

Forrester Research, Inc.
Consolidated Statements of Income

(In thousands, except per share data)

	Three months ended March 31,	
	2002	2001
Revenues		
Core research	\$ 19,286	\$ 35,352
Advisory Services and other	6,770	8,293
Total revenues	26,056	43,645
Operating expenses		
Cost of services and fulfillment	8,981	12,298
Selling and marketing	8,472	17,745
General and administrative	3,326	4,976
Depreciation and amortization	2,148	2,722
Reorganization costs	9,088	-
Total operating expenses	32,015	37,741
(Loss) income from operations	(5,959)	5,904
Other income, net	1,560	1,757
Impairments of non-marketable investments	(2,248)	-
(Loss) income before income taxes	(6,647)	7,661
Income tax (benefit) provision	(532)	2,796
Net (loss) income	<u>\$ (6,115)</u>	<u>\$ 4,865</u>
Diluted (loss) earnings per share	<u>\$ (0.26)</u>	<u>\$ 0.20</u>
Diluted weighted average shares outstanding	<u>23,146</u>	<u>24,670</u>
Basic (loss) earnings per share	<u>\$ (0.26)</u>	<u>\$ 0.22</u>
Basic weighted average shares outstanding	<u>23,146</u>	<u>22,054</u>
Pro forma data (1):		
Loss from operations	(5,959)	
Reorganization costs	9,088	
Pro forma income from operations	<u>3,129</u>	
Other income, net	1,560	
Pro forma income before income taxes	<u>4,689</u>	
Pro forma income tax provision	<u>1,407</u>	
Pro forma net income	<u>\$ 3,282</u>	
Pro forma diluted earnings per share	<u>\$ 0.14</u>	
Diluted weighted average shares outstanding	<u>23,851</u>	

(1) The pro forma data excludes reorganization costs and impairments of non-marketable investments. This does not purport to be prepared in accordance with Generally Accepted Accounting Principles.