UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. For the quarterly period ended June 30, 2000.

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Commission File Number: 000-21433

FORRESTER RESEARCH, INC.
(Exact name of registrant as specified in its charter)

Delaware	04-2797789
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
400 Technology Square Cambridge, Massachusetts	02139
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (617) 497-7090

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X]   No [ ]

As of August 11, 2000, 21,365,191 shares of the registrant's common stock were outstanding.

FORRESTER RESEARCH, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FORRESTER RESEARCH, INC.

CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

ASSETS	JUNE 30, 2000	DECEMBER 31, 1999
CURRENT ASSETS:		
Cash and cash equivalents	$ 27,367	$ 13,445
Marketable securities	144,305	85,342
Accounts receivable, net	26,993	36,988
Deferred commissions	6,310	4,850
Prepaid income taxes	1,187	1,187
Prepaid expenses and other current assets	4,802	4,142
Total current assets	210,964	145,954
Property and equipment, net	15,541	11,619
Deferred income taxes	9,042	--
Other assets	2,704	1,820
Total assets	$ 238,251	$ 159,393
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 2,819	$ 2,702
Customer deposits	984	716
Accrued expenses	15,658	9,447
Accrued income taxes	--	617
Deferred revenue	81,681	66,233
Deferred income taxes	--	873
Total current liabilities	101,142	80,588
STOCKHOLDERS' EQUITY:		
Preferred stock, $.01 par value Authorized--500,000 shares Issued and outstanding--none	--	--
Common stock, $.01 par value Authorized--125,000,000 shares Issued and outstanding--21,101,207 and 19,408,064 shares at June 30, 2000 and December 31, 1999, respectively	211	194
Additional paid-in capital	104,824	54,771
Retained earnings	32,778	24,434
Accumulated other comprehensive income	(704)	(594)
Total stockholders' equity	137,109	78,805
Total liabilities and stockholders' equity	$ 238,251	$ 159,393

The accompanying notes are an integral part of these consolidated financial statements.

FORRESTER RESEARCH, INC.

CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2000	1999	2000	1999
REVENUES:				
Core research	$28,011	$14,773	$51,769	$27,751
Advisory services and other	10,269	4,898	17,327	9,849
Total revenues	38,280	19,671	69,096	37,600
OPERATING EXPENSES:				
Cost of services and fulfillment	11,674	6,424	20,968	13,036
Selling and marketing	14,323	7,276	26,537	13,468
General and administrative	4,703	2,213	8,483	4,254
Depreciation and amortization	1,750	1,048	3,182	1,921
Total operating expenses	32,450	16,961	59,170	32,679
Income from operations	5,830	2,710	9,926	4,921
OTHER INCOME, NET	1,972	895	3,425	1,755
Income before income tax provision	7,802	3,605	13,351	6,676
INCOME TAX PROVISION	2,926	1,370	5,007	2,537
Net income	$ 4,876	$ 2,235	$ 8,344	$ 4,139
BASIC NET INCOME PER COMMON SHARE	$ 0.23	$ 0.13	$ 0.41	$ 0.23
DILUTED NET INCOME PER COMMON SHARE	$ 0.20	$ 0.12	$ 0.35	$ 0.22
BASIC WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	20,895	17,762	20,422	17,627
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	24,727	18,964	24,152	19,215

The accompanying notes are an integral part of these consolidated financial statements.

