar year will roll over to the following year only to the extent provided under the Company's PTO policies as they exist from time to time.

7. Severance Benefits.

(a) At Will Employment. Executive's employment will be "at will." Either the Company or Executive may terminate this agreement and Executive's employment at any time, with or without Business Reasons, in its or his sole discretion, upon sixty (60) days' prior written notice of termination.

(b) Involuntary Termination. If at any time during the term of this Agreement (other than within twenty-four (24) months following the occurrence of a Change in Control) the Company terminates the employment of Executive involuntarily and without Business Reasons or a Constructive Termination occurs, or if the Company elects not to renew this Agreement upon the expiration of the Employment Term and Executive within ninety (90) days following the expiration of the Employment Term terminates his employment, then, subject to Executive signing and not revoking a general release of claims against the Company and its successors substantially in the form attached hereto as Exhibit A within the period required by the release and in no event later than sixty (60) days following the Termination Date, inclusive of any revocation period set forth in the release, Executive will be entitled to receive the following:

(i) Base Salary and PTO accrued through the Termination Date plus continued Base Salary for a period of thirty-six (36) months following the Termination Date. In accordance with Section 7(i) below, such payments will commence on the first regular Company pay day at least six (6) months after the Termination Date or, if later, at least six (6) months after the date of Executive's Separation from Service. This first payment will be a lump sum representing the continuation of Executive's Base Salary for the period commencing on the Termination Date and concluding on such payment date. Thereafter, the remaining payments of Base Salary will be payable in accordance with the Company's regular payroll schedule as in effect from time to time.

(ii) If the Termination Date occurs during a year in which any Incentive Awards are due to be granted but remain un-granted, a lump sum cash payment with respect to the un-granted Incentive Awards pursuant to Section 6(a) above determined by multiplying the percentage of such un-granted Incentive Awards that would have vested pursuant to Section 7(b)(iv) below by no less than the result of $7,664,677 minus the sum of the Base Salary and Target Bonus for the year in which the Termination Date occurs. For purposes of illustration, if the un-granted Incentive Awards would have vested over a four (4) year vesting schedule, the percentage described in the preceding sentence will be seventy-five percent (75%). In accordance with Section 7(i) below, this payment will be made on the first regular Company pay day at least six (6) months after the Termination Date or, if later, at least six (6) months after the date of Executive's Separation from Service.

(iii) 300% of the average of Executive's earned annual bonuses for the three (3) fiscal years immediately preceding the year in which the Termination Date occurs, which, in accordance with Section 7(i) below, will be payable in a lump sum as soon as practicable following but in no event later than thirty (30) days later than the six (6) month period commencing on the Termination Date, or, if later, following the six (6) month period commencing on the date of Executive's Separation from Service, plus any earned but unpaid bonus from the prior fiscal year, which will be paid at the same time as bonuses for such fiscal year are paid to the other Company executives.

(iv) Thirty-six (36) months' continued vesting under all Incentive Awards and any other outstanding stock options and other equity arrangements subject to vesting and held by Executive (and in this regard, all such stock appreciation rights and other exercisable rights held by Executive will remain exercisable for thirty (30) days following the last day of the thirty-six (36) month continued vesting period, subject to the maximum term of the award). Notwithstanding the foregoing, with respect to each performance-based restricted stock unit award or other equity compensation award subject to achievement of performance-based criteria (each a "Performance-Based Equity Award"), Executive will be entitled to thirty-six (36) months' continued vesting only if and to the extent that the performance-based criteria applicable to the Performance-Based Equity Award is achieved during the award's performance period, as determined by the Compensation Committee in accordance with the terms and conditions of the

2003 Long-Term Incentive Plan (or such other Company stock plan under which the award was granted) and the award agreement entered into by and between the Company and Executive. For purposes of clarity, the thirty-six (36) months' continued vesting to which Executive is entitled will be measured from the Termination Date and not from the date that achievement of the applicable performance-based criteria is determined. Notwithstanding anything to the contrary herein or in any award agreement evidencing the Incentive Awards and any other outstanding stock options or other equity arrangements, to the extent such awards are considered "deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the final regulations and any guidance promulgated thereunder ("Section 409A") and in accordance with Section 7(i) below, the awards otherwise payable during the period beginning on the Termination Date and ending on the date that is six (6) months following the Termination Date or, if later, six (6) months following the date of Executive's Separation from Service, instead will be paid on the date six (6) months and one (1) day following the later of the Termination Date or the date of Executive's Separation from Service. Thereafter, each such award shall be paid in accordance with the vesting schedule applicable to such award.

(v) a taxable monthly payment in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue the group health coverage in effect on the date of his termination of employment for Executive, his spouse and any children (which amount will be based on the premium for the first month of COBRA coverage), which payments will be made regardless of whether Executive elects COBRA continuation coverage and will commence six (6) months after the Termination Date or, if later, at least six (6) months after the date of Executive's Separation from Service and will end on the earlier of (x) the date upon which Executive becomes covered under similar plans or (y) the last day of the thirty-sixth (36th) calendar month following the month in which Executive's employment terminated. The first payment under the preceding sentence will equal the sum of all monthly payments for the period commencing on the Termination Date and concluding on such payment date.

