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

FORM 10-K

(MARK ONE)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934.
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934.
FOR THE TRANSITION PERIOD FROM TO

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

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT: NONE

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, $.01 par value	Nasdaq National Market System

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 [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of the voting stock held by non-affiliates of the registrant as of the registrant as of March 9, 2000 (based on the closing price as quoted by the Nasdaq National Market as of such date) was approximately $600,454,000.

As of March 9, 2000, 20,545,744 shares of the registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the Company's Annual Meeting of Stockholders for the year ended December 31, 1999 are incorporated by reference into Part III hereof.

PART I

ITEM 1. BUSINESS

GENERAL

Forrester Research, Inc. is 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. We provide our clients with a comprehensive and integrated perspective on technology and business, which we call the Whole View(TM) of Internet commerce. Our Whole View approach helps companies evolve their business models and infrastructure to embrace broader on-line markets and to scale their Internet operations. We help our clients develop e-business strategies that use the Internet and other emerging technologies to win customers, identify new markets and gain competitive operational advantages. We target our products and services to large enterprises, Internet companies and technology vendors. Senior management, business strategists and marketing and technology professionals use our prescriptive, actionable research to understand and capitalize on the Internet and emerging business models and technologies.

In addition to analyzing the Internet, we also use Internet technologies as an integral part of our business. We have developed a technology platform that we call "Forrester eResearch" which allows us to conduct, design, sell and deliver our research over the Internet in a format specifically developed to maximize its impact and effectiveness. Our eResearch platform enhances our research data and content quality and provides our clients with instant access to our research, on-line tools and presentations and interactive services.

We offer our clients annual memberships which provide access to our research on specific business issues and technology topics. These issues and topics include the impact that the application of the Internet and emerging technologies may have on business models, operational strategy, financial results, investment priorities, organizational effectiveness and staffing requirements. We also provide advisory services to clients that explore in greater detail the issues and topics covered by our research. We host Forum events, conferences devoted to critical business and technology issues, which bring our clients and major technology and business leaders together to discuss the impact of technology change on business. Additionally, we offer our clients bit products that consist of research that is collected, analyzed and sold directly on the Internet.

The Company was incorporated in Massachusetts on July 7, 1983 and reincorporated in Delaware on February 21, 1996.

INDUSTRY BACKGROUND

Internet commerce and emerging technologies continue to rapidly transform businesses. The rise of both new business models and consumers who are empowered by the Internet requires companies to adapt their pricing, distribution, sales channels and supply chains to remain competitive. Decisions about how to develop e-commerce strategies, how to leverage new media for advertising and marketing and how to capitalize on e-business technologies have become increasingly complex, requiring participation from corporate leaders, line-of-business managers, marketing executives and technology professionals. Together, these individuals must work to reduce and even eliminate the traditional separations between marketing, business strategy and technology to reach new markets, gain competitive advantage and develop high customer service and loyalty levels. Developing a comprehensive and coordinated e-business strategy is difficult because as technology change accelerates, consumers and businesses adopt new methods of buying and selling and markets grow increasingly dynamic.

Consequently, demand is growing for external sources of expertise that provide independent business advice spanning a variety of areas including Internet commerce, e-business technologies and consumer behavior. We believe there is a need for objective research which is thematic, prescriptive and actionable and which provides a comprehensive perspective on the integrated use of technology in business.

FORRESTER'S SOLUTION

We believe that our Internet business and technology expertise enables us to offer our clients the best available research on Internet commerce and emerging business models and technologies. Our solution provides our clients with:

THE WHOLE VIEW OF INTERNET COMMERCE. We provide our clients with a comprehensive and integrated perspective on emerging technologies and business, which we call the Whole View of Internet commerce. Our approach helps guide our clients in the evolution of their business models and infrastructure. We deliver the Whole View by organizing our research into lenses -- focused selections of our research addressing various business issues and technology topics -- within our three coverage areas: Internet Commerce, eBusiness Technology and Technographics Data & Analysis.

