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**SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): July 26, 2006

**FORRESTER RESEARCH, INC.**

(Exact Name of Registrant Specified in Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

000-21433  
(Commission  
File Number)

04-2797789  
(I.R.S. Employer  
Identification No.)

400 Technology Square, Cambridge, Massachusetts  
(Address of Principal Executive Offices)

02139  
(Zip Code)

Registrant's telephone number, including area code: (617) 613-6000

N/A

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(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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### ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The information contained in this current report on Form 8-K is furnished pursuant to Item 2.02 of Form 8-K “Results of Operations and Financial Condition”. This information and the exhibits hereto are being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of, or otherwise regarded as filed under, the Securities Exchange Act of 1934, as amended. The information contained in this report shall not be incorporated by reference into any filing of Forrester Research, Inc. with the SEC, whether made before or after the date hereof, regardless of any general incorporation language in such filings.

On July 26, 2006, Forrester Research, Inc. issued a press release announcing its financial results for the quarter ended June 30, 2006, the full text of which is attached hereto as Exhibit 99.1.

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 the following, as well as their related tax effects:

Amortization of acquisition-related intangibles — we exclude the non-cash effect of the amortization of acquisition-related intangibles from our pro forma results in order to more consistently present our ongoing results of operations.

Impairments of and gains related to non-marketable securities and gains from sales of marketable securities — we have consistently excluded both one-time gains and one-time write-offs related to our investments in non-marketable securities and sales of marketable securities from our pro forma results in order to keep quarter over quarter and year over year comparisons consistent.

Non-cash stock-based compensation expense — we exclude the stock-based compensation impact of APB Opinion 25 and SFAS 123R from our pro forma results in order to keep quarter over quarter and year over year comparisons consistent.

However, these measures should be considered in addition to, not as a substitute for, or superior to, operating income or other measures of financial performance prepared in accordance with generally accepted accounting principles as more fully discussed in our financial statements and filings with the Securities and Exchange Commission.

### ITEM 9.01 Financial Statements and Exhibits

#### (c) Exhibits

99.1 Press Release dated July 26, 2006

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FORRESTER RESEARCH, INC.

By: /s/ WARREN HADLEY

Name: Warren Hadley

Title: Treasurer and Chief Financial Officer

Dated: July 26, 2006

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**Forrester Research Reports Second-Quarter 2006 Financial Results**

CAMBRIDGE, Mass., July 26, 2006 . . . Forrester Research, Inc. (Nasdaq: FORR) today announced its second-quarter ended June 30, 2006 financial results.

**Second-Quarter Financial Performance**

- Total revenues were \$48.5 million, compared with \$39.2 million for the second quarter of last year.
- On a GAAP-reported basis, which reflects an effective tax rate of 46 percent, Forrester reported net income of \$3.9 million or \$0.17 per diluted share, compared with net income of \$2.5 million, or \$0.11 per diluted share for the same period last year.
- On a pro forma basis, net income was \$5.9 million or \$0.26 per diluted share for the second quarter of 2006, which excludes amortization of \$472,000 of acquisition-related intangible assets, non-cash stock-based compensation expense of \$1.8 million, net non-marketable investment gains of \$8,000, and which reflects a pro forma effective tax rate of 37 percent. This compares with pro forma net income of \$3.4 million, or \$0.15 per diluted share, for the same period in 2005, which excludes amortization of \$833,000 of acquisition-related intangible assets, non-cash stock-based compensation expense of \$290,000 and non-marketable investment gains of \$112,000, and which reflects a pro forma effective tax rate of 35 percent.

**Six-Month Period Ended June 30, 2006 Financial Performance**

- Total revenues were \$89.7 million, compared with \$73.0 million for the same period last year.
- On a GAAP-reported basis, which reflects an effective tax rate of 48 percent, Forrester reported net income of \$5.4 million, or \$0.24 per diluted share for the six months ended June 30, 2006, compared with net income of \$5.2 million or \$0.24 per diluted share for the same period last year.
- On a pro forma basis, net income was \$9.2 million or \$0.41 per diluted share, for the six months ended June 30, 2006, which excludes amortization of \$1.1 million of acquisition-related intangible assets, non-cash stock-based compensation expense of \$3.5 million, non-marketable investment gains of \$207,000, and which reflects a pro forma effective tax rate of 37 percent. This compares with pro forma net income of \$5.9 million, or \$0.27 per diluted share for the same period last year, which excludes amortization of \$2.0 million of acquisition-related intangible assets, non-cash stock-based compensation expense of \$290,000, non-marketable investment gains of \$1.8 million, and which reflects a pro forma effective tax rate of 35 percent.