(vi) no other compensation, severance or other benefits. Notwithstanding the foregoing, if Executive violates in a material respect the provisions set forth in Section 12, Executive no longer will be entitled to receive any severance payments and benefits and Executive's outstanding Incentive Awards and other stock options and equity arrangements will expire immediately.

(c) Change in Control.

(i) Benefits. If during the term of this Agreement a Change in Control Termination occurs, then Executive will be entitled to receive the following:

(A) Base Salary and PTO accrued though the date of the Change in Control Termination and, immediately upon the Change in Control Termination, any earned but unpaid bonus from the fiscal year preceding the Change in Control Termination,

(B) an amount equal to three (3) years of Executive's Base Salary as then in effect,

(C) an amount equal to three (3) times Executive's Target Bonus for the fiscal year in which the Change in Control Termination occurs (or if higher, for the immediately preceding fiscal year),

(D) a taxable monthly payment in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue the group health coverage in effect on the date of his termination of employment for Executive, his spouse and any children (which amount will be based on the premium for the first month of COBRA coverage), which payments will be made regardless of whether Executive elects COBRA continuation coverage and will commence six (6) months after the date of Change in Control Termination or, if later, at least six (6) months after the date of Executive's Separation from Service and will end on the earlier of (x) the date upon which Executive becomes covered under similar plans or (y) the last day of the thirty-sixth (36th) calendar month following the month in which Executive's employment terminated. The first payment under the preceding sentence will equal the sum of all monthly payments for the period commencing on the date of Change in Control Termination and concluding on such payment date,

(E) except as provided in this Section 7(c), no other compensation, severance or other benefits.

The payments set forth in clauses (B) and (C) above shall be payable in a lump sum on the date that is six (6) months following the Termination Date or, if later, six months after the date of Executive's Separation from Service. Additionally, any Incentive Awards due to be granted pursuant to Section 6(a) that remain ungranted will be granted to Executive prior to consummation of the Change in Control and upon a Change in Control Termination, as applicable.

(ii) Vesting. In the event that a Change in Control occurs prior to the termination of Executive's employment and prior to the expiration of an Incentive Award or other equity-based arrangement subject to vesting and held by Executive (collectively with the Incentive Awards, "Equity Awards"), then, subject to Section 7(c)(iii) below, upon such Change in Control, such Equity Award will vest in full, all performance goals or other vesting criteria will be deemed achieved at target levels and, with respect to a stock option or stock appreciation right, be exercisable as to all of the covered shares, including shares as to which the stock option or stock appreciation right would not otherwise be exercisable.

Upon the occurrence of a Change of Control Termination, but subject to Section 7(c)(iii) below, each outstanding Equity Award will vest in full, all performance goals or other vesting criteria will be deemed achieved at target levels and, with respect to a stock option and stock appreciation right, be exercisable as to all of the covered shares, including shares as to which the stock option or stock appreciation right would not otherwise be exercisable.

Payment of Incentive Awards whose payment or settlement is accelerated due to a Change in Control Termination shall be subject to the six-month delay set forth in Section 7(i) below (to the extent applicable).

(iii) Limitation on Payments.

(A) In the event that the severance payments and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code and (ii) but for this Section 7(c)(iii), would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then Executive's severance and other benefits under Section 7 (and with respect to acceleration of vesting, any other equity-based arrangements) will be either:

(1) delivered in full, or

(2) limited to such minimum extent as will ensure that no portion of such severance and other benefits will be subject to excise tax under Section 4999 of the Code,

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of severance and other benefits, notwithstanding that all or some portion of such severance and other benefits may be taxable under Section 4999 of the Code. If a reduction in severance payments or other benefits constituting "parachute payments" is necessary so that payments or benefits are delivered to a lesser extent, reduction will occur in the following order: (1) reduction of the cash severance payments; (2) cancellation of accelerated vesting of equity-based awards; and (3) reduction of continued employee benefits. In the event of a reduction of cash severance payments or a reduction of continued employee benefits, such reduction shall occur in reverse chronological order such that the payment or benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first payment to be reduced (with reductions made pro-rata in the event payments are payable at the same time). In the event that accelerated vesting of equity based awards is to be cancelled, such vesting acceleration will be cancelled in the following order: (1) Performance-Based Equity Awards granted in the year of acceleration of vesting, (2) other Performance-Based Equity Awards and other equity-based awards, in reverse chronological order of the dates of grant thereof (with reductions made pro-rata in the event that grants were made at the same time.