TOOLS TO DEVELOP EBUSINESS STRATEGIES. Our research and advisory services analyze technology and its relation to, and impact on, evolving markets and business issues. This enables our clients to:

- assess potential new markets, competitors, products and services;
- anticipate technology-driven business model shifts;
- understand how the Internet and other emerging technologies can improve business processes;
- educate and inform strategic decision makers in their organizations; and
- capitalize on emerging technologies.

EXPERTISE ON THE INTERNET AND EMERGING TECHNOLOGIES. We started our business in 1983 and have a long history of and extensive experience in identifying emerging technology trends and providing research and actionable advice on the impact of technology on business. This history and experience allowed us early on to identify and analyze the impact that the Internet would have on businesses, consumers and society, and to launch our first Internet-focused research efforts in 1993. Our research analysts have many years of industry experience, are frequent speakers at business and technology conferences and symposiums, and are frequently quoted in the press and other publications. They enjoy direct access to the leaders and decision-makers within large enterprises, Internet companies and technology vendors. We provide our research analysts with rigorous training to ensure that they have the skills to challenge conventional viewpoints and provide prescriptive, actionable insight and research to achieve our key values.

INTERNET-BASED, ACTIONABLE ERESEARCH THAT ACCELERATES DECISION-MAKING. Our eResearch platform, specifically developed for electronic distribution and use over the Internet, increases the relevancy, timeliness and usefulness of our research. We distill the abundance of information, developments and data into concise and easy-to-read formats to facilitate rapid decision-making. Our web site offers advanced personalization features, downloadable data and graphics and intuitive navigation and search features which provide clients with the access and flexibility to accelerate deployment of our ideas and analysis.

TIMELY INSIGHTS INTO CHANGING CONSUMER BEHAVIOR. Our Technographics Data & Analysis coverage area and several of our bit products provide primary data, quantitative research and prescriptive advice to help our clients understand consumers' attitudes, abilities and motivations regarding the Internet and technology. We annually interview more than 150,000 households in North America and Europe. Our clients use our Technographics research to assess specific consumer segment behavior, identify emerging consumer trends and adapt their business strategies accordingly.

FORRESTER'S STRATEGY

We seek to maintain and enhance our position as a leading Internet research firm and to capitalize on the growing demand for our research by:

IDENTIFYING AND DEFINING NEW INTERNET BUSINESS MODELS, TECHNOLOGIES AND MARKETS. We seek to position ourselves ahead of other research firms by delivering strategic research and analysis on the impact of the Internet and other new and emerging technologies on business models and technology infrastructure. We believe that our research methodology and our creative culture allow us to identify and analyze rapid shifts in the use of the Internet and other emerging technologies before these changes appear on the horizons of most users, vendors and other research firms. Our early identification of these shifts enables us to offer research and introduce new products and services that help our clients capitalize on the Internet and emerging business models.

LEVERAGING ERESEARCH. Our focus on sales of research that is produced for and delivered on the Internet allows us to provide value to our clients and increase our revenues. Our business model, eResearch technology platform and research methodology allow us to increase sales of existing products and to rapidly introduce new products and services without incurring significant incremental costs. We intend to continue to use the Internet to both increase sales of our research and introduce innovative products.

EXPANDING MULTIPLE SALES CHANNELS. We plan to continue to expand our direct sales force and to develop new methods to sell directly from our web site and through new on-line affiliates and intermediaries. We sell our products and services through our headquarters in Cambridge, Massachusetts, our European headquarters in Amsterdam, the Netherlands and our office in London. We are also in the process of opening remote sales offices in New York, Chicago and San Francisco. Our direct sales force increased 66% from 92 on December 31, 1998 to 153 on December 31, 1999. As we continue to expand our direct sales force we seek to increase the average sales volume per sales representative, lengthen the average tenure of our sales representatives and sales management and shorten our sales cycle through marketing initiatives. In 1999, we introduced Baseline Research for Internet Entrepreneurs and the Baseline Affiliates Program to sell our research to the emerging market for Internet entrepreneurs through our web site and other affiliate web sites.

