

**Forrester Research, Inc.**  
**Consolidated Statements of Income**

(In thousands, except per share data)

	Three months ended December 31,		Year ended December 31,	
	2000	1999	2000	1999
	(Unaudited)		(Unaudited)	
<b>Revenues</b>				
Core research	\$ 36,438	\$ 19,919	\$ 120,477	\$ 64,697
Advisory services and other	11,476	7,768	36,670	22,571
<b>Total revenues</b>	<b>47,914</b>	<b>27,687</b>	<b>157,147</b>	<b>87,268</b>
<b>Operating expenses</b>				
Cost of services and fulfillment	13,208	7,770	45,470	27,715
Selling and marketing	16,635	9,809	57,957	31,131
General and administrative	5,420	3,107	18,632	9,865
Depreciation and amortization	2,778	1,109	7,944	4,003
Costs related to acquisition	-	694	-	694
<b>Total operating expenses</b>	<b>38,041</b>	<b>22,489</b>	<b>130,003</b>	<b>73,408</b>
Income from operations	9,873	5,198	27,144	13,860
Other income, net	1,310	1,092	6,893	3,710
Income before income taxes	11,183	6,290	34,037	17,570
Income tax provision	3,853	2,302	12,423	6,589
<b>Net income</b>	<b>\$ 7,330</b>	<b>\$ 3,988</b>	<b>\$ 21,614</b>	<b>\$ 10,981</b>
Diluted earnings per share	\$ 0.30	\$ 0.18	\$ 0.88	\$ 0.55
Diluted weighted average shares outstanding	24,725	22,138	24,526	20,067
Basic earnings per share	\$ 0.34	\$ 0.21	\$ 1.03	\$ 0.61
Basic weighted average shares outstanding	21,703	18,851	20,989	18,028
<b>Pro forma data:(1)</b>				
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		\$ 0.21		\$ 0.58
Diluted weighted average shares outstanding		22,138		20,067
Pro forma basic net income per share		\$ 0.25		\$ 0.64
Basic weighted average shares outstanding		18,851		18,028

(1) The pro forma data for 1999 excludes acquisition-related expenses. This does not purport to be prepared in accordance with Generally Accepted Accounting Principles.