(B) Subject to the provisions of clause F below, all determinations required to be made under this Section 7(c)(iii), including whether an Excise Tax is payable by Executive and the amount of such Excise Tax and whether a reduction in payments or benefits is required, will be made in good faith and using reasonable actuarial and other assumptions by the Company's independent accountants (the "Accounting Firm"). The Company will direct the Accounting Firm to submit its determination and detailed supporting calculations to both the Company and Executive within fifteen (15) calendar days after the date of a Change in Control, within fifteen (15) calendar days after the date of a Change in Control Termination and any other such time or times as may be requested by the Company or Executive. If the Accounting Firm determines that no Excise Tax is payable by Executive without reduction of payments or benefits, it will, at the same time as it makes such determination, furnish Executive with an opinion that he has substantial authority not to report any Excise Tax on his federal, state, local income or other tax return. If the Accounting Firm determines that a reduction of payments or benefits is required pursuant to Section 7(c)(iii)(A) above, it will, at the same time as it makes such determination, furnish Executive with an opinion that, taking into account such reduction, he has substantial authority not to report any Excise Tax on his federal, state, local income or other tax return. Any determination by the Accounting Firm as to the amount of any Excise Tax or reduction in payments and benefits will be binding upon the Company and Executive.

(C) The Company and Executive will each provide the Accounting Firm access to and copies of any books, records and documents in the possession of the Company or Executive, as the case may be, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determination contemplated by clause B above.

(D) In the event that payments and benefits are delivered in full pursuant to Section 7(c)(iii)(A) above, the federal, state and local income or other tax returns filed by Executive and the Company will be prepared and filed on a consistent basis with the determination of the Accounting Firm with respect to the Excise Tax payable by Executive, if any.

(E) The fees and expenses of the Accounting Firm for its services in connection with the determinations and calculations contemplated by clauses A and B above will be borne by the Company. If such fees and expenses are initially advanced by Executive, the Company will reimburse Executive the full amount of such fees and expenses within twenty (20) days after receipt from Executive of a statement therefore and reasonable evidence of his payment thereof.

(F) If, for any reason, the Accounting Firm, as defined above, fails to act in the manner contemplated by this Section 7(c) within a reasonable period of time, the Executive may appoint another nationally recognized independent accounting firm with the consent of the Company (unless such consent is unreasonably withheld or delayed), to perform all of such duties of the Accounting Firm that are contemplated by this Section 7(c), in which event such independent accountants will thereafter be deemed to be the "Accounting Firm" for purposes of this Section 7(c).

(d) Termination for Disability. If at any time during the Employment Term Executive becomes unable to perform his duties as an employee as a result of incapacity, which gives rise to termination of employment for Disability, then (i) Executive will be entitled to receive payments and benefits in accordance with the Company's then applicable plans, policies, and arrangements; provided, however, that to the extent such payments or benefits are "separation pay" within the meaning of Section 409A, such payments and benefits will be paid or provided at the same time and in the same form as similar payments and benefits are provided under Section 7(b) in connection with Executive's Constructive Termination or involuntary termination without Business Reasons; (ii) Executive's outstanding Incentive Awards and other stock options and equity arrangements will expire in accordance with the terms of the applicable award agreement(s) and the Company stock plans under which they were granted; and (iii) with respect to any accrued but un-granted Incentive Awards pursuant to Section 6(a), Executive will be entitled to receive a lump sum cash payment equal to the value of the vesting acceleration that Executive would have received, in accordance with the disability provisions set forth in the Company's equity award policy then in effect had Executive's employment not been terminated for Disability prior to the date those awards would have been granted. The amount payable pursuant to Section 7(d)(iii) will be determined by multiplying the percentage of vesting acceleration to which Executive would have been entitled in accordance with the disability provisions set forth in the Company's equity award policy then in effect by the result of $7,664,677 minus the sum of the Base Salary and Target Bonus for the year in which the Termination Date occurs. This payment will be made on the first regular Company pay day at least six (6) months after the Termination Date or, if later, at least six (6) months after the date of Executive's Separation from Service.

(e) Voluntary Termination, Involuntary Termination for Business Reasons. If (i) Executive voluntarily terminates his employment (other than in the case of a Constructive Termination) or (ii) Executive is terminated involuntarily for Business Reasons, then in any such event (A) all further vesting of Executive's Incentive Awards and other equity arrangements will cease immediately and such awards will expire in accordance with the terms of the applicable award agreement(s), (B) all payments of compensation by the Company to Executive hereunder will terminate immediately (except as to amounts already earned), and (C) Executive will not be entitled to any severance but Executive will be paid all accrued but unpaid PTO, expense reimbursements and other benefits due to Executive through his termination date under any Company-provided or paid plans, policies, and arrangements.

(f) Termination Upon Death. If Executive's employment is terminated because of death, then (i) Executive's representatives will be entitled to receive payments and benefits in accordance with the Company's then applicable plans, policies, and arrangements; provided, however, that to the extent such payments or benefits are "separation pay" within the meaning of Section 409A, such payments and benefits will be paid or provided at the same time and in the same form as similar payments and benefits are provided under Section 7(b) in connection with Executive's Constructive Termination or involuntary termination without Business Reasons; and (ii) Executive's outstanding Incentive Awards and other equity arrangements will expire in accordance with the terms of the applicable award agreement(s) and the Company stock plans under which they were granted.

(g) Exclusivity. The provisions of this Section 7 are intended to be and are exclusive and in lieu of any other rights or remedies to which Executive or the Company may otherwise be entitled, either at law, tort or contract, in equity, or under this Agreement, in the event of any termination of Executive's employment. Executive will be entitled to no benefits, compensation or other payments or rights upon termination of employment other than those benefits expressly set forth in paragraph (b), (c), (d), (e) or (f) of this Section 7, whichever will be applicable and those benefits required to be provided by law.