GROWING OUR CLIENT BASE WORLDWIDE AND INCREASING SALES TO EXISTING CLIENTS. We believe that our products and services can continue to be successfully marketed and sold to new client companies worldwide and to new organizations within existing client companies. We believe that within our client base of 1,793 clients as of December 31, 1999, there is ample opportunity to sell additional products and services. In addition, we intend to continue expanding our international presence as the growing use of the Internet and the need for e-business strategies increase the demand for external sources of objective research.

ATTRACTING AND RETAINING OUTSTANDING RESEARCH PROFESSIONALS. The knowledge and experience of our analysts are critical elements of our ability to provide high-quality products and services. Through our on-going recruiting efforts, we seek to hire outstanding research professionals from varied backgrounds and a wide range of industries. We believe that our culture, which emphasizes excellence, cooperation and creativity and fosters a dedication to quality research, helps us to attract and retain high-caliber research professionals. We provide a competitive compensation structure and recognition and rewards for excellent individual and team performance.

OPTIMIZING THE USE OF NEW TECHNOLOGY. Our eResearch platform allows us to conduct, design, sell and deliver our research over the Internet. Through this platform we can:

- create Internet-based products that we sell on-line;

- create research tools that allow us to perform research on the Internet;

- conduct direct marketing campaigns;

- improve sales leads fulfillment;

- create links to on-line affiliates; and

- accelerate the production of our research.

We intend to continue to use emerging technologies to improve the reach and quality of our research.

PRODUCTS AND SERVICES

We offer annually renewable memberships which provide our clients access to research in the following coverage areas:

- INTERNET COMMERCE. Addresses the challenges of leveraging the Internet for sales, trade, marketing and content delivery.

- eBUSINESS TECHNOLOGY. Analyzes the strategic and organizational issues related to developing and managing technology infrastructures, products and applications.

- TECHNOGRAPHICS DATA & ANALYSIS. Delivers both primary data and quantitative research based on surveys of over 150,000 North American and European households analyzed and categorized into relevant market segments to help organizations capitalize on changing consumer behavior.

In addition, we offer the following products and services:

- BIT PRODUCTS. Consist of research that is collected, analyzed and sold directly on the Internet.

- ADVISORY SERVICES. Provide our clients with a proactive relationship with our analysts to develop strategies for specific corporate goals.

- FORUM EVENTS. Provide one or two-day conferences for our clients with major technology and business leaders devoted to leading technology issues.

We work with each client to design a portfolio of relevant research lenses, advisory services and Forum seats to address its specific business objectives.

RESEARCH

Each of our coverage areas -- Internet Commerce, eBusiness Technology and Technographics Data & Analysis -- includes research lenses that focus on research relevant to specific business issues and topics. Within each coverage area we offer three different levels of lenses:

- a Comprehensive lens which contains all of the research within a particular coverage area;

- Industry/Infrastructure lenses which provide research that is focused on a specific vertical market or a discrete element of technology infrastructure; and

- Issue-Specific lenses which address specific research on particular business or technology topics.

The following table lists the lenses available within our three coverage areas:

COMPREHENSIVE LENSES	INTERNET COMMERCE	eBUSINESS TECHNOLOGY	TECHNOGRAPHICS DATA & ANALYSIS
INDUSTRY/INFRASTRUCTURE-FOCUSED LENSES	Business Trade On-line Healthcare Online New Media On-line Financial Services On-line Retail	Applications, Development, & Data Computing, Networks & Communications IT Leadership	Technographics Consumer Technology Technographics Europe Technographics Personal Finance Technographics Retail & Media Technographics Travel Technographics Young Consumer
ISSUE-SPECIFIC LENSES	Branding & Advertising On-line Commerce Technology Consumer Technology European Internet Commerce Future of Customer Service Future of TV & Entertainment Site Design & Management	European Corporate Technologies Future of Public Networks IT Organizations & Budgets Supply Chain Technology Technology Services & Outsourcing	Technographics Benchmark Research

Each client that purchases research in the Internet Commerce and eBusiness Technology coverage areas receives a combination of the following:

- Forrester reports that deliver a concise, forward-looking analysis of a significant technology topic and

- Forrester briefs that offer succinct, timely examinations of current industry developments written as events demand.

