

**Forrester Research, Inc.**  
**Consolidated Balance Sheets**

(In thousands)

	September 30, 2004 <u>(Unaudited)</u>	December 31, 2003
<b>Assets:</b>		
Cash and cash equivalents	\$ 36,621	\$ 22,385
Marketable securities	91,779	104,348
Accounts receivable, net	25,113	40,013
Deferred commissions	5,150	5,999
Prepaid expenses and other current assets	7,325	7,079
Total current assets	<u>165,988</u>	<u>179,824</u>
Property and equipment, net	6,025	8,266
Goodwill, net	56,894	57,006
Intangible assets, net	8,345	13,456
Deferred income taxes	39,709	40,159
Non-marketable investments and other assets	13,822	12,264
<b>Total assets</b>	<b><u>\$ 290,783</u></b>	<b><u>\$ 310,975</u></b>
<b>Liabilities and stockholders' equity:</b>		
Accounts payable	\$ 2,570	\$ 2,566
Accrued expenses	27,363	31,457
Deferred revenue	60,769	68,630
Total liabilities	<u>90,702</u>	<u>102,653</u>
Preferred stock	-	-
Common stock	246	243
Additional paid-in capital	177,793	172,523
Retained earnings	67,551	66,945
Treasury stock, at cost	(44,923)	(30,300)
Accumulated other comprehensive loss	(586)	(1,089)
Total stockholders' equity	<u>200,081</u>	<u>208,322</u>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 290,783</u></b>	<b><u>\$ 310,975</u></b>

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