(h) Mitigation. Amounts provided under this Section 7 will not be reduced by any future earnings Executive may receive following the termination of his employment with the Company.

(i) Code Section 409A.

(i) Six-Month Delay. Notwithstanding anything to the contrary in this Agreement, no Deferred Compensation Separation Benefits (as defined below) or other severance benefits that otherwise are exempt from Section 409A (as defined below) pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be considered due or payable until Executive has a Separation from Service. In addition, as Executive currently is a “specified employee” within the meaning of Section 409A and the Company anticipates that Executive will continue to be a specified employee until Executive’s Separation from Service, the severance benefits payable to Executive under this Agreement that are considered deferred compensation under Section 409A, if any, and any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the “Deferred Compensation Separation Benefits”) will, except in the case of death, be delayed for the period beginning on the Termination Date and ending on the date that is six (6) months following the Termination Date or, if later, six (6) months following the date of Executive’s Separation from Service. All subsequent payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following his Separation from Service but prior to the six (6) month anniversary of his date of separation, then any payments delayed in accordance with this Section 7(i) or otherwise will be payable in a lump sum (less applicable withholding taxes) to Executive’s estate as soon as administratively practicable after the date of his death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit.

(ii) Amendments to this Agreement to Comply with Section 409A. It is the intent of this Agreement to comply with the requirements of Section 409A so that none of the payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. Executive and the Company agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition under Section 409A prior to actual payment to Executive.

8. Definition of Terms. The following terms referred to in this Agreement will have the following meanings:

(a) Business Reasons. “Business Reasons” means (i) gross negligence, willful misconduct or other willful malfeasance by Executive in the performance of his duties, (ii) Executive’s conviction of a felony, or other criminal offense involving moral turpitude, or (iii) Executive’s material breach of this Agreement, including without limitation any repeated breach of Sections 9 through 12 hereof, provided that, in the case of clauses (i) or (iii) above, the Board provides written notice of such “Business Reason” to the Executive, specifically identifying the circumstance(s) which the Board believes constitute such “Business Reason”, and Executive will have the opportunity to cure such circumstances to the reasonable satisfaction of the Board within thirty (30) days following the delivery of such notice; provided, further, that at the conclusion of such thirty (30) day cure period, the final determination of the occurrence of “Business Reasons” and/or the effectiveness of any such cure, will be made at a meeting of the

Board at which Executive (and, at Executive's option, his counsel) will have had a right to participate. For purpose of this paragraph, no act or failure to act by Executive will be considered "willful" unless done or omitted to be done by Executive in bad faith or without reasonable belief that Executive's action or omission was in the best interests of the Company or its affiliates. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company will be conclusively presumed to be done, or omitted to be done, by Executive in good faith and in the best interests of the Company. The Board must notify Executive of any event constituting Business Reasons within ninety (90) days following any Board member's (excluding Executive) actual knowledge of its existence (which period will be extended during the period of any reasonable investigation conducted in good faith by or on behalf of the Board) or such event will not constitute Business Reasons under this Agreement.

(b) Disability. "Disability" will mean that Executive has been unable to perform his duties as an employee as the result of his incapacity due to physical or mental illness, and such inability, at least twenty-six (26) weeks after its commencement, is determined to be total and permanent by a physician selected by the Company with the consent of the Executive or his representative (unless such consent is unreasonably withheld or delayed). Termination resulting from Disability may only be effected after at least sixty (60) days written notice by the Company of its intention to terminate Executive's employment. In the event that Executive resumes the performance of substantially all of his duties hereunder before the termination of his employment becomes effective, the notice of intent to terminate automatically will be deemed to have been revoked.

(c) Termination Date. "Termination Date" will mean (i) if this Agreement is terminated on account of death, the date of death; (ii) if this Agreement is terminated for Disability, the date specified in Section 8(b); (iii) if this Agreement is terminated by the Company, the date on which indicated in a notice of termination that is given to Executive by the Company in accordance with Sections 7(a) and 14(a); (iv) if the Agreement is terminated by Executive, the date indicated in a notice of termination given to the Company by Executive in accordance with Sections 7(a) and 14(a); or (v) if this Agreement expires by its terms, then the last day of the term of this Agreement.

