

Forrester Research, Inc.
Consolidated Statements of Income

(In thousands, except per share data)

	Three months ended March 31,	
	2006	2005
	(Unaudited)	
Revenues		
Research services	\$ 27,203	\$ 23,369
Advisory services and other	13,994	10,413
Total revenues	41,197	33,782
Operating expenses		
Cost of services and fulfillment	17,627	13,777
Selling and marketing	14,545	11,902
General and administrative	5,600	4,034
Depreciation	884	874
Amortization of intangible assets	652	1,123
Total operating expenses	39,308	31,710
Income from operations	1,889	2,072
Other income, net	958	750
Realized gains on securities	199	1,668
Income before income taxes	3,046	4,490
Income tax provision	1,526	1,751
Net income	\$ 1,520	\$ 2,739
Diluted income per share	\$ 0.07	\$ 0.13
Diluted weighted average shares outstanding	21,790	21,840
Basic income per share	\$ 0.07	\$ 0.13
Basic weighted average shares outstanding	21,186	21,611
Pro forma data (1):		
Income from operations	\$ 1,889	\$ 2,072
Amortization of intangible assets	652	1,123
Non-cash stock-based compensation included in the following expense categories:		
Cost of services and fulfillment	746	-
Selling and marketing	463	-
General and administrative	527	-
Pro forma income from operations	4,277	3,195
Other income, net	958	750
Pro forma income before income taxes	5,235	3,945
Pro forma income tax provision	1,937	1,381
Pro forma net income	\$ 3,298	\$ 2,564
Pro forma diluted earnings per share	\$ 0.15	\$ 0.12
Diluted weighted average shares outstanding	21,790	21,840

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 amortization of intangibles, non-cash stock-based compensation and any realized gains or impairments from our non-marketable investments, as well as their related tax effects. This does not purport to be prepared in accordance with Generally Accepted Accounting Principles.