

Forrester Research, Inc.
Consolidated Statements of Income

(In thousands, except per share data)

	Three months ended Sept. 30,		Nine months ended Sept. 30	
	2000	1999	2000	1999
	(Unaudited)		(Unaudited)	
Revenues				
Core research	\$ 32,270	\$ 17,026	\$ 84,039	\$ 44,778
Advisory services and other	7,867	4,955	25,194	14,803
Total revenues	40,137	21,981	109,233	59,581
Operating expenses				
Cost of services and fulfillment	11,294	6,909	32,262	19,945
Selling and marketing	14,785	7,854	41,322	21,322
General and administrative	4,729	2,504	13,212	6,758
Depreciation and amortization	1,984	973	5,166	2,894
Total operating expenses	32,792	18,240	91,962	50,919
Income from operations	7,345	3,741	17,271	8,662
Other income, net	2,157	864	5,583	2,618
Income before income taxes	9,502	4,605	22,854	11,280
Income tax provision	3,563	1,750	8,570	4,287
Net income	<u>\$ 5,939</u>	<u>\$ 2,855</u>	<u>\$ 14,284</u>	<u>\$ 6,993</u>
Diluted earnings per share	<u>\$ 0.24</u>	<u>\$ 0.14</u>	<u>\$ 0.58</u>	<u>\$ 0.36</u>
Diluted weighted average shares outstanding	<u>25,075</u>	<u>19,699</u>	<u>24,460</u>	<u>19,376</u>
Basic earnings per share	<u>\$ 0.28</u>	<u>\$ 0.16</u>	<u>\$ 0.69</u>	<u>\$ 0.39</u>
Basic weighted average shares outstanding	<u>21,407</u>	<u>18,005</u>	<u>20,750</u>	<u>17,753</u>

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