(d) Constructive Termination. A "Constructive Termination" will be deemed to occur if Executive elects to voluntarily terminate employment within the ninety (90) day period immediately following any of the following events: (i) Executive's position changes as a result of an action by the Company such that (A) Executive will no longer be Chief Executive Officer of the Company, (B) Executive will have authorities, duties and responsibilities less, in any material respect, than those typically associated with a chief executive officer of a company of comparable size, or (C) Executive is required to report to a person or persons other than the entire Board, or a committee of the Board, or otherwise than substantially in accordance with past practice; provided that if the Board determines by unanimous vote of all directors (excluding Executive) that it is required either by law or by rule of any exchange or listing entity whose rules must be complied with in order for the Company to maintain such listing that Executive not be Chief Executive Officer, then the involuntary removal of Executive from the position of Chief Executive Officer will not, in and of itself, constitute a Constructive Termination, (ii) Executive is required to relocate his place of employment, other than a relocation within fifty (50) miles of the Company's current Stamford headquarters, (iii) there is a reduction in Executive's Base Salary or Target Bonus other than any such reduction consistent with a general reduction of pay across the executive staff as a group, as an economic or strategic measure due to poor financial performance by the Company, (iv) the Company becomes a subsidiary of another entity other than pursuant to implementation of a holding company structure in which the Company is the principal subsidiary of the holding company, or (v) there occurs any other material breach of this Agreement by the Company (including, without limitation, any breach of Section 14(c), but excluding the termination of Executive's service as a director due to applicable legal or listing requirements or stockholders failing to reelect Executive to the Board) after a written demand for substantial performance is delivered to the Board by Executive which specifically identifies the manner in which Executive believes that the Company has materially breached this Agreement, and the Company has failed to cure such breach to the reasonable satisfaction of Executive within thirty (30) days following the delivery of such notice, during which thirty (30) day notice period, the ninety (90) day period described above will be tolled.

(e) Change in Control. "Change in Control" will mean the happening of any of the events described in Section 2(e)(ii) of the Plan (without regard to when Awards were granted under the Plan, as such term is defined in the Plan).

(f) Change in Control Termination. "Change in Control Termination" shall mean the occurrence of any of the following events within the period of twenty-four (24) months following the occurrence of a Change in Control: (1) a Constructive Termination, (2) a termination of the Executive's employment by the Company without Business Reasons, or (3) election by the Company not to extend the Employment Term upon the expiration of the Employment Term and Executive within ninety (90) days following the expiration of the Employment Term terminates his employment.

(g) Separation from Service. "Separation from Service" will mean Executive's "separation from service" within the meaning of Section 409A.

9. Confidential Information.

(a) Executive acknowledges that the Confidential Information relating to the business of the Company and its subsidiaries which Executive has obtained or will obtain during the course of his association with the Company and subsidiaries and his performance under this Agreement are the property of the Company and its subsidiaries. Executive agrees that he will not disclose or use at any time, either during or after the Employment Term, any Confidential Information without the written consent of the Board, other than proper disclosure or use in the performance of his duties hereunder. Executive agrees to deliver to the Company at the end of the Employment Term, or at any other time that the Company may request, all memoranda, notes, plans, records, documentation and other materials (and copies thereof) containing Confidential Information relating to the business of the Company and its subsidiaries, no matter where such material is located and no matter what form the material may be in, which Executive may then possess or have under his control. If requested by the Company, Executive will provide to the Company written confirmation that all such materials have been delivered to the Company or have been destroyed. Executive will take all appropriate steps to safeguard Confidential Information and to protect it against disclosure, misuse, espionage, loss and theft.

(b) "Confidential Information" will mean information which is not generally known to the public and which is used, developed, or obtained by the Company or its subsidiaries relating to the businesses of any of the Company and its subsidiaries or the business of any customer thereof including, but not limited to: products or services; fees, costs and pricing structure; designs; analyses; formulae; drawings; photographs; reports; computer software, including operating systems, applications, program listings, flow charts, manuals and documentation; databases; accounting and business methods; inventions and new developments and methods, whether patentable or unpatentable and whether or not reduced to practice; all copyrightable works; the customers of any of the Company and its subsidiaries and the Confidential Information of any customer thereof; and all similar and related information in whatever form. Confidential Information will not include any information which (i) was rightfully known by Executive prior to the Employment Term, (ii) is publicly disclosed by law or in response to an order of a court or governmental agency, (iii) becomes publicly available though no fault of Executive or (iv) has been published in a form generally available to the public prior to the date upon which Executive proposes to disclose such information. Information will not be deemed to have been published merely because individual portions of the information have been separately published, but only if all the material features comprising such information have been published in combination.

10. Inventions and Patents. In the event that Executive, as a part of Executive's activities on behalf of the Company, generates, authors or contributes to any invention, new development or method, whether or not patentable and whether or not reduced to practice, any copyrightable work, any trade secret, any other Confidential Information, or any information that gives any of the Company and its subsidiaries an advantage over any competitor, or similar or related developments or information related to the present or future business of any of the Company and its subsidiaries (collectively "Developments and Information"), Executive acknowledges that all Developments and Information are the exclusive property of the Company. Executive hereby assigns to the Company, its nominees, successors or assigns, all rights, title and interest to Developments and Information. Executive will cooperate with the Board to protect the interests of the Company and its subsidiaries in Developments and Information. Executive will execute and file any document related to any Developments and Information requested by the Board including applications, powers of attorney, assignments or other instruments which the Board deems necessary to apply for any patent, copyright or other proprietary right in any and all countries or to convey any right, title or interest therein to any of the Company's nominees, successors or assigns.

