

Forrester Research, Inc.
Consolidated Statements of Income

(Unaudited, In thousands, except per share data)

	Three Months Ended	
	March 31,	
	2016	2015
Revenues:		
Research services	\$ 53,248	\$ 51,858
Advisory services and events	24,153	23,329
Total revenues	77,401	75,187
Operating expenses:		
Cost of services and fulfillment	31,328	30,761
Selling and marketing	30,584	29,631
General and administrative	10,038	9,758
Depreciation	1,965	2,107
Amortization of intangible assets	209	221
Reorganization costs	1,015	3,424
Total operating expenses	75,139	75,902
Income (loss) from operations	2,262	(715)
Other income (expense), net	(328)	282
Losses on investments, net	-	(19)
Income (loss) before income taxes	1,934	(452)
Income tax provision (benefit)	920	(228)
Net income (loss)	\$ 1,014	\$ (224)
Diluted income (loss) per common share	\$ 0.06	\$ (0.01)
Diluted weighted average shares outstanding	17,925	18,058
Basic income (loss) per common share	\$ 0.06	\$ (0.01)
Basic weighted average shares outstanding	17,762	18,058
Pro forma data (1):		
Income (loss) from operations	\$ 2,262	\$ (715)
Amortization of intangible assets	209	221
Reorganization costs	1,015	3,424
Stock-based compensation included in the following expense categories:		
Cost of services and fulfillment	1,194	1,237
Selling and marketing	314	334
General and administrative	627	615
Pro forma income from operations	5,621	5,116
Other income (expense), net	(328)	282
Pro forma income before income taxes	5,293	5,398
Pro forma income tax provision	2,117	2,051
Pro forma net income	\$ 3,176	\$ 3,347
Pro forma diluted income per share	\$ 0.18	\$ 0.18
Pro forma diluted weighted average shares outstanding	17,925	18,360

(1) Forrester believes that pro forma financial results provide investors with consistent and comparable information to aid in the understanding of Forrester's ongoing business, and are also used by Forrester in making compensation decisions. Our pro forma presentation excludes amortization of acquisition-related intangible assets, stock-based compensation, reorganization costs and net gains or losses from investments, as well as their related tax effects. The pro forma data does not purport to be prepared in accordance with Accounting Principles Generally Accepted in the United States.

Forrester Research, Inc.
Key Financial Data

(Unaudited, dollars in thousands)

	March 31, 2016	December 31, 2015
Balance sheet data:		
Cash, cash equivalents and marketable investments	\$ 120,010	\$ 101,106
Accounts receivable, net	\$ 49,351	\$ 67,355
Deferred revenue	\$ 154,805	\$ 140,676

	Three Months Ended March 31,	
	2016	2015
Cash flow data:		
Net cash provided by operating activities	\$ 21,537	\$ 16,282
Purchases of property and equipment	\$ (1,144)	\$ (948)
Repurchases of common stock	\$ -	\$ (5,723)
Dividends paid	\$ (3,201)	\$ (3,069)

	As of March 31,	
	2016	2015
Metrics:		
Agreement value	\$ 240,500	\$ 232,900
Client retention	77%	79%
Dollar retention	88%	90%
Enrichment	97%	97%
Number of clients	2,477	2,464

	As of March 31,	
	2016	2015
Headcount:		
Total headcount	1,322	1,305
Research and consulting staff	484	485
Sales staff	516	508