

Forrester Research, Inc.
Consolidated Statements of Income

(In thousands, except per share data)

	Three months ended December 31,		Year ended December 31,	
	2001	2000	2001	2000
Revenues				
Core research	\$ 25,834	\$ 36,438	\$ 123,695	\$ 120,477
Advisory services and other	8,817	11,476	35,425	36,670
Total revenues	34,651	47,914	159,120	157,147
Operating expenses				
Cost of services and fulfillment	11,249	13,208	49,113	45,470
Selling and marketing	11,122	16,635	58,334	57,957
General and administrative	3,727	5,420	16,854	18,632
Depreciation and amortization	2,745	2,778	11,094	7,944
Reorganization costs	-	-	3,108	-
Total operating expenses	28,843	38,041	138,503	130,003
Income from operations	5,808	9,873	20,617	27,144
Other income, net	409	1,310	6,425	6,893
Income before income taxes	6,217	11,183	27,042	34,037
Income tax provision	1,324	3,853	8,925	12,423
Net income	\$ 4,893	\$ 7,330	\$ 18,117	\$ 21,614
Diluted earnings per share	\$ 0.21	\$ 0.30	\$ 0.76	\$ 0.88
Diluted weighted average shares outstanding	23,634	24,725	23,907	24,526
Basic earnings per share	\$ 0.21	\$ 0.34	\$ 0.80	\$ 1.03
Basic weighted average shares outstanding	22,986	21,703	22,551	20,989
Pro forma data (1):				
Pro forma income from operations			23,725	
Other income, net			6,425	
Pro forma income before income taxes			30,150	
Pro forma income tax provision			9,950	
Pro forma net income			\$ 20,200	
Pro forma diluted earnings per share			\$ 0.84	
Pro forma basic earnings per share			\$ 0.90	

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