Clients who purchase Comprehensive lenses receive approximately 100 reports and 150 briefs; Industry/Infrastructure lens clients receive approximately 50 reports and 75 briefs; and Issue-Specific lens clients receive approximately 20 reports and 40 briefs.

Each client that purchases research in the Technographics Data & Analysis Coverage Area receives a combination of:

- Forrester reports, PowerPoint presentations, briefs and workshops;

- relevant data sorted through our segmentation model;

- dedicated staff to help apply the quantitative data to specific client projects; and

- access to a network of leading market research, media measurement and direct marketing organizations.

Comprehensive lens clients receive 14 reports, Industry/Infrastructure lens clients receive four reports and Issue-Specific lens clients receive one report.

BIT PRODUCTS

Our bit products consist of research that is collected, analyzed and sold directly on the Internet. Our bit products allow us to use the Internet as both an active, real-time, research tool and a direct sales and distribution channel. We use these products to provide clients with timely information, to collect data at a low cost and to quickly access new markets that we previously did not reach with our direct sales channel.

We currently offer the following bit products:

- THE eBUSINESS VOYAGE -- an on-line tool that allows businesses to assess their responses to the Internet and Internet technologies using a variety of metrics and permits them to benchmark their e-business development strategies against their peers and competitors.

- POWERRANKINGS -- an on-line ranking of business web sites. We create our PowerRankings using on-line consumer surveys and unbiased expert analysis. PowerRankings provide objective research to help consumers choose leading Internet sites in different industries such as brokerage, toys and apparel and provide e-commerce vendors with an independent assessment of their efforts in the market.

- BASELINE RESEARCH -- concise packages of research sold directly on our web site and through a network of affiliated web sites. This research offers small business executives, independent consultants and developers access to a limited group of research reports focused on a particular topic within a research lens.

- INTERNET ADWATCH -- an interactive tracking tool that enables advertisers and publishers in the United Kingdom to monitor on-line advertising campaigns and spending. The service records advertising on hundreds of web sites. We combine this data with advertising rates, traffic information and submissions from the sites to estimate advertising spending levels.

- INTERNET USER MONITOR -- an on-line survey of Internet users collected by placing "pop-up" questionnaires on major commercial web sites in the United Kingdom. This data is then cross-referenced with face-to-face consumer interviews to provide data on web users' attitudes and behaviors. In 1999, the Internet User Monitor surveyed approximately 100,000 users on-line.

ADVISORY SERVICES

Our advisory services provide a number of ways for our clients to interact directly with our analysts. These services leverage our research expertise to address clients' long-term planning issues and align our research and insight with clients' specific goals. Our advisory service programs include:

- Partners Program

- eBusiness Review Program

- Web Site Review Program

- Strategy Workshops

- Speeches

In addition to research lenses, clients purchasing a membership to a Partners Program or an eBusiness Review Program engage in regular, structured interactions with our analysts. These interactions may include advisory days which consist of full day interactions with one or more of our analysts, advisory calls which consist of two-hour phone conversations with our analysts, and strategy workshops which allow clients to meet with both peer executives and Forrester analysts. These clients also are assigned a navigator -- a proactive research liaison who maintains an understanding of the client's business objectives.

Clients who join the Web Site Review Program receive targeted, action-oriented assessments of their corporate web site and its role in their company's on-line strategies. Our strategy workshops are full day presentations and interactive exercises that focus on particular business and technology issues. Recent workshops have included: Building Internet Customer Service, Making Deals with Portals, The Future of Interactive Media, and Business Trade and the Impact of New Channel Relationships. In addition, our clients may join our research inquiry network, a call center with a staff dedicated to providing additional information about our research, methodologies, coverage areas and sources.

