

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

(Unaudited, In thousands, except per share data)

	Three months ended	
	March 31,	
	2011	2010
<b>Revenues:</b>		
Research services	\$ 44,547	\$ 39,416
Advisory services and other	21,195	19,764
<b>Total revenues</b>	<u>65,742</u>	<u>59,180</u>
<b>Operating expenses:</b>		
Cost of services and fulfillment	25,498	22,327
Selling and marketing	25,465	20,088
General and administrative	8,918	7,204
Depreciation	970	918
Amortization of intangible assets	693	905
<b>Total operating expenses</b>	<u>61,544</u>	<u>51,442</u>
<b>Income from operations</b>	4,198	7,738
Other income (expense), net	(109)	1,075
Gains from investments, net	582	425
<b>Income before income taxes</b>	4,671	9,238
Income tax provision	1,760	3,466
<b>Net Income</b>	<u>\$ 2,911</u>	<u>\$ 5,772</u>
Diluted income per share	<u>\$ 0.13</u>	<u>\$ 0.25</u>
Diluted weighted average shares outstanding	<u>23,252</u>	<u>22,877</u>
Basic income per share	<u>\$ 0.13</u>	<u>\$ 0.26</u>
Basic weighted average shares outstanding	<u>22,713</u>	<u>22,389</u>
<b>Pro forma data (1):</b>		
Income from operations	\$ 4,198	\$ 7,738
Amortization of intangible assets	693	905
Duplicate lease costs	1,463	-
Acquisition costs (credits)	371	(326)
Stock-based compensation included in the following expense categories:		
Cost of services and fulfillment	615	449
Selling and marketing	339	244
General and administrative	484	413
<b>Pro forma income from operations</b>	8,163	9,423
Other income (expense), net	(109)	1,075
Pro forma income before income taxes	8,054	10,498
Pro forma income tax provision	3,222	4,199
<b>Pro forma net income</b>	<u>\$ 4,832</u>	<u>\$ 6,299</u>
Pro forma diluted income per share	<u>\$ 0.21</u>	<u>\$ 0.28</u>
Diluted weighted average shares outstanding	<u>23,252</u>	<u>22,877</u>

(1) Forrester believes that pro forma financial results provide investors with consistent and comparable information to aid in the understanding of Forrester's ongoing business. Our pro forma presentation excludes amortization of acquisition-related intangible assets, duplicate lease costs, costs or (credits) associated with acquisition activities, stock-based compensation and net gains or losses from investments, as well as their related tax effects. The pro forma data does not purport to be prepared in accordance with Accounting Principles Generally Accepted in the United States.