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

“Forrester’s second quarter exceeded expectations for revenue, operating profit, and EPS due to three sold-out events in the quarter and the strengthening of our syndicated sales in the past three quarters,” said George F. Colony, chairman of the board and chief executive officer. “As we look forward to the second half of the year, we remain cautiously optimistic about the business and are pleased with our progress, particularly with the role-focused Forrester Leadership Boards. As a result of our financial performance in the first half of the year, we are raising our guidance today for the full year.”

Forrester is providing third-quarter 2006 financial guidance as follows:

*Third-Quarter 2006 (GAAP):*

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- Total revenues of approximately \$44.0 million to \$46.0 million.
- Operating margin of approximately 9 percent to 11 percent.
- Other income of approximately \$1.5 million.
- An effective tax rate of approximately 50 percent.
- Diluted weighted average shares outstanding of approximately 23.5 million.
- Diluted earnings per share of approximately \$0.13 to \$0.16.

*Third-Quarter 2006 (Pro Forma):*

Pro forma financial guidance for the third quarter of 2006 excludes amortization of acquisition-related intangible assets of approximately \$500,000, non-cash stock-based compensation expense of approximately \$2.0 million to \$2.5 million, and any gains or impairment charges related to non-marketable investments.

- Pro forma operating margin of approximately 14 percent to 16 percent.
- Pro forma effective tax rate of 37 percent.
- Pro forma diluted earnings per share of approximately \$0.21 to \$0.23.

Forrester is revising full-year 2006 guidance as follows:

*Full-Year 2006 (GAAP):*

- Total revenues of approximately \$182 million to \$187 million.
- Operating margin of approximately 8 percent to 10 percent.
- Other income of approximately \$5 million.
- An effective tax rate of approximately 50 percent.
- Diluted weighted average shares outstanding of approximately 23 million.
- Diluted earnings per share of approximately \$0.48 to \$0.59.

*Full-Year 2006 (Pro Forma):*

Pro forma financial guidance for full-year 2006 excludes amortization of acquisition-related intangible assets of approximately \$2.1 million, non-cash stock-based compensation expense of approximately \$7.0 million to \$9.0 million, and any gains or impairment charges related to non-marketable investments.

- Pro forma operating margin of approximately 15 percent.
- Pro forma diluted earnings per share of approximately \$0.86 to \$0.92.
- An effective tax rate of 37 percent.

Forrester Research (Nasdaq: FORR) is an independent technology and market research company that provides pragmatic and forward-thinking advice about technology's impact on business and consumers. For 23 years, Forrester has been a thought leader and trusted advisor, helping global clients lead in their markets through its research, consulting, events, and peer-to-peer executive programs. For more information, visit [www.forrester.com](http://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 2006, statements about the potential success of product offerings, and the ability of Forrester to achieve success in the current economy. 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 anticipate business and economic conditions, technology spending, market trends, competition, industry consolidation, the ability to attract and retain professional staff, possible variations in Forrester's quarterly operating results, 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

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

(In thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
	(Unaudited)		(Unaudited)	
<b>Revenues</b>				
Research services	\$ 28,323	\$ 23,847	\$ 55,526	\$ 47,216
Advisory services and other	20,161	15,399	34,155	25,812
<b>Total revenues</b>	<b>48,484</b>	<b>39,246</b>	<b>89,681</b>	<b>73,028</b>
<b>Operating expenses</b>				
Cost of services and fulfillment	20,282	16,673	37,909	30,450
Selling and marketing	15,442	13,065	29,987	24,967
General and administrative	5,526	4,484	11,126	8,518
Depreciation	916	882	1,800	1,756
Amortization of intangible assets	472	833	1,124	1,956
<b>Total operating expenses</b>	<b>42,638</b>	<b>35,937</b>	<b>81,946</b>	<b>67,647</b>
<b>Income from operations</b>	<b>5,846</b>	<b>3,309</b>	<b>7,735</b>	<b>5,381</b>
Other income, net	1,326	754	2,277	1,504
Realized gains on sales of securities and non-marketable investments, net	8	112	207	1,780
<b>Income before income taxes</b>	<b>7,180</b>	<b>4,175</b>	<b>10,219</b>	<b>8,665</b>
Income tax provision	3,330	1,718	4,856	3,469
<b>Net income</b>	<b>\$ 3,850</b>	<b>\$ 2,457</b>	<b>\$ 5,363</b>	<b>\$ 5,196</b>
Diluted income per share	\$ 0.17	\$ 0.11	\$ 0.24	\$ 0.24
Diluted weighted average shares outstanding	22,844	21,847	22,317	21,843
Basic income per share	\$ 0.18	\$ 0.11	\$ 0.25	\$ 0.24
Basic weighted average shares outstanding	21,988	21,511	21,587	21,561
<b>Pro forma data (1):</b>				
Income from operations	\$ 5,846	\$ 3,309	\$ 7,735	\$ 5,381
Amortization of intangible assets	472	833	1,124	1,956
Non-cash stock-based compensation included in the following expense categories:				
Cost of services and fulfillment	828	159	1,574	159
Selling and marketing	524	63	987	63
General and administrative	436	68	963	68
<b>Pro forma income from operations</b>	<b>8,106</b>	<b>4,432</b>	<b>12,383</b>	<b>7,627</b>
Other income, net	1,326	754	2,277	1,504
Pro forma income before income taxes	9,432	5,186	14,660	9,131
Pro forma income tax provision	3,490	1,815	5,424	3,196
<b>Pro forma net income</b>	<b>\$ 5,942</b>	<b>\$ 3,371</b>	<b>\$ 9,236</b>	<b>\$ 5,935</b>
Pro forma diluted earnings per share	\$ 0.26	\$ 0.15	\$ 0.41	\$ 0.27
Diluted weighted average shares outstanding	22,844	21,847	22,317	21,843