FORUM EVENTS

We also host Forum events in various locations throughout the year. These Forums bring together senior executives for a one or two-day conference to network with their peers and hear leaders from the technology industry and other business sectors discuss the impact of technology change on business. We intend to host the following Forum events in 2000:

UNITED STATES	EUROPE
Business to Business Technology Leadership Forum	Executive Strategy Forum
Finance & Technology Forum	Retail & Marketing Forum
Retail & Marketing Forum	Interactive Channels
Executive Strategy Forum	Retail Online
Healthcare Forum	Personal Finance Online
	Media Online

PRICING AND CONTRACT SIZE

The prices for contracts that include only research are a function of the number of lenses purchased and the number of research recipients within the client organization. The average contract for annual memberships for research only at December 31, 1999 was approximately $41,700, an increase of 41% from $29,500 at December 31, 1998. The prices for contracts that include research and advisory services are also a function of the number of lenses purchased, the number of research recipients within the client organization and the amount and type of advisory services. All memberships to our advisory services include research. The average contract for an annual membership for our level one Partners Program at December 31, 1999 was approximately $148,800, an increase of 20% from $124,200 at December 31, 1998. The average contract for an annual membership for our level two Partners Program at December 31, 1999 was approximately $61,700, an increase of 14% from $53,900 at December 31, 1998.

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 grew 68% to $115.8 million at December 31, 1999 from $69.1 million at December 31, 1998.

RESEARCH ANALYSTS AND METHODOLOGY

We employ a structured methodology in our research which enables us to identify and analyze emerging technology trends, markets and audiences and ensures consistent research quality and recommendations across all research lenses. Our research provides consistent research themes and comprehensive coverage of Internet and emerging technology issues across our coverage areas.

Our research process subjects initial ideas to research, analysis and rigorous validation, and produces conclusions, predictions and recommendations. In the Internet Commerce and eBusiness Technology coverage areas, we use the following primary research methods:

- confidential interviews with early adopters of new technology, technology vendors and users and consumers;

- regular briefings with vendors to review current positions and future directions; and

- input from clients and third parties gathered during advisory sessions.

In the Technographics Data & Analysis coverage area, we combine our qualitative research methodology with traditional survey research methodologies such as correlations, frequencies, cross-tabulations and multi-variant statistics to produce research reports, quantitative survey data and data insights. We use a third-party data vendor for data collection and tabulation.

Our research begins with discussion sessions with analysts where they generate ideas for research. Analysts test ideas throughout the research report process at informal and weekly research meetings. Our reports are consistent in format and we require our analysts to write research reports in a structure that combines graphics and easy-to-read text to deliver concise, decisive and objective research to our clients. At the final stage of the research process, senior analysts meet to test the conclusions of each research report. An analyst who has not been involved in the creation of a particular report reviews the report to ensure quality, clarity and readability. All research is reviewed and graded by senior research management.

SALES AND MARKETING

Our sales force is located primarily at our headquarters in Cambridge, Massachusetts, our European headquarters in Amsterdam, the Netherlands and our London office. We have made a substantial investment in our direct sales force to better serve clients and address additional markets. We employed 153 sales representatives as of December 31, 1999, an increase of 66% from 92 as of December 31, 1998. Our direct sales force consists of:

- account managers who are responsible for maintaining and leveraging the current client base by renewing and selling additional products and services to existing clients;

- account executives who develop new business in assigned territories;

- regional sales directors who focus on high-level client contact and service; and

- telesales representatives who operate out of our headquarters in Cambridge.

We also sell our research products directly on-line through our web site and through a network of affiliate web sites that are authorized to sell limited portions of our research on-line. We also use eight local independent sales representatives to market and sell our products and services internationally in Argentina, Australia, Brazil, Italy, Korea, Portugal, South Africa and Spain.

Our marketing efforts are designed to increase awareness of the Forrester brand and further our reputation as a leader in Internet and emerging technologies research. We actively promote brand awareness through our web site, Forum events, extensive worldwide press relations, and, direct mail campaigns. We also employ an integrated direct marketing strategy that uses Internet, mail and telephone channels for identifying and attracting high-quality sales leads. We encourage our analysts to increase our visibility by having their research ideas selectively distributed through various Internet, print and television outlets.

As of December 31, 1999, our research was delivered to 1,793 client companies. As of December 31, 1999, our client companies included 18% of the companies in the annual Global 2500, which we define as the 1,000 largest United States public companies as listed in Fortune Magazine, the 500 largest private companies as listed in Forbes Magazine and the 1,000 largest international companies as listed in The Financial Times. No single client company accounted for over 2% of our revenues for the year ended December 31, 1999.

