

Forrester Research, Inc.
Consolidated Statements of Income

(In thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2002	2001	2002	2001
	(Unaudited)		(Unaudited)	
Revenues				
Core research	\$ 17,221	\$ 32,963	\$ 36,507	\$ 68,315
Advisory services and other	8,212	13,451	14,982	21,744
Total revenues	25,433	46,414	51,489	90,059
Operating expenses				
Cost of services and fulfillment	8,873	15,138	17,854	27,436
Selling and marketing	8,254	16,909	16,726	34,654
General and administrative	3,375	4,790	6,701	9,766
Depreciation and amortization	2,070	2,777	4,218	5,499
Reorganization costs	-	-	9,088	-
Total operating expenses	22,572	39,614	54,587	77,355
Income (loss) from operations	2,861	6,800	(3,098)	12,704
Other income, net	1,481	2,148	3,041	3,905
Impairments of non-marketable investments	(486)	-	(2,734)	-
Income (loss) before income taxes	3,856	8,948	(2,791)	16,609
Income tax provision (benefit)	309	3,266	(223)	6,062
Net income (loss)	\$ 3,547	\$ 5,682	\$ (2,568)	\$ 10,547
Diluted earnings (loss) per share	\$ 0.15	\$ 0.24	\$ (0.11)	\$ 0.44
Diluted weighted average shares outstanding	23,989	23,722	23,920	24,196
Basic earnings (loss) per share	\$ 0.15	\$ 0.25	\$ (0.11)	\$ 0.47
Basic weighted average shares outstanding	23,354	22,451	23,250	22,253
Pro forma data (1):				
Income (loss) from operations	2,861		(3,098)	
Reorganization costs	-		9,088	
Pro forma income from operations	2,861		5,990	
Other income, net	1,481		3,041	
Pro forma income before income taxes	4,342		9,031	
Pro forma income tax provision	1,303		2,709	
Pro forma net income	\$ 3,039		\$ 6,322	
Pro forma diluted earnings per share	\$ 0.13		\$ 0.26	
Diluted weighted average shares outstanding	23,989		23,920	

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

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