

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

(Unaudited, In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
<b>Revenues:</b>				
Research services	\$ 52,205	\$ 50,622	\$ 156,667	\$ 153,737
Advisory services and events	22,548	24,741	76,084	77,644
<b>Total revenues</b>	<b>74,753</b>	<b>75,363</b>	<b>232,751</b>	<b>231,381</b>
<b>Operating expenses:</b>				
Cost of services and fulfillment	29,222	30,105	92,543	93,143
Selling and marketing	27,460	27,677	85,572	86,190
General and administrative	9,530	10,023	28,564	29,365
Depreciation	2,048	2,174	6,251	7,236
Amortization of intangible assets	224	530	669	1,605
Reorganization costs (credits)	928	(71)	4,433	1,817
<b>Total operating expenses</b>	<b>69,412</b>	<b>70,438</b>	<b>218,032</b>	<b>219,356</b>
<b>Income from operations</b>	<b>5,341</b>	<b>4,925</b>	<b>14,719</b>	<b>12,025</b>
Other income, net	159	232	342	247
Gains (losses) on investments, net	245	(105)	236	(25)
<b>Income before income taxes</b>	<b>5,745</b>	<b>5,052</b>	<b>15,297</b>	<b>12,247</b>
Income tax provision	1,295	2,009	5,321	4,981
<b>Net income</b>	<b>\$ 4,450</b>	<b>\$ 3,043</b>	<b>\$ 9,976</b>	<b>\$ 7,266</b>
Diluted income per common share	\$ 0.25	\$ 0.16	\$ 0.55	\$ 0.38
Diluted weighted average shares outstanding	18,065	18,549	18,231	19,169
Basic income per common share	\$ 0.25	\$ 0.17	\$ 0.55	\$ 0.38
Basic weighted average shares outstanding	17,892	18,287	17,986	18,886
<b>Pro forma data (1):</b>				
Income from operations	\$ 5,341	\$ 4,925	\$ 14,719	\$ 12,025
Amortization of intangible assets	224	530	669	1,605
Reorganization costs (credits)	928	(71)	4,433	1,817
Stock-based compensation included in the following expense categories:				
Cost of services and fulfillment	1,183	1,134	3,218	3,005
Selling and marketing	331	302	754	767
General and administrative	710	547	1,913	1,376
<b>Pro forma income from operations</b>	<b>8,717</b>	<b>7,367</b>	<b>25,706</b>	<b>20,595</b>
Other income, net	159	232	342	247
Pro forma income before income taxes	8,876	7,599	26,048	20,842
Pro forma income tax provision	3,373	2,888	9,898	7,920
<b>Pro forma net income</b>	<b>\$ 5,503</b>	<b>\$ 4,711</b>	<b>\$ 16,150</b>	<b>\$ 12,922</b>
Pro forma diluted income per share	\$ 0.30	\$ 0.25	\$ 0.89	\$ 0.67
Pro forma diluted weighted average shares outstanding	18,065	18,549	18,231	19,169

(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, and are also used by Forrester in making compensation decisions. Our pro forma presentation excludes amortization of acquisition-related intangible assets, stock-based compensation, reorganization costs (credits) and net gains or losses from investments, 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.****Key Financial Data**

(Unaudited, dollars in thousands)

	September 30, 2015	December 31, 2014
<b>Balance sheet data:</b>		
Cash, cash equivalents and marketable investments	\$ 104,151	\$ 104,535
Accounts receivable, net	\$ 37,379	\$ 67,429
Deferred revenue	\$ 124,195	\$ 144,568

	Nine Months Ended September 30,	
	2015	2014
<b>Cash flow data:</b>		
Net cash provided by operating activities	\$ 28,218	\$ 27,851
Purchases of property and equipment	\$ (2,316)	\$ (1,110)
Repurchases of common stock	\$ (18,639)	\$ (66,557)
Dividends paid	\$ (9,163)	\$ (9,053)

	As of September 30,	
	2015	2014
<b>Metrics:</b>		
Agreement value	\$ 233,300	\$ 226,900
Client retention	80%	76%
Dollar retention	91%	89%
Enrichment	97%	97%
Number of clients	2,482	2,452

	As of September 30,	
	2015	2014
<b>Headcount:</b>		
Total headcount	1,321	1,316
Research and consulting staff	491	511
Sales staff	513	494