FORRESTER RESEARCH, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	SIX MONTHS ENDED JUNE 30, 2000	SIX MONTHS ENDED JUNE 30, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 8,344	$ 4,139
Adjustments to reconcile net income to net cash provided by operating activities --		
Depreciation and amortization	3,182	1,921
Deferred income taxes	5,007	462
Accretion of discount on marketable securities	(148)	(28)
Changes in assets and liabilities		
Accounts receivable	9,976	3,616
Deferred commissions	(1,460)	(1,151)
Prepaid expenses and other current assets	(552)	(498)
Accounts payable	173	106
Customer deposits	268	282
Accrued expenses	6,093	621
Accrued income taxes	--	204
Deferred revenue	15,458	2,561
Net cash provided by operating activities	46,341	12,235
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(6,597)	(1,391)
Purchase of non-marketable investment	(1,500)	(1,000)
Decrease (increase) in other assets	26	(470)
Purchase of marketable securities	(228,395)	(180,672)
Proceeds from sales and maturities of marketable securities	169,596	165,375
Net cash used in investing activities	(66,870)	(11,321)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from the sale of common stock	22,647	--
Proceeds from issuance of common stock under stock option plans	11,858	3,577
Net cash provided by financing activities	34,505	3,577
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(54)	(6)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,922	(2,293)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	13,445	10,414
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 27,367	$ 8,121
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for income taxes	$ --	$ 1,062
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES:		
Increase in additional paid-in capital and decrease in accrued income taxes related to the tax benefit on the exercises on stock options	$ 15,565	$ 1,778

The accompanying notes are an integral part of these consolidated financial statements.

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) for reporting on Form 10-Q. Accordingly, certain information and footnote disclosures required for complete financial statements are not included herein. It is recommended that these financial statements be read in conjunction with the consolidated financial statements and related notes of Forrester Research, Inc. (the "Company") as reported in the Company's Annual Report on Form 10-K for the year ended December 31, 1999. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation of the financial position, results of operations, and cash flows at the dates and for the periods presented have been included. The consolidated balance sheet presented as of December 31, 1999 has been derived from the consolidated financial statements that have been audited by the Company's independent public accountants. The results of operations for the periods ended June 30, 2000 may not be indicative of the results that may be expected for the year ended December 31, 2000, or any other period.

NOTE 2 - NET INCOME PER COMMON SHARE

Basic net income per common share was computed by dividing net income by the basic weighted average number of common shares outstanding during the period. Diluted net income per common share was computed by dividing net income by the diluted weighted average number of common shares outstanding during the period. The weighted average number of common equivalent shares outstanding has been determined in accordance with the treasury-stock method. Common stock equivalents consist of common stock issuable on the exercise of outstanding options. Reconciliation of basic to diluted weighted average shares outstanding is as follows (in thousands):

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30, 2000	JUNE 30, 1999	JUNE 30, 2000	JUNE 30, 1999
Basic weighted average common shares outstanding	20,895	17,762	20,422	17,627
Weighted average common equivalent shares	3,832	1,202	3,730	1,588
Diluted weighted average shares outstanding	24,727	18,964	24,152	19,215

As of June 30, 2000 and 1999, 68,500 and 162,568 outstanding stock options, respectively, were not included in diluted weighted average shares outstanding as the effect would have been anti-dilutive.

NOTE 3 - COMPREHENSIVE INCOME

Statement of Financial Accounting Standards (SFAS) No. 130, Reporting Comprehensive Income, requires disclosure of comprehensive income and the components of comprehensive income. Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. The components of other comprehensive income for the three and six-month periods ended on the accompanying balance sheets as of June 30, 2000 and 1999 are as follows (in thousands):

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30, 2000	JUNE 30, 1999	JUNE 30, 2000	JUNE 30, 1999
Unrealized gain (loss) on marketable securities,				

net of taxes	$ 27	$(189)	$ 17	$(277)
Cumulative translation adjustment	(53)	(81)	(127)	(190)
Total other comprehensive income	$(26)	$(271)	$(110)	$(467)

NOTE 4 - NON-MARKETABLE INVESTMENTS

In March 2000, the Company invested $1.0 million in the common stock of Doculabs, Inc. ("Doculabs"), an independent technology research firm, resulting in approximately a 3.9% ownership interest. This investment is being accounted for using the cost method and, accordingly, is being valued at cost unless a permanent impairment in its value occurs or the investment is liquidated. As of June 30, 2000, the Company has determined that a permanent impairment has not occurred.

The Company also has an option to purchase an additional $2.0 million of Doculab's equity. The purchase price and the number of shares issuable upon exercise of the option may vary according to Doculabs' valuation as of December 31, 2000, as determined pursuant to the original agreements.

