

Forrester Research, Inc.
Consolidated Statements Of Cash Flows

(In thousands)

	Three months ended March 31,	
	2003	2002
Cash flows from operations:		
Net income (loss)	\$ 1,777	\$ (6,115)
Adjustments to reconcile net income (loss) to net cash provided by operating activities –		
Depreciation	1,693	2,066
Amortization of intangible assets	924	82
Write-downs of non-marketable investments	300	2,248
Loss on disposal of property and equipment	-	92
Tax benefit from stock options	81	-
Deferred income taxes	728	(532)
Non-cash reorganization costs	-	2,772
Realized gain on sale of marketable securities	(509)	-
Amortization of premiums on marketable securities	207	158
Changes in assets and liabilities, net of acquisition –		
Accounts receivable	5,803	9,579
Deferred commissions	192	621
Prepaid expenses and other	(169)	(740)
Accounts payable	(807)	(611)
Accrued expenses	(5,657)	(1,291)
Deferred revenue	(925)	(6,519)
Net cash provided by operating activities	3,638	1,810
Cash flows from investing activities:		
Acquisition of Giga Information Group, Inc., net of cash acquired	(51,549)	-
Purchases of property and equipment	(69)	(244)
Purchase of non-marketable investments	(1,250)	(1,675)
Decrease in other assets	123	139
Purchase of marketable securities	(77,884)	(21,782)
Proceeds from sales and maturities of marketable securities	144,196	18,202
Net cash provided by (used in) investing activities	13,567	(5,360)
Cash flows from financing activities:		
Proceeds from exercises of employee stock options	523	2,421
Acquisition of treasury shares	(3,245)	(3,547)
Structured stock repurchase	(2,000)	-
Net cash used in financing activities	(4,722)	(1,126)
Effect of exchange rate changes on cash and cash equivalents	(46)	23
Net increase (decrease) in cash and cash equivalents	12,437	(4,653)
Cash and cash equivalents, beginning of period	11,479	17,747
Cash and cash equivalents, end of period	\$ 23,916	\$ 13,094