

Forrester Fourth-Quarter Fiscal 1999 Results/4

Forrester Research, Inc. Consolidated Statements of Income

(In thousands, except per share data)

	Three months ended December 31,		Year ended December 31,	
	1999 (Unaudited)	1998 (Unaudited)	1999 (Unaudited)	1998 (Unaudited)
Revenues				
Core research	\$ 19,919	\$ 12,816	\$ 64,697	\$ 46,842
Advisory services and other	7,768	5,506	22,571	14,725
Total revenues	27,687	18,322	87,268	61,567
Operating expenses				
Cost of services and fulfillment	7,770	6,216	27,715	22,038
Selling and marketing	9,809	5,857	31,131	20,896
General and administrative	3,107	1,842	9,865	6,688
Depreciation and amortization	1,109	824	4,003	2,763
Costs related to acquisition	694	-	694	-
Total operating expenses	22,489	14,739	73,408	52,385
Income from operations	5,198	3,583	13,860	9,182
Other income, net	1,092	761	3,710	2,957
Income before income taxes	6,290	4,344	17,570	12,139
Income tax provision	2,302	1,631	6,589	4,592
Net income	\$ 3,988	\$ 2,713	\$ 10,981	\$ 7,547
Diluted earnings per share (pre-split)	\$ 0.36	\$ 0.29	\$ 1.09	\$ 0.81
Diluted weighted average shares outstanding (pre-split)	11,069	9,412	10,033	9,372
Basic earnings per share (pre-split)	\$ 0.42	\$ 0.32	\$ 1.22	\$ 0.89
Basic weighted average shares outstanding (pre-split)	9,426	8,595	9,014	8,520

Pro forma data:(1)	Three months ended December 31, 1999	Year ended December 31, 1999
Income before income taxes	6,290	17,570
Non-cash and costs related to acquisition	694	694
Pro forma income before income taxes	6,984	18,264
Pro forma income tax provision	2,355	6,642
Pro forma net income	4,629	11,622
Pro forma diluted net income per share (pre-split)	\$ 0.42	\$ 1.16
Diluted weighted average shares outstanding (pre-split)	11,069	10,033
Pro forma basic net income per share (pre-split)	\$ 0.49	\$ 1.29
Basic weighted average shares outstanding (pre-split)	9,426	9,014

(1) The pro forma data excludes acquisition-related expenses. This does not purport to be prepared in accordance with Generally Accepted Accounting Principles.