(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 amortization of intangibles, non-cash stock-based compensation expense Forrester's ongoing business. Our pro forma presentation excludes amortization of intangibles, non-cash stock-based compensation expense and gains or impairments of non-marketable securities and gains from sales of marketable securities as well as their related tax effects. This does not purport to be prepared in accordance with Accounting Principles Generally Accepted in the United States. This does not purport to be prepared in accordance with Accounting Principles Generally Accepted in the United States.



**Forrester Research, Inc.**  
**Consolidated Balance Sheets**

(In thousands)

	June 30, 2006 (Unaudited)	December 31, 2005
<b>Assets:</b>		
Cash and cash equivalents	\$ 84,558	\$ 48,538
Available-for-sale securities	97,581	83,730
Accounts receivable, net	32,187	52,177
Deferred commissions	7,784	8,940
Prepaid expenses and other current assets	7,679	5,126
<b>Total current assets</b>	<b>229,789</b>	<b>198,511</b>
Property and equipment, net	5,707	5,771
Goodwill, net	53,279	53,034
Intangible assets, net	2,434	3,530
Deferred income taxes	37,187	36,941
Non-marketable investments and other assets	14,043	13,915
<b>Total assets</b>	<b>\$ 342,439</b>	<b>\$ 311,702</b>
<b>Liabilities and stockholders' equity:</b>		
Accounts payable	\$ 3,103	\$ 1,716
Accrued expenses	27,033	24,569
Deferred revenue	80,344	86,663
<b>Total liabilities</b>	<b>110,480</b>	<b>112,948</b>
Preferred stock	—	—
Common stock	270	254
Additional paid-in capital	223,035	192,206
Retained earnings	87,788	82,425
Treasury stock, at cost	(76,462)	(73,527)
Accumulated other comprehensive loss	(2,672)	(2,604)
<b>Total stockholders' equity</b>	<b>231,959</b>	<b>198,754</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 342,439</b>	<b>\$ 311,702</b>

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**Forrester Research, Inc.**  
**Consolidated Statements Cash Flows**

(In thousands)

	Six months ended June 30,	
	2006	2005
	(Unaudited)	
<b>Cash flows from operations:</b>		
Net income	\$ 5,363	\$ 5,196
Adjustments to reconcile net income to net cash provided by operating activities –		
Depreciation	1,800	1,756
Amortization of intangible assets	1,124	1,956
Non-cash stock-based compensation	3,524	290
Excess tax benefits from non-cash stock-based compensation	(369)	(400)
Non-marketable investments gains, net	(161)	(291)
Realized gain on sale of marketable securities	—	(1,489)
Deferred income taxes	(339)	598
Accretion of premiums on marketable securities	406	577
Changes in assets and liabilities -		
Accounts receivable	20,603	10,114
Deferred commissions	1,156	173
Prepaid expenses and other current assets	(2,367)	(531)
Accounts payable	1,426	(1,286)
Accrued expenses	2,317	(123)
Deferred revenue	(7,447)	(415)
<b>Net cash provided by operating activities</b>	<b>27,036</b>	<b>16,125</b>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(1,676)	(1,983)
Purchase of non-marketable investments	(300)	—
Proceeds from non-marketable investments	188	—
Decrease in other assets	153	538
Purchase of marketable securities	(229,887)	(103,222)
Proceeds from sales and maturities of marketable securities	215,821	115,567
<b>Net cash (used in) provided by investing activities</b>	<b>(15,701)</b>	<b>10,900</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of common stock under employee stock option plans and employee stock purchase plan	26,952	2,202
Excess tax benefits from non-cash stock-based compensation	369	400
Acquisition of treasury shares	(2,937)	(11,187)
<b>Net cash provided by (used in) financing activities</b>	<b>24,384</b>	<b>(8,585)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>301</b>	<b>(551)</b>
<b>Net increase in cash and cash equivalents</b>	<b>36,020</b>	<b>17,889</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>48,538</b>	<b>37,328</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 84,558</b>	<b>\$ 55,217</b>

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