

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

(In thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
<b>Revenues</b>				
Research services	\$ 39,025	\$ 37,861	\$ 78,075	\$ 73,810
Advisory services and other	22,553	25,613	39,910	44,638
<b>Total revenues</b>	<b>61,578</b>	<b>63,474</b>	<b>117,985</b>	<b>118,448</b>
<b>Operating expenses</b>				
Cost of services and fulfillment	21,860	22,894	44,072	44,042
Selling and marketing	19,303	20,987	38,452	39,837
General and administrative	6,397	8,190	13,369	15,416
Reorganization costs	-	-	3,141	-
Depreciation	1,144	950	2,236	1,986
Amortization of intangible assets	656	23	1,312	194
<b>Total operating expenses</b>	<b>49,360</b>	<b>53,044</b>	<b>102,582</b>	<b>101,475</b>
<b>Income from operations</b>	<b>12,218</b>	<b>10,430</b>	<b>15,403</b>	<b>16,973</b>
Other income, net	453	1,702	1,722	3,772
Realized (losses) gains from securities and non-marketable investments	(951)	1,613	(951)	2,112
<b>Income from operations before income tax provision</b>	<b>11,720</b>	<b>13,745</b>	<b>16,174</b>	<b>22,857</b>
Income tax provision	5,568	5,100	7,391	9,184
<b>Net income</b>	<b>\$ 6,152</b>	<b>\$ 8,645</b>	<b>\$ 8,783</b>	<b>\$ 13,673</b>
Diluted net income per common share	\$ 0.27	\$ 0.37	\$ 0.38	\$ 0.58
Diluted weighted average common shares outstanding	22,944	23,554	23,025	23,586
Basic net income per common share	\$ 0.27	\$ 0.38	\$ 0.38	\$ 0.59
Basic weighted average common shares outstanding	22,703	22,956	22,824	23,002
<b>Pro forma data (1):</b>				
Income from operations	\$ 12,218	\$ 10,430	\$ 15,403	\$ 16,973
Amortization of intangible assets	656	23	1,312	194
Reorganization costs	-	-	3,141	-
Investigation related expenses	-	666	-	597
Stock-based compensation included in the following expense categories:				
Cost of services and fulfillment	640	648	1,748	1,416
Selling and marketing	183	206	610	476
General and administrative	477	444	1,133	813
<b>Pro forma income from operations</b>	<b>14,174</b>	<b>12,417</b>	<b>23,347</b>	<b>20,469</b>
Other income, net	453	1,702	1,722	3,772
Pro forma income before income taxes	14,627	14,119	25,069	24,241
Pro forma income tax provision	5,851	5,506	10,028	9,454
<b>Pro forma net income</b>	<b>\$ 8,776</b>	<b>\$ 8,613</b>	<b>\$ 15,041</b>	<b>\$ 14,787</b>
Pro forma diluted earnings per share	\$ 0.38	\$ 0.37	\$ 0.65	\$ 0.63
Diluted weighted average shares outstanding	22,944	23,554	23,025	23,586

(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 intangible assets, stock-based compensation, net gains or impairments from marketable and non-marketable investments, costs associated with the stock option investigation and restatement of our historical financial statements, 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.