In May 1999, the Company invested $1.0 million in a holding company that is the majority shareholder of Greenfield Online, Inc. (Greenfield), an Internet-based marketing research firm. As a result of this investment, the Company effectively owns approximately a 3.4% ownership interest in Greenfield. This investment is being accounted for using the cost method and, accordingly, is being valued at cost unless a permanent impairment in its value occurs or the investment is liquidated. As of June 30, 2000, the Company has determined that a permanent impairment has not occurred.

In March 2000, the holding company entered into a Note and Warrant Purchase Agreement with Greenfield. Pursuant to this agreement, the Company loaned the holding company $108,000 in exchange for a subordinated note, which bears interest at 10% per annum and was payable June 30, 2000. In June 2000, in accordance with the note and warrant purchase agreement, the Company extended the term of the subordinated note and related accrued interest and loaned the holding company an additional $108,000 in exchange for another subordinated note bearing interest at 10% per annum. All outstanding amounts, including principal and interest, are payable October 31, 2000. The value of these notes is included in Other Current Assets in the accompanying Consolidated Balance Sheet as of June 30, 2000. In addition, the Company was issued warrants to obtain approximately 2,300 shares of Class A common stock at $7.15. The warrants are immediately exercisable and expire on March 3, 2005.

In June 2000, the Company committed to invest approximately $20.0 million in two private equity investment funds. The Company intends to adopt a cash bonus plan to pay bonuses, after the return of its invested capital, from the proceeds of a portion of its share of net profits from these investments, if any, to certain key employees of the Company, subject to the terms and conditions of such plan. The payment of such bonuses would result in the Company incurring compensation expense with respect to the amounts so paid. In June 2000, the Company contributed $500,000 to one of the funds, which is included in Other Assets on the accompanying Consolidated Balance Sheet as of June 30, 2000. This investment is being accounted for using the cost method and, accordingly, is being valued at cost unless a permanent impairment in its value occurs or the investment is liquidated. The timing and amount of future contributions are entirely within the discretion of the investment funds.

NOTE 5 - JOINT VENTURE

In April 2000, the Company entered into a one-year joint venture agreement with Information Resources, Inc. (IRI) to target research offerings to the consumer packaged goods industry. The joint venture is intended to be an equal sharing of revenues and expenses. To date, the joint venture has not had a significant impact on the results of operations of the Company.

NOTE 6 - SEGMENT AND ENTERPRISE WIDE REPORTING

SFAS No. 131, Disclosures About Segments of an Enterprise and Related Information, establishes selected standards for reporting information regarding operating segments in annual financial statements and requires selected information for those segments to be presented in interim financial reports issued to stockholders. SFAS No. 131 also establishes standards for related disclosures about products and services and geographic areas. Operating segments are defined as components of an enterprise about which separate, discrete financial information is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and assess performance. The Company's chief decision-making group, as defined under SFAS No. 131, is its Executive Team, consisting of its executive officers. To date, the Company has viewed its operations and managed its business principally as one segment; research services. As a result, the financial information disclosed herein materially represents all of the financial information related to the Company's principal operating segment. Foreign assets represented approximately 5% and 2% of total consolidated assets as of June 30, 2000 and December 31, 1999, respectively.

Net revenues by geographic destination and as a percentage of total revenues are as follows (in thousands):

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30, 2000	JUNE 30, 1999	JUNE 30, 2000	JUNE 30, 1999
United States	$27,938	$15,563	$50,790	$29,756
United Kingdom	3,430	1,010	6,059	1,968
Europe (excluding United Kingdom)	3,529	1,388	5,983	2,672
Canada	1,577	810	3,040	1,565
Other	1,806	900	3,224	1,639
	$38,280	$19,671	$69,096	$37,600
United States	73%	79%	74%	79%
United Kingdom	9	5	9	5
Europe (excluding United Kingdom)	9	7	9	7
Canada	4	4	4	4
Other	5	5	4	5
	100%	100%	100%	100%

NOTE 7 - NEW ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board (FASB) issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. SFAS No. 133 is effective for all periods beginning after June 15, 2000, as amended by SFAS No. 137 and establishes methods of accounting for derivative financial instruments and hedging activities related to those instruments as well as other hedging activities. Adoption of SFAS No. 133 is not expected to have a material impact on the Company's consolidated financial position or results from operations.

In March 2000, the FASB issued Interpretation No. 44, Accounting for Certain Transactions Involving Stock Compensation -- an Interpretation of Accounting Principles Board (APB), Opinion No. 25. The interpretation clarifies the application of APB Opinion No. 25 in certain situations, as defined. The interpretation is effective July 1, 2000, but covers certain events occurring during the period after December 15, 1998 but before the effective date. To the extent that events covered by this interpretation occur during the period after December 15, 1998 but before the effective date, the effects of applying this interpretation would be recognized on a prospective basis from the effective date. Accordingly, upon initial application of the final interpretation, (i) no adjustments would be made to the financial statements for periods before the effective date and (ii) no expense would be recognized for any additional compensation cost measured that is attributable to periods before the effective date. We expect that the adoption of this interpretation would not have any effect on the accompanying financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expects," "believes," "anticipates," "intends," "plans," "estimates," or similar expressions are intended to identify these forward-looking statements. These statements are based on the Company'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 results to differ materially from those indicated by forward-looking statements include, among others, the need to attract and retain professional staff, management of growth, variability of quarterly operating results, possible volatility of stock price, dependence on renewals of membership-based core research, dependence on key personnel, the ability to integrate acquisitions effectively, risks associated with anticipating market trends, new products and services, and competition. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. Unless the context otherwise requires, references in this Quarterly Report to "we", "us", and "our" refer to Forrester Research, Inc. and our Subsidiaries.

We are a leading independent Internet research firm that conducts research and analysis on the impact of the Internet and emerging technologies on business strategy, consumer behavior and society. Our clients, which include senior management, business strategists and marketing and technology professionals within large enterprises use our prescriptive, actionable research to understand and capitalize on the Internet and emerging business models and technologies.

We derive revenues from memberships to our core research and from our advisory services and Forum events. We offer contracts for our products and services that are typically renewable annually and payable in advance. Accordingly, a substantial portion of our billings are initially recorded as deferred revenue. Research revenues are recognized pro rata on a monthly basis over the term of the contract. Our advisory services clients purchase such services together with memberships to our research. Billings attributable to advisory services are initially recorded as deferred revenue and recognized as revenue when performed. Similarly, Forum billings are initially recorded as deferred revenue and are recognized upon completion of each event.

Our operating expenses consist of cost of services and fulfillment, selling and marketing expenses, general and administrative expenses and depreciation and amortization. Cost of services and fulfillment represent the costs associated with the production and delivery of our products and services, and include the costs of salaries, bonuses and related benefits for research personnel and all associated editorial, travel and support services. Selling and marketing expenses include salaries, employee benefits, travel expenses, promotional costs, sales commissions and other costs incurred in marketing and selling our products and services. General and administrative expenses include the costs of the operations, technology, finance and strategy groups and our other administrative functions.

We believe that the "agreement value" of contracts to purchase research and advisory services provides a significant measure of our business volume. We calculate agreement value as the total revenues recognizable from all research and advisory service contracts in force at a given time, without regard to how much revenue has already been recognized. Agreement value increased 85% to $148.6 million at June 30, 2000 from $80.3 million at June 30, 1999. No single client accounted for more than 2% of agreement value at June 30, 2000. Our experience is that a substantial portion of client companies renew expiring contracts for an equal or higher level of total research and advisory service fees each year. Approximately 74% of our client companies with memberships expiring during the twelve-months ended June 30, 2000 renewed one or more memberships for our products and services. This renewal rate is not necessarily indicative of the rate of future retention of our revenue base.