COMPETITION

We believe that the principal competitive factors in our industry include the following:

- independence from vendors and clients;

- quality of research and analysis;

- timely delivery of information;

- the ability to leverage new technologies;

- the ability to offer products that meet the changing needs of organizations for research and analysis;

- customer service; and

- price.

We believe that we compete favorably with respect to each of these factors. We believe that our early focus on eBusiness strategies and the Internet is a significant competitive advantage. Additionally, we believe that our advanced eResearch technology platform, our Whole View research approach, and easy-to-read research format distinguish us from our competitors.

We compete in the market for research on and about the Internet. Our principal direct competitors include other independent providers of similar services as well as Internet and digital media measurement services. In addition, our indirect competitors include the internal planning and marketing staffs of our current and prospective clients, as well as other information providers such as electronic and print publishing companies, survey-based general market research firms and general business consulting firms. Our indirect competitors could choose to compete directly against us in the future. In addition, there are relatively few barriers to entry into our market and new competitors could readily seek to compete against us in one or more market segments addressed by our research. Increased competition could adversely affect our operating results through pricing pressure and loss of market share. There can be no assurance that we will be able to continue to compete successfully against existing or new competitors.

EMPLOYEES

As of December 31, 1999, we employed a total of 446 persons, including 133 research staff, 212 sales and marketing personnel and 101 operations personnel.

Our culture emphasizes certain key values -- client service, quality and creativity -- that we believe are critical to our future growth. We promote these values through rigorous training and frequent recognition for achievement. We encourage teamwork and promote individuals who foster these values. Each new employee that we hire undergoes a week-long training process. This training includes presentations by our executives which focus on our corporate goals and workshops and provides individuals with the skills necessary to achieve our key values.

All members of our research staff participate in our incentive compensation bonus plan. Their performance is measured against individual and team goals to determine an eligible bonus that is funded by our overall performance against key business objectives. Individual and team goals include on-time delivery of high-quality research and advisory services support to clients. In addition, analysts, research directors and research management are eligible to receive equity awards under our incentive stock option plan.

All of our direct sales representatives participate in our annual commission plan. Under this plan, we pay commissions monthly to sales personnel based upon attainment of net bookings against established quotas. In addition, all account managers, account executives, regional managers, and regional directors are eligible to participate in our incentive stock option plan based on performance.

EXECUTIVE OFFICERS

The following table sets forth information about our directors and executive officers as of March 9, 2000.

NAME	AGE	POSITION
George F. Colony	46	Chairman of the Board, President, and Chief Executive Officer
Richard C. Belanger	35	Chief Technology Officer
Joel Blenner	56	Vice President, World Wide Sales
William M. Bluestein, Ph.D.	42	Vice President, Corporate Strategy and Development
John W. Boynton	34	Vice President, Business Development
Stanley Dolberg	49	Vice President, Research
Emily Nagle Green	42	Managing Director, Forrester Research B.V.
Mary A. Modahl	37	Vice President, Research
Timothy M. Riley	48	Vice President, Strategic Growth
Susan M. Whirty	42	Chief Financial Officer, Vice President, Operations and General Counsel
Henk W. Broeders	47	Director
Robert M. Galford	47	Director
George R. Hornig	45	Director
Michael H. Welles	45	Director

George F. Colony, Forrester's founder, has served as President and Chief Executive Officer since its inception in July 1983.

Richard C. Belanger became Forrester's Chief Technology Officer in May 1998. Prior to joining Forrester, from 1996 to 1998, Mr. Belanger served as Vice President of Interactive Media and Vice President of Technology for Mainspring Communications, an Internet strategy research consulting firm. He was Vice President of Technology at Information Access Company, an on-line information provider, from 1995 to 1996, and Vice President of Information Services at Information Access Center, formerly Ziff-Davis Technical Information Company, from 1992 to 1995.

