

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

(Unaudited, In thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
<b>Revenues:</b>				
Research services	\$ 40,752	\$ 39,025	\$ 80,168	\$ 78,075
Advisory services and other	23,901	22,553	43,665	39,910
<b>Total revenues</b>	<u>64,653</u>	<u>61,578</u>	<u>123,833</u>	<u>117,985</u>
<b>Operating expenses:</b>				
Cost of services and fulfillment	24,300	22,791	46,627	45,772
Selling and marketing	20,720	18,372	40,808	36,752
General and administrative	7,720	6,397	14,924	13,369
Depreciation	879	1,144	1,797	2,236
Amortization of intangible assets	905	656	1,810	1,312
Reorganization costs	-	-	-	3,141
<b>Total operating expenses</b>	<u>54,524</u>	<u>49,360</u>	<u>105,966</u>	<u>102,582</u>
<b>Income from operations</b>	10,129	12,218	17,867	15,403
Other income, net	1,148	453	2,223	1,722
Gains (losses) from investments, net	27	(951)	452	(951)
<b>Income before income taxes</b>	<u>11,304</u>	<u>11,720</u>	<u>20,542</u>	<u>16,174</u>
Income tax provision	4,402	5,568	7,868	7,391
<b>Net Income</b>	<u>\$ 6,902</u>	<u>\$ 6,152</u>	<u>\$ 12,674</u>	<u>\$ 8,783</u>
Diluted income per share	<u>\$ 0.30</u>	<u>\$ 0.27</u>	<u>\$ 0.55</u>	<u>\$ 0.38</u>
Diluted weighted average shares outstanding	<u>23,135</u>	<u>22,944</u>	<u>23,006</u>	<u>23,025</u>
Basic income per share	<u>\$ 0.31</u>	<u>\$ 0.27</u>	<u>\$ 0.56</u>	<u>\$ 0.38</u>
Basic weighted average shares outstanding	<u>22,517</u>	<u>22,703</u>	<u>22,453</u>	<u>22,824</u>
<b>Pro forma data (1):</b>				
Income from operations	\$ 10,129	\$ 12,218	\$ 17,867	\$ 15,403
Amortization of intangible assets	905	656	1,810	1,312
Reorganization costs	-	-	-	3,141
Acquisition costs (credits)	-	-	(326)	-
Stock-based compensation included in the following expense categories:				
Cost of services and fulfillment	607	640	1,056	1,748
Selling and marketing	227	183	471	610
General and administrative	589	477	1,002	1,133
<b>Pro forma income from operations</b>	<u>12,457</u>	<u>14,174</u>	<u>21,880</u>	<u>23,347</u>
Other income, net	1,148	453	2,223	1,722
Pro forma income before income taxes	<u>13,605</u>	<u>14,627</u>	<u>24,103</u>	<u>25,069</u>
Pro forma income tax provision	5,442	5,851	9,641	10,028
<b>Pro forma net income</b>	<u>\$ 8,163</u>	<u>\$ 8,776</u>	<u>\$ 14,462</u>	<u>\$ 15,041</u>
Pro forma diluted income per share	<u>\$ 0.35</u>	<u>\$ 0.38</u>	<u>\$ 0.63</u>	<u>\$ 0.65</u>
Diluted weighted average shares outstanding	<u>23,135</u>	<u>22,944</u>	<u>23,006</u>	<u>23,025</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 acquisition-related 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)

	June 30, 2010	December 31, 2009
<b>Balance sheet data:</b>		
Cash, cash equivalents and marketable investments	\$ 286,982	\$ 259,792
Accounts receivable, net	\$ 39,774	\$ 67,436
Deferred revenue	\$ 108,534	\$ 117,888
Six months ended June 30,		
	2010	2009
<b>Cash flow data:</b>		
Net cash provided by operating activities	\$ 32,350	\$ 29,366
Cash used for acquisitions	\$ (1,660)	\$ (752)
Purchases of property and equipment	\$ (2,442)	\$ (2,790)
Repurchases of common stock	\$ (5,002)	\$ (10,023)