11. No Conflicts.

(a) Executive agrees that during the Employment Term, in his individual capacity he will not enter into any agreement, arrangement or understanding, whether written or oral, with any supplier, contractor, distributor, wholesaler, sales representative, representative group or customer, relating to the business of the Company or any of its subsidiaries, without the express written consent of the Board.

(b) As long as Executive is employed by the Company or any of its subsidiaries, Executive agrees that he will not, except as set forth in Section 1, or with the express written consent of the Board, become engaged in, render services for, or permit his name to be used in connection with, any for-profit business other than the business of the Company, any of its subsidiaries or any corporation or partnership in which the Company or any of its subsidiaries have an equity interest.

12. Non-Competition Agreement.

(a) Executive acknowledges that his services are of a special, unique and extraordinary value to the Company and that he has access to the Company's trade secrets, Confidential Information and strategic plans of the most valuable nature. Accordingly, Executive agrees that for the period of thirty-six (36) months following the Termination Date, Executive will not directly or indirectly own, manage, control, participate in, consult with, render services for, or in any manner engage in any business competing with the businesses of the Company or any of its subsidiaries as such businesses exist or are in process of development on the Termination Date (as evidenced by written proposals, market research or similar materials), including without limitation the publication of periodic research and analysis of the information technology industries. Nothing herein will prohibit Executive from being a passive owner of not more than 1% of the outstanding stock of any class of a corporation that is publicly traded, so long as Executive has no active participation in the business of such corporation.

(b) In addition, for a period of thirty-six (36) months commencing on the Termination Date, Executive will not (i) directly or indirectly induce or attempt to induce any employee of the Company or any subsidiary (other than his own assistant) to leave the employ of the Company or such subsidiary, or in any way interfere with the relationship between the Company or any subsidiary and any employee thereof, (ii) hire directly or though another entity any person who was an employee of the Company or any subsidiary at any time during the then preceding twelve (12) months, provided that Executive may hire any such person who responds to a general advertisement offering employment so long as such person did not have regular contact with Executive in the course of his or her employment with the Company, (iii) directly or indirectly induce or attempt to induce any customer, supplier, licensee or other business relation of the Company or any subsidiary to cease doing business with the Company or such subsidiary, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company or any subsidiary, or (iv) disparage the Company, its executive officers, or its directors.

(c) Executive agrees that these restrictions on competition and solicitation will be deemed to be a series of separate covenants not-to-compete and a series of separate non-solicitation covenants for each month within the specified periods, separate covenants not-to-compete and non-solicitation covenants for each state within the United States and each country in the world, and separate covenants not-to-compete for each area of competition. If any court of competent jurisdiction will determine any of the foregoing covenants to be unenforceable with respect to the term thereof or the scope of the subject matter or geography covered thereby, such remaining covenants will nonetheless be enforceable by such court against such other party or parties or upon such shorter term or within such lesser scope as may be determined by the court to be enforceable.

(d) Because Executive's services are unique and because Executive has access to Confidential Information and strategic plans of the Company of the most valuable nature, the parties agree that the covenants contained in this Section 12 are necessary to protect the value of the business of the Company and that a breach of any such covenant would result in irreparable and continuing damage for which there would be no adequate remedy at law. The parties agree therefore that in the event of a breach or threatened breach of this Agreement, the Company or its successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof.

13. SEC Compliance. The Company covenants that:

(a) at all times during the Employment Term and the term of any Incentive Awards, if later, the Company will use commercially reasonable efforts to maintain in effect a valid and effective registration statement on Form S-8 filed with the Securities Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act") covering any outstanding equity awards made to Executive; provided, however, that nothing contained herein shall be deemed to limit the right of the Company, in good faith, to suspend or withdraw such registration so long as the Company thereafter uses commercially reasonable efforts to comply with this provision; and

(b) for so long as Executive holds either Incentive Awards or shares of Common Stock of the Company obtained through the vesting or exercise of an Incentive Award, and until Executive is free to sell all of the shares underlying, relating to or obtained through the vesting or exercise of, Incentive Awards pursuant to Rule 144 promulgated under the Securities Act, in a ninety (90) day period, the Company will include in such Registration Statement on Form S-8 described in clause (i) above a customary reoffer prospectus covering Executive's offer and sale of stock obtained through the vesting or exercise of Incentive Awards in any manner requested by the Executive from time to time.

14. Miscellaneous Provisions.

(a) Notice. Notices and all other communications contemplated by this Agreement will be in writing, will be effective when given, and in any event will be deemed to have been duly given (i) when delivered, if personally delivered, (ii) three (3) business days after deposit in the U.S. mail, if mailed by U.S. registered or certified mail, return receipt requested, or (iii) one (1) business day after the business day of deposit with Federal Express or similar overnight courier, if so delivered, freight prepaid. In the case of Executive, notices will be addressed to him at the home address which he most recently communicated to the Company in writing, provided that a copy of such notice is delivered to the Executive's last known attorneys. In the case of the Company, notices will be addressed to its corporate headquarters, and all notices will be directed to the attention of its Corporate Secretary.

(b) Notice of Termination. Any termination by the Company or Executive will be communicated by a notice of termination to the other party hereto given in accordance with paragraph (a) hereof. Such notice will indicate the specific termination provision in this Agreement relied upon.