Joel Blenner became Forrester's Vice President, World Wide Sales in April 1999. Prior to joining Forrester, Mr. Blenner was Vice President of Sales at MicroTouch Systems, a supplier of touch and pen sensitive input screens, from 1996 to 1999 and Vice President of North American Sales at Corporate Software, a reseller of software and services for personal computers, from 1989 to 1992.

William M. Bluestein, Ph.D., currently serves as Vice President, Corporate Strategy and Development. He was previously Forrester's Group Director, New Media Research from 1995 to 1997, Director and Senior Analyst with Forrester's People & Technology Strategies from 1994 to 1995 and Director and Senior Analyst with Forrester's Computing Strategies from 1990 to 1993.

John W. Boynton currently serves as Vice President, Business Development. He was Director, Business Development in 1997. Prior to joining Forrester, Mr. Boynton was a Senior Associate with Mercer Management Consulting, a global strategy consulting firm from 1995 to 1997, and Co-founder and President of CompTek International, Inc., a networking and telecommunications products and services distributor based in the former Soviet Union, from 1990 to 1995.

Stanley Dolberg currently serves as Forrester's Vice President, Research. Mr. Dolberg was previously our Group Director for the business-to-business strategy research group and Director of Commerce Technology Strategies from 1998 to 1999. He was also the Director of Software from 1996 to 1998 and a Senior Analyst for the Software Team from 1995 to 1996.

Emily Nagle Green became Forrester's Managing Director, Forrester Research B.V. in January 1998. She was previously Director, People & Technology Strategies, from 1996 to 1998. Prior to joining Forrester, Ms. Green was Vice President of Marketing and Sales at Point of View, Inc., a video technology training firm, from 1994 to 1995, and Vice President of Strategic Marketing for ADC Fibermux, a computer networking hardware manufacturer, from 1991 to 1994.

Mary A. Modahl currently serves as Vice President, Research. She was previously Vice President, New Media Research from 1997 to 1998, Group Director, New Media Research, from 1995 to 1997, Director and Senior Analyst with Forrester's People & Technology Strategies from 1994 to 1995 and Senior Analyst with Forrester's Computing Strategies from 1993 to 1994.

Timothy M. Riley became Forrester's Vice President, Strategic Growth in 1997. Prior to joining Forrester, Mr. Riley served as the Vice President of Human Resources at Renaissance Solutions, a strategy and knowledge management consulting firm, from 1993 to 1997. Mr. Riley served as Director of Human Resources at Bolt Beranek and Newman, a technology research and development company, from 1987 to 1993.

Susan M. Whirty, Esq. is currently Chief Financial Officer, Vice President, Operations, and General Counsel. Ms. Whirty has served as Forrester's Chief Financial Officer since May 1998. She was previously Vice President, Operations and General Counsel from 1997 to 1998, and Director, Operations and General Counsel from 1993 to 1997.

Henk W. Broeders became a director of Forrester in May 1998 when he was elected at last year's Annual Meeting. Mr. Broeders is currently an Executive Director of Cap Gemini N.V., a management consulting firm located in the Netherlands. From 1992 to 1998, Mr. Broeders was General Manager of IQUIP Informatica B.V., a software company in the Netherlands.

Robert M. Galford became a director of Forrester in November 1996. Mr. Galford is currently the Executive Vice President and Chief People Officer at Digitas, Inc., an Internet professional services firm. From 1994 to 1999 he consulted to professional services firms and taught in the Executive Programs at the Kellogg School of Management at Northwestern University and Columbia University's Graduate School of Business. Before joining Columbia's Executive Programs, he taught at Boston University from 1993 to 1994. Prior to his work in executive education, Mr. Galford was Vice President of the MAC Group from 1986 to 1991 and its successor firm, Gemini Consulting, from 1991 to 1994.

George R. Hornig became a director of Forrester in November 1996. Mr. Hornig is currently Managing Director at Credit Suisse First Boston, an investment banking firm. He was an Executive Vice President of Deutsche Bank Americas Holding Corporation, a diversified financial services holding company, and several of its affiliated entities, from 1993 to 1998. He is also Director of Unity Mutual Life Insurance Company, SL Industries, Inc. and U.S. Timberlