

Forrester Research, Inc.
Consolidated Statements of Income

(In thousands, except per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
	(Unaudited)		(Unaudited)	
Revenues				
Core research	\$ 29,546	\$ 32,270	\$ 97,861	\$ 84,039
Advisory services and other	4,864	7,867	26,608	25,194
Total revenues	34,410	40,137	124,469	109,233
Operating expenses				
Cost of services and fulfillment	10,428	11,294	37,864	32,262
Selling and marketing	12,558	14,785	47,212	41,322
General and administrative	3,361	4,729	13,127	13,212
Depreciation and amortization	2,850	1,984	8,349	5,166
Reorganization costs	3,108	-	3,108	-
Total operating expenses	32,305	32,792	109,660	91,962
Income from operations	2,105	7,345	14,809	17,271
Other income, net	2,111	2,157	6,016	5,583
Income before income taxes	4,216	9,502	20,825	22,854
Income tax provision	1,539	3,563	7,601	8,570
Net income	\$ 2,677	\$ 5,939	\$ 13,224	\$ 14,284
Diluted earnings per share	\$ 0.11	\$ 0.24	\$ 0.55	\$ 0.58
Diluted weighted average shares outstanding	23,600	25,075	23,997	24,460
Basic earnings per share	\$ 0.12	\$ 0.28	\$ 0.59	\$ 0.69
Basic weighted average shares outstanding	22,714	21,407	22,406	20,750
Pro forma data (1):				
Pro forma income from operations	5,213		17,917	
Other income, net	2,111		6,016	
Pro forma income before income taxes	7,324		23,933	
Pro forma income tax provision	2,673		8,735	
Pro forma net income	\$ 4,651		\$ 15,198	
Pro forma diluted earnings per share	\$ 0.20		\$ 0.63	
Pro forma basic earnings per share	\$ 0.20		\$ 0.68	

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

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