(c) Successors.

(i) Company’s Successors. Any successor to the Company (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company’s business and/or assets will be entitled to assume the rights and will be obligated to assume the obligations of the Company under this Agreement and will agree to perform, in good faith, the Company’s obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term “Company” will include any successor to the Company’s business and/or assets which becomes bound by the terms of this Agreement by operation of law or this Agreement.

(ii) Executive’s Successors. The terms of this Agreement and all rights of Executive hereunder will inure to the benefit of, and be enforceable by, Executive’s personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

(iii) No Other Assignment of Benefits. Except as provided in this Section 14(c), the rights of any person to payments or benefits under this Agreement will not be made subject to option or assignment, either by voluntary or involuntary assignment or by operation of law, including (without limitation) bankruptcy, garnishment, attachment or other creditor’s process, and any action in violation of this Subsection (iii) will be void.

(d) Waiver; Amendment. No provision of this Agreement will be amended, modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(e) Entire Agreement. This Agreement will supersede any and all prior agreements, representations or understandings (whether oral or written and whether express or implied) between the parties with respect to the subject matter hereof, except for any equity-based incentive award arrangements.

(f) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision hereof, which will remain in full force and effect.

(g) Arbitration. Any dispute or controversy arising under or in connection with this Agreement will be settled exclusively by arbitration in New York, New York, in accordance with the Employment Arbitration Rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator’s award in any court having jurisdiction. No party will be entitled to seek or be awarded punitive damages. All attorneys fees and costs will be allocated or apportioned as agreed by the parties or, in the absence of an agreement, in such manner as the arbitrator or court will determine to be appropriate to reflect the final decision of the deciding body as compared to the initial positions in arbitration of each party. This Agreement will be construed in accordance with and governed by the laws of the State of New York as they apply to contracts entered into and wholly to be performed within such State by residents thereof.

(h) Withholding of Taxes. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

(i) Indemnification. Executive will be covered under the Company's insurance policies and, subject to applicable law, will be provided indemnification to the maximum extent permitted by the Company's bylaws and Certificate of Incorporation, with such insurance coverage and indemnification to be in accordance with the Company's standard practices for senior executive officers but on terms no less favorable than provided to any other Company senior executive officer or director.

(j) Compliance with Company Policies. During the Employment Term, Executive will comply with all Company policies generally applicable to the Company's executive officers.

(k) Legal Fees. The Company will pay directly the reasonable fees and expenses of counsel retained by Executive in connection with the preparation, negotiation and execution of this amended Agreement.

(l) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Remainder Of The Page Intentionally Left Blank]

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

GARTNER, INC.

By: /s/ James C. Smith

James C. Smith,
Chairman of the Board of Directors

/s/ Eugene A. Hall

EUGENE A. HALL

(Signature Page to Eugene A. Hall Amended and Restated Employment Agreement)

Exhibit A

RELEASE AGREEMENT

This Release Agreement (the "Agreement") is made by and between Eugene A. Hall ("Executive") and Gartner, Inc. ("Company") (jointly referred to as the "Parties").

NOW THEREFORE, in consideration of the promises made herein, the Parties hereby agree as follows:

1. Consideration. The Company agrees to provide Executive with the consideration set forth in the Employment Agreement between Executive and the Company dated effective April __2011 (the "Employment Agreement"). No consideration shall be due or payable to Executive by the Company until the Effective Date of this Agreement, as that term is defined below.

2. Payment of Salary. Executive acknowledges and represents that the Company has paid all salary, wages, bonuses, accrued vacation, interest, severance, stock, stock options, vesting, fees, business expenses, and any and all benefits and compensation due to Executive, with the exception of the consideration provided for in this Agreement.

3. Release of Claims. Executive agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Executive by the Company and its current and former: officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations and assigns (the "Releasees"). Executive, on his own behalf, and on behalf of his respective heirs, family members, executors, agents, and assigns, hereby fully and forever releases the Company and the other Releasees from, and agrees not to sue concerning, any claim, duty, obligation or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess arising from any omissions, acts or facts that have occurred up until and including the Effective Date of this Agreement including, without limitation:

(a) any and all claims relating to or arising from Executive's employment with the Company or the termination of that employment;

(b) any and all claims relating to, or arising from, Executive's right to purchase, or actual purchase of, shares of Company stock, including, but not limited to, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

(c) any and all claims under the law of any jurisdiction, including, but not limited to, wrongful discharge of employment; constructive discharge from employment; termination in violation of public policy; discrimination; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; and conversion;

(d) any and all claims for violation of any federal, state or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Americans with Disabilities Act of 1990; the Fair Labor Standards Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Fair Credit Reporting Act; the Sarbanes Oxley Act; the Connecticut Fair Employment Practices Act; the Connecticut Human Rights and Opportunities Law; and the Connecticut General Statute Title 31;

(e) any and all claims for violation of the federal, or any state, constitution;

(f) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

(g) any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Executive as a result of this Agreement; and

(h) any and all claims for attorney fees and costs.

The Company and Executive agree that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to (a) any obligations incurred under this Agreement, including, without limitation, the obligation to provide the consideration referenced in Section 1, (b) payment of accrued benefits under an employee benefit plan, to the extent and in the manner prescribed by the plan documents; (c) the election of continued healthcare coverage under an employee health plan pursuant to COBRA; (d) the application for and/or receipt of unemployment benefits to the extent eligible; (e) the receipt of indemnification under the Company's charter, bylaws or other organizational documents of the Company, or (f) any claims for benefits under the Director & Officer insurance of the Company.

4. Acknowledgement of Waiver of Claims Under ADEA. Executive acknowledges that he is waiving and releasing any rights he may have under the Age Discrimination in Employment Act of 1967 ("ADEA") and that this waiver and release is knowing and voluntary. Executive and the Company agree that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Executive acknowledges that the consideration given for this waiver and release Agreement is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that he has been advised by this writing that:

a. he should consult with an attorney prior to executing this Agreement;

b. he has twenty-one (21) calendar days within which to consider this Agreement;

c. he has seven (7) calendar days following his execution of this Agreement to revoke this Agreement;

d. this ADEA waiver shall not be effective until the revocation period has expired; and,

e. nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs for doing so, unless specifically authorized by federal law.

ANY REVOCATION SHOULD BE IN WRITING AND DELIVERED TO LEWIS G. SCHWARTZ, AT 56 TOP GALLANT ROAD, STAMFORD, CT 06904 ON OR BEFORE 11:59 P.M. ON THE SEVENTH DAY AFTER EXECUTIVE'S EXECUTION OF THIS AGREEMENT.

5. No Pending or Future Lawsuits. Executive represents that he has no lawsuits, claims, or actions pending in his name, or on behalf of any other person or entity, against the Company or any of the other Releasees. Executive also represents that he does not intend to bring any claims on his own behalf or on behalf of any other person or entity against any of the Releasees.

6. No Assistance. Executive agrees that he will not knowingly counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so. Executive agrees both to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or court order to the Company. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Releasees, Executive shall state no more than that he cannot provide counsel or assistance.

7. Breach. Executive acknowledges and agrees that any breach of any provision of this Agreement by Executive shall constitute a material breach of this Agreement and shall entitle the Company immediately to recover the consideration provided to Executive under this Agreement.

8. Non-Disparagement. The Parties agree to refrain from (i) any defamation, libel or slander, or (ii) tortious interference with the contracts and relationships, in either case, of the other Party (and, in the case of Executive, the Releasees as well).

9. No Admission of Liability. The Parties understand and acknowledge that this Agreement constitutes a compromise and settlement of potential claims. No action taken by the Parties, previously or in connection with this Agreement, shall be construed to be: (a) an admission of the truth or falsity of any claims made, or (b) an admission by either party of any fault or liability whatsoever to the other party or to any third party.

10. No Representations. Each party represents that it has had the opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Neither party has relied upon any representations or statements made by the other party hereto which are not specifically set forth in this Agreement.

11. Severability. In the event that any provision in this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision so long as the remaining provisions remain intelligible and continue to reflect the original intent of the Parties.

12. Entire Agreement. This Agreement represents the entire agreement and understanding between the Company and Executive concerning the subject matter of this Agreement, and supersedes and replaces any and all prior agreements and understandings between the Parties concerning the subject matter of this Agreement.

13. No Oral Modification. Any modification or amendment of this Agreement, or additional obligation assumed by either party in connection with this Agreement, shall be effective only if placed in writing and signed by both Parties or their authorized representatives.

14. Attorneys' Fees. In the event that either Party brings an action to enforce or effect its rights under this Agreement, the prevailing party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, plus reasonable attorneys' fees incurred in connection with such an action.

15. Governing Law. This Agreement shall be governed by the laws of the State of New York, without regard for choice of law provisions.

16. Effective Date. This Agreement will become effective on the eighth day after it has been signed by both Parties (the "Effective Date"), provided that Employee has not revoked the Agreement before that date. This Agreement shall become effective or enforceable, and the consideration provided herein shall not be payable, until the Effective Date.

17. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

18. Voluntary Execution of Agreement. This Agreement is executed voluntarily and with the full intent of releasing all claims, and without any duress or undue influence by any of the Parties. The Parties acknowledge that:

(a) They have read this Agreement;

(b) They have been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice or that they have voluntarily declined to seek such counsel;

(c) They understand the terms and consequences of this Agreement and of the releases it contains; and

(d) They are fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates set forth below.

Dated: ______________________	By: ______________________
	For Gartner, Inc.
Dated: ______________________	By: ______________________
	Eugene A. Hall

CERTIFICATION

I, Eugene A. Hall, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, 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.

August 2, 2011

/s/ Eugene A. Hall

Eugene A. Hall
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Christopher J. Lafond, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, 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.

August 2, 2011

/s/ Christopher J. Lafond

Christopher J. Lafond
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 June 30, 2011, 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: August 2, 2011

/s/ Christopher J. Lafond

Name: Christopher J. Lafond
Title: Chief Financial Officer
Date: August 2, 2011

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.