RESULTS OF OPERATIONS

The following table sets forth certain financial data as a percentage of total revenues for the periods indicated:

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2000	1999	2000	1999
Core research	73%	75%	75%	74%
Advisory services and other	27	25	25	26
Total revenues	100	100	100	100
Cost of services and fulfillment	31	33	30	35
Selling and marketing	37	37	39	36
General and administrative	12	11	12	11
Depreciation and amortization	5	5	5	5
Income from operations	15	14	14	13
Interest income	5	4	5	5

Income before income tax provision	20	18	19	18
Provision for income taxes	7	7	7	7
	---	---	---	---
Net income	13%	11%	12%	11%
	===	===	===	===

THREE MONTHS ENDED JUNE 30, 2000 AND JUNE 30, 1999

REVENUES. Total revenues increased 95% to $38.3 million in the three months ended June 30, 2000 from $19.7 million in the three months ended June 30, 1999. Revenues from core research increased 90% to $28.0 million in the three months ended June 30, 2000 from $14.8 million in the three months ended June 30, 1999. Increases in total revenues and revenues from core research were primarily attributable to an increase in the number of client companies to 2,143 at June 30, 2000 from 1,466 at June 30, 1999, an increase in the sales organization to 215 employees at June 30, 2000 from 130 employees at June 30, 1999, and sales of additional core research to existing clients. No single client company accounted for more than 2% of revenues for the three months ended June 30, 2000.

Advisory services and other revenues increased 110% to $10.3 million in the three months ended June 30, 2000 from $4.9 million in the three months ended June 30, 1999. This increase was primarily attributable to the demand for the Partners and Strategy Review Programs, the increase in analyst staff providing advisory services to 159 at June 30, 2000 from 117 at June 30, 1999, and the increase in the number of events held to three in the quarter ended June 30, 2000 from two in the quarter ended June 30, 1999.

Revenues attributable to customers outside the United States increased 152% to $10.3 million in the three months ended June 30, 2000 from $4.1 million in the three months ended June 30, 1999, and increased as a percentage of total revenues to 27% for the three months ended June 30, 2000 from 21% for the three months ended June 30, 1999. The increase in international revenues is attributable primarily to the continued expansion of our European headquarters in Amsterdam, the Netherlands, and our UK Research Centre in London, England, and increases in sales personnel at each location. We invoice our international clients in U.S. dollars, except for those billed by our UK Research Centre, which invoices its clients in British Pounds Sterling. To date, the effect of changes in currency exchange rates has not had a significant impact on our results of operations.

COST OF SERVICES AND FULFILLMENT. Cost of services and fulfillment decreased as a percentage of total revenues to 31% in the three months ended June 30, 2000 from 33% in the three months ended June 30, 1999. These expenses increased 82% to $11.7 million in the three months ended June 30, 2000 from $6.4 million in the three months ended June 30, 1999. The decrease in expense as a percentage of total revenues reflects a larger revenue base in 2000, lower production costs resulting from the leverage of our eResearch platform, and increased analyst productivity. The expense increase in the current period reflects increased analyst staffing and related compensation expense.

SELLING AND MARKETING. Selling and marketing expenses remained constant as a percentage of total revenues at 37% in the three months ended June 30, 2000 and 1999. These expenses increased 97% to $14.3 million in the three months ended June 30, 2000 from $7.3 million in the three months ended June 30, 1999. The increase in expenses was principally due to the addition of direct salespersons and related commission expense.

GENERAL AND ADMINISTRATIVE. General and administrative expenses increased as a percentage of total revenues to 12% in the three months ended June 30, 2000 from 11% in the three months ended June 30, 1999. These expenses increased 113% to $4.7 million in the three months ended June 30, 2000 from $2.2 million in the three months ended June 30, 1999. The increase in expenses and expense as a percentage of revenues were principally due to increased staffing in our operations, finance and technology groups and related compensation and recruiting expenses.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization expense increased 80% to $1.8 million in the three months ended June 30, 2000, from $1.0 million in the three months ended June 30, 1999. The increase in this expense was principally due to purchases of computer equipment, software and leasehold improvements to support business growth.

OTHER INCOME, NET. Other income, consisting primarily of interest income, increased 120% to $2.0 million in the three months ended June 30, 2000 from $895,000 in the three months ended June 30, 1999. The increase was due to additional interest income from higher cash and marketable securities balances resulting from positive cash flows from operations, proceeds of $22.6 million from our offering of common stock in February 2000 and $11.9 million from exercises of stock options by employees during the six months ended June 30, 2000.

PROVISION FOR INCOME TAXES. During the three months ended June 30, 2000, we recorded a tax provision of $2.9 million, reflecting an effective tax rate of 37.5%. During the three months ended June 30, 1999, we recorded a tax provision of $1.4 million, reflecting an effective tax rate of 38%. The decrease in our effective tax rate resulted from a reduction in our effective state tax rate and an increase in our investments in tax-exempt marketable securities.

SIX MONTHS ENDED JUNE 30, 2000 AND 1999

REVENUES. Total revenues increased 84% to $69.1 million in the six months ended June 30, 2000 from $37.6 million in the six months ended June 30, 1999. Revenues from core research increased 87% to $51.8 million in the six months ended June 30, 2000 from $27.8 million in the six months ended June 30, 1999. Increases in total revenues and revenues from core research were primarily attributable to an increase in the number of client companies to 2,143 at June 30, 2000 from 1,466 at June 30, 1999, an increase in the sales organization to 215 employees at June 30, 2000 from 130 employees at June 30, 1999, and sales of additional core research to existing clients. No single client company accounted for more than 2% of revenues for the six months ended June 30, 2000.

Advisory services and other revenues increased 76% to $17.3 million in the six months ended June 30, 2000 from $9.8 million in the six months ended June 30, 1999. This increase was primarily attributable to increased demand for both the Partners and Strategy Review Programs and Forrester Forum events, and the increase in analyst staff providing advisory services to 159 at June 30, 2000 from 117 at June 30, 1999, and the increase in number of events held to five in the period ended June 30, 2000 from four in the period ended June 30, 1999.

Revenues attributable to customers outside the United States increased 133% to $18.3 million in the six months ended June 30, 2000 from $7.8 million in the six months ended June 30, 1999. Revenues attributable to customers outside the United States increased to 26% for the six months ended June 30, 2000 from 21% for the six months ended June 30, 1999. The increase in international revenues is attributable primarily to the continued expansion of our European headquarters in Amsterdam, the Netherlands, and our UK Research Centre in London, England, and increases in sales personnel at each location. We invoice our international clients in U.S. dollars, except for those billed by our UK Research Centre, which invoices its clients in British Pounds Sterling. To date, the effect of changes in currency exchange rates has not had a significant impact on our results of operations.

COST OF SERVICES AND FULFILLMENT. Cost of services and fulfillment decreased as a percentage of total revenues to 30% in the six months ended June 30, 2000 from 35% in the six months ended June 30, 1999. These expenses increased 61% to $21.0 million in the six months ended June 30, 2000 from $13.0 million in the six months ended June 30, 1999. The decrease in expense as a percentage of total revenues reflects a larger revenue base in 2000, lower production costs resulting from the leverage of our eResearch platform, and increased analyst productivity. The expense increase in the current period reflects increased analyst staffing and related compensation expense.

SELLING AND MARKETING. Selling and marketing expenses increased as a percentage of total revenues to 39% in the six months ended June 30, 2000 from 36% in the six months ended June 30, 1999. These expenses increased 97% to $26.5 million in the six months ended June 30, 2000 from $13.4 million in the six months ended June 30, 1999. The increase in expenses and expense as a percentage of revenues were principally due to the addition of direct salespersons and related commission expense.

GENERAL AND ADMINISTRATIVE. General and administrative expenses increased as a percentage of total revenues to 12% in the six months ended June 30, 2000 from 11% in the six months ended June 30, 1999. These expenses increased 99% to $8.5 million in the six months ended June 30, 2000 from $4.3 million in the six months ended June 30, 1999. The increase in expenses was principally due to increased staffing in the Company's operations, finance and technology groups and related compensation and recruiting expenses.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization expense increased 66% to $3.2 million in the six months ended June 30, 2000 from $1.9 million in the six months ended June 30, 1999. The increase in this expense was principally due to purchases of computer equipment, software and leasehold improvements to support business growth.

OTHER INCOME, NET. Other income, consisting primarily of interest income, increased 95% to $3.4 million in the six months ended June 30, 2000 from $1.8 million in the six months ended June 30, 1999. The increase was due to additional interest income from higher cash and marketable securities balances resulting from positive cash flows from operations, proceeds of $22.6 million from our offering of common stock in February 2000 and $11.9 million from exercises of stock options by employees during the six months ended June 30, 2000.

PROVISION FOR INCOME TAXES. During the six months ended June 30, 2000, the Company recorded a tax provision of $5.0 million, reflecting an effective tax rate of 37.5%. During the six months ended June 30, 1999, the Company recorded a tax provision of $2.5 million, reflecting an effective tax rate of 38%. The decrease in our effective tax rate resulted from a reduction in our effective state tax rate and an increase in our investments in tax-exempt marketable securities.

LIQUIDITY AND CAPITAL RESOURCES

We have financed our operations during these periods primarily through funds generated from operations. Memberships for core research, which constituted approximately 73% of our revenues for the three months ended June 30, 2000, are annually renewable and are generally payable in advance. We generated $46.5 and $12.2 million in cash from operating activities during the six-month periods ended June 30, 2000 and 1999, respectively.

During the six-month period ended June 30, 2000, we used $67.0 million of cash in investing activities, consisting of $6.6 million for purchases of property and equipment and $58.9 million for net purchases of marketable securities. We regularly invest excess funds in short- and intermediate-term interest-bearing obligations of investment grade.

During the six-month period ended June 30, 2000, we generated $34.5 million from financing activities, consisting of $22.6 million of net proceeds from our public offering of common stock and $11.9 million in proceeds from exercises of employee stock options. As a result of these option exercises during the six-month period ended June 30, 2000, we will receive a tax benefit in the form of a tax deduction that will offset approximately $15.5 million of our taxable income. This tax benefit is reflected as an increase in our Shareholders' Equity.

As of June 30, 2000, we had cash and cash equivalents of $27.4 million and $144.3 million in marketable securities. We do not have a line of credit and do not anticipate the need for one in the foreseeable future. We plan to continue to introduce new products and services, to open additional offices in and outside the United States and to invest in our infrastructure over the next 12 months. We believe that our current cash balance, marketable securities, and cash flows from operations will satisfy working capital, financing activities, and capital expenditure requirements for at least the next two years.

In June 2000, we committed to invest approximately $20.0 million in two private equity investment funds. We intend to adopt a cash bonus plan to pay bonuses, after the return of our invested capital, from the proceeds of a portion of our share of net profits from these investments, if any, to certain key employees, subject to the terms and conditions of such plan. The payment of such bonuses would result in Forrester incurring compensation expense with respect to the amounts so paid. In June 2000, we contributed $500,000 to one of the funds, which is included in Other Assets on the accompanying Consolidated Balance Sheet as of June 30, 2000. This investment is being accounted for using the cost method and, accordingly, is being valued at cost unless a permanent impairment in its value occurs or the investment is liquidated. The timing and amount of future contributions are entirely within the discretion of the investment funds.

The timing of the recognition of gains from the investment funds, if any, is beyond our control. As a result, it is not possible to predict when we will recognize such gains, if any, if we will award cash bonuses based on the net profit from such investments, or when we will incur compensation expense in connection with the payment of such bonuses. If the investment funds realize large returns on their investments, we could experience significant variations in our quarterly results unrelated to our business operations. These

variations could be due to significant gains or to significant compensation expenses. While gains may offset compensation expenses in a particular quarter, there can be no assurance that related gains and compensation expenses will occur in the same quarter.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following discussion about our market risk disclosures involve forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. We are exposed to market risk related to changes in interest rates and foreign currency exchange rates. We do not use derivative financial instruments for speculative or trading purposes.

INTEREST RATE SENSITIVITY. We maintain an investment portfolio consisting mainly of corporate obligations, federal agency obligations, state and municipal bonds, and U.S. Treasury notes with a weighted average maturity of less than one year. These held-to-maturity securities are subject to interest rate risk and will fall in value if market interest rates increase. If market interest rates were to increase immediately and uniformly by 10% from levels at June 30, 2000, the fair market value of the portfolio would decline by an immaterial amount. We have the ability to hold our fixed income investments until maturity. Therefore, we would not expect our operating results or cash flows to be affected to any significant degree by the effect of a sudden change in market interest rates on our securities portfolio. The following table provides information about our investment portfolio. For investment securities, the table presents principal cash flows and related weighted average interest rated by expected maturity dates.

Principal amounts by expected maturity in U.S. Dollars (in thousands, except interest rates):

	FAIR VALUE AT JUNE 30, 2000	FY 2000	FY 2001	FY 2002	FY 2003 AND THEREAFTER
Cash equivalents	$ 23,471	$23,471	$ -	$ -	$ -
Weighted average interest rate	6.39%	6.39%	-%	-%	-%
Investments	$144,305	$58,297	$32,741	$24,383	$28,884
Weighted average interest rate	4.79%	4.61%	5.20%	4.91%	4.58%
Total portfolio	$167,776	$81,768	$32,741	$24,383	$28,884
Weighted average interest rate	5.01%	5.12%	5.20%	4.91%	4.58%

FOREIGN CURRENCY EXCHANGE. On a global level, we face exposure to adverse movements in foreign currency exchange rates. This exposure may change over time as business practices evolve and could have a material adverse impact on our financial results. Historically, our primary exposure had been related to non-dollar-denominated operating expenses in Europe, Canada, and Asia, where we sell primarily in U.S. dollars. The introduction of the Euro as a common currency for members of the European Monetary Union has taken place in the Company's fiscal year 2000. We have not determined what impact, if any, the Euro will have on foreign exchange exposure. We are prepared to hedge against fluctuations the Euro will have on foreign exchange exposure if this exposure becomes material. As of June 30, 2000, the total assets related to non-dollar-denominated currencies was approximately $11.8 million.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is not currently a party to any material legal proceedings.

ITEM 2. CHANGES IN SECURITIES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY-HOLDERS

The Annual Meeting of Stockholders ("Meeting") was held on May 9, 2000. At such Meeting, the stockholders elected one (1) Class I Director and two (2) Class III Directors to the Board of Directors. William M. Bluestein (former Class I Director) was elected as a Class III Director. Michael H. Welles (former Class III Director) was elected as a Class I Director. Robert M. Galford was re-elected as a Class III Director. Below are the votes by which each Director was elected:

	Total Vote For Director	Total Vote Withheld From Director
William M. Bluestein	17,867,891	127,035
Michael H. Welles	17,867,891	127,035
Robert M. Galford	17,867,891	127,035

Henk W. Broeders and George R. Hornig's terms of office as Class II Directors continued after the Meeting. George F. Colony's term of office as a Class I Director continued after the Meeting.

At this Meeting, the stockholders also approved an increase in the number of shares of Common Stock available for issuance under the Company's 1996 Amended and Restated Equity Incentive Plan from 10.5 million shares to 13.5 million shares by the following vote:

TOTAL VOTE FOR INCREASE	TOTAL VOTE AGAINST INCREASE	TOTAL ABSTENTIONS AND BROKER NON-VOTES
11,137,981	4,870,394	619,585

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

27 Financial Data Schedule

(b) Reports on Form 8-K

None.

SIGNATURES

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 thereunto duly authorized.

Forrester Research, Inc.

By: /s/ George F. Colony

George F. Colony
Chairman of the Board and
Chief Executive Officer

Date: August 14, 2000

By: /s/ Susan Whirty Maffei

Susan Whirty Maffei
Chief Financial Officer and Vice
President, Operations
(principal financial and
accounting officer)

Date: August 14, 2000

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM FORRESTER
RESEARCH, INC.'S DECEMBER 31, 1999 CONSOLIDATED FINANCIAL STATEMENTS AND IS
QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS CONTAINED
IN FORM 10-K.

1,000
US DOLLARS

3-MOS
DEC-31-2000
APR-01-2000
JUN-30-2000
1
27,367
144,305
27,769
776
0
210,964
26,258
10,697
238,251
101,142
0
0
0
211
238,040
238,251
0
38,280
0
11,674
20,776
0
0
7,802
2,926
4,876
0
0
0
4,876
0.23
0.20