

Forrester Research Reports Second-Quarter Financial Results

Cambridge, Mass., July 30, 2009 . . . Forrester Research, Inc. (Nasdaq: FORR) today announced its second-quarter ended June 30, 2009 financial results.

Second-Quarter Financial Performance

- Total revenues were \$61.6 million, compared with \$63.5 million for the second quarter of last year.
- On a GAAP-reported basis, Forrester reported net income of \$6.2 million, or \$0.27 per diluted share, compared with net income of \$8.6 million, or \$0.37 per diluted share, for the same period last year.
- On a pro forma basis, net income was \$8.8 million, or \$0.38 per diluted share, for the second quarter of 2009, which reflects a pro forma effective tax rate of 40 percent. Pro forma net income excludes stock-based compensation of \$1.3 million, amortization of \$656,000 of acquisition-related intangible assets, and impairments of non-marketable investments of \$951,000. This compares with pro forma net income of \$8.6 million, or \$0.37 per diluted share, for the same period in 2008, which reflects a pro forma effective tax rate of 39 percent. Pro forma net income for the second quarter of 2008 excludes stock-based compensation of \$1.3 million, amortization of \$23,000 of acquisition-related intangible assets, net marketable and non-marketable investment gains of \$1.6 million and expenses related to the stock option investigation and restatement of the Company's historical financial statements of \$666,000.

“Our performance for the quarter met our expectations, with revenue on target and operating margin and EPS slightly exceeding our guidance,” said George F. Colony, Forrester’s chairman of the board and chief executive officer. “As expected, the ongoing soft economy continues to impact our deferred revenue performance, declines that are already reflected in our existing guidance. We continue to carefully navigate this difficult economy through prudent expense management, innovating for our clients, and accelerating the role-based strategy so we are well-positioned when the economy begins to recover.”

Six-Month Period Ended June 30, 2009, Financial Performance

- Total revenues were \$118.0 million, compared with \$118.4 million for the same period last year.
- On a GAAP-reported basis, Forrester reported net income of \$8.8 million, or \$0.38 per diluted share for the six months ended June 30, 2009, compared with net income of \$13.7 million or \$0.58 per diluted share for the same period last year.

- On a pro forma basis, net income was \$15.0 million or \$0.65 per diluted share, for the six months ended June 30, 2009, which reflects a pro forma effective tax rate of 40 percent. Pro forma net income for the six months ended June 30, 2009 excludes stock-based compensation of \$3.5 million, amortization of \$1.3 million of acquisition-related intangible assets, \$3.1 million of reorganization costs, and impairments of non-marketable investments of \$951,000. This compares with pro forma net income of \$14.8 million, or \$0.63 per diluted share, for the same period in 2008, which reflects a pro forma tax rate of 39 percent. Pro forma net income for the six months ended June 30, 2008 excludes stock-based compensation of \$2.7 million, amortization of \$194,000 of acquisition-related intangible assets, net marketable and non-marketable investment gains of \$2.1 million and expenses related to the restatement of the Company's historical financial statements of \$597,000.

A reconciliation of GAAP results to pro forma results may be found in the attached financial tables.

Forrester is providing third-quarter 2009 financial guidance as follows:

Third-Quarter 2009 (GAAP):

- Total revenues of approximately \$50 million to \$53 million.
- Operating margin of approximately 5 percent to 8 percent.
- Other income of approximately \$800,000.
- An effective tax rate of 40 percent.
- Diluted earnings per share of approximately \$0.09 to \$0.13.

Third-Quarter 2009 (Pro Forma):

Pro forma financial guidance for the third quarter of 2009 excludes amortization of acquisition-related intangible assets of approximately \$500,000, stock-based compensation expense of \$1.1 million to \$1.6 million, and any gains or impairment charges related to marketable and non-marketable investments.

- Pro forma operating margin of approximately 9 percent to 11 percent.
- Pro forma effective tax rate of 40 percent.
- Pro forma diluted earnings per share of approximately \$0.13 to \$0.17.

Forrester is providing full-year 2009 guidance as follows:

Full-Year 2009 (GAAP):

- Total revenues of approximately \$220 million to \$233 million.
- Operating margin of approximately 10 percent to 13 percent.

- Other income of approximately \$3.0 million.
- An effective tax rate of 40 percent.
- Diluted earnings per share of approximately \$0.66 to \$0.84.

Full-Year 2009 (Pro Forma):

Pro forma financial guidance for full-year 2009 excludes stock-based compensation expense of \$5.5 million to \$6.5 million, reorganization costs of \$3.1 million, amortization of acquisition-related intangible assets of approximately \$2.1 million, and any gains or impairment charges related to marketable and non-marketable investments.

- Pro forma operating margin of approximately 15 percent to 17 percent.
- Pro forma effective tax rate of 40 percent.
- Pro forma diluted earnings per share of approximately \$1.00 to \$ 1.11.

About Forrester Research

Forrester Research (Nasdaq: FORR) is an independent research company that provides pragmatic and forward-thinking advice to global leaders in business and technology. Forrester works with professionals in 20 key roles at major companies providing proprietary research, customer insight, consulting, events, and peer-to-peer executive programs. For more than 26 years, Forrester has been making IT, marketing, and technology industry leaders successful every day. For more information, visit www.forrester.com.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, Forrester's financial and operating targets for the third quarter of and full-year 2009. These statements are based on Forrester's current plans and expectations and involve risks and uncertainties that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements. Important factors that could cause actual future activities and results to differ include, among others, Forrester's ability to respond to business and economic conditions, particularly in light of the continuing global economic downturn, technology spending, market trends, competition, industry consolidation, the ability to attract and retain professional staff, possible variations in Forrester's quarterly operating results, any cost savings related to reductions in force and associated actions, risks associated with Forrester's ability to offer new products and services, and Forrester's dependence on renewals of its membership-based research services and on key personnel. Forrester undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. For further information, please refer to Forrester's reports and filings with the Securities and Exchange Commission.

The consolidated statements of income, consolidated balance sheets, and consolidated statements of cash flows are attached.

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