

Forrester Research, Inc.
Consolidated Statements of Income

(In thousands, except per share data)

	Three months ended March 31,	
	2003	2002
	(Unaudited)	
Revenues		
Research services	\$ 18,821	\$ 19,810
Advisory services and other	5,976	6,246
Total revenues	24,797	26,056
Operating expenses		
Cost of services and fulfillment	9,525	8,981
Selling and marketing	8,067	8,472
General and administrative	3,308	3,326
Depreciation	1,693	2,066
Amortization of intangible assets	924	82
Reorganization costs	-	9,088
Total operating expenses	23,517	32,015
Income (loss) from operations	1,280	(5,959)
Other income, net	1,595	1,560
Impairments of non-marketable investments	(300)	(2,248)
Income (loss) before income taxes	2,575	(6,647)
Income tax provision (benefit)	798	(532)
Net income (loss)	\$ 1,777	\$ (6,115)
Diluted earnings per share	\$ 0.08	\$ (0.26)
Diluted weighted average shares outstanding	22,920	23,146
Basic earnings per share	\$ 0.08	\$ (0.26)
Basic weighted average shares outstanding	22,739	23,146
Pro forma data (1):		
Income (loss) from operations	\$ 1,280	\$ (5,959)
Amortization of intangible assets	924	82
Reorganization costs	-	9,088
Pro forma income from operations	2,204	3,211
Other income, net	1,595	1,560
Pro forma income before income taxes	3,799	4,771
Pro forma income tax provision	1,330	1,431
Pro forma net income	\$ 2,469	\$ 3,340
Pro forma diluted earnings per share	\$ 0.11	\$ 0.14
Diluted weighted average shares outstanding	22,920	23,146

- (1) The pro forma data excludes amortization of acquisition-related intangible assets, reorganization costs, and impairments of non-marketable investments, as well as their related tax effects. This does not purport to be prepared in accordance with Generally Accepted Accounting Principles.