

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

(Unaudited, In thousands, except per share data)

	Three months ended March 31,	
	2010	2009
<b>Revenues:</b>		
Research services	\$ 39,416	\$ 39,050
Advisory services and other	19,764	17,357
<b>Total revenues</b>	<b>59,180</b>	<b>56,407</b>
<b>Operating expenses:</b>		
Cost of services and fulfillment	21,127	22,212
Selling and marketing	20,405	19,149
General and administrative	8,087	6,972
Depreciation	918	1,092
Amortization of intangible assets	905	656
Reorganization costs	-	3,141
<b>Total operating expenses</b>	<b>51,442</b>	<b>53,222</b>
<b>Income from operations</b>	<b>7,738</b>	<b>3,185</b>
Other income, net	1,075	1,269
Gains from investments, net	425	-
<b>Income before income taxes</b>	<b>9,238</b>	<b>4,454</b>
Income tax provision	3,466	1,823
<b>Net Income</b>	<b>\$ 5,772</b>	<b>\$ 2,631</b>
Diluted income per share	<u>\$ 0.25</u>	<u>\$ 0.11</u>
Diluted weighted average shares outstanding	<u>22,877</u>	<u>23,106</u>
Basic income per share	<u>\$ 0.26</u>	<u>\$ 0.11</u>
Basic weighted average shares outstanding	<u>22,389</u>	<u>22,946</u>
<b>Pro forma data (1):</b>		
Income from operations	\$ 7,738	\$ 3,185
Amortization of intangible assets	905	656
Reorganization costs	-	3,141
Acquisition costs (credits)	(326)	-
Stock-based compensation included in the following expense categories:		
Cost of services and fulfillment	449	1,149
Selling and marketing	244	365
General and administrative	413	678
<b>Pro forma income from operations</b>	<b>9,423</b>	<b>9,174</b>
Other income, net	1,075	1,269
Pro forma income before income taxes	10,498	10,443
Pro forma income tax provision	4,199	4,177
<b>Pro forma net income</b>	<b>\$ 6,299</b>	<b>\$ 6,266</b>
Pro forma diluted income per share	<u>\$ 0.28</u>	<u>\$ 0.27</u>
Diluted weighted average shares outstanding	<u>22,877</u>	<u>23,106</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 reorganization costs, amortization of intangible assets, stock-based compensation, net gains or losses from investments and costs or (credits) associated with acquisition activities, 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.

**Forrester Research, Inc.**  
**Consolidated Balance Sheet and Cash Flow Data**

(Unaudited, In thousands)

	March 31, 2010	December 31, 2009
<b>Balance sheet data:</b>		
Cash, cash equivalents and marketable investments	\$ 283,118	\$ 259,792
Accounts receivable, net	\$ 46,878	\$ 67,436
Deferred revenue	\$ 117,580	\$ 117,888
	Three months ended March 31,	
	2010	2009
<b>Cash flow data:</b>		
Net cash provided by operating activities	\$ 23,128	\$ 20,677
Cash used for acquisitions	\$ (1,660)	\$ (561)
Purchases of property and equipment	\$ (1,402)	\$ (2,602)
Repurchases of common stock	\$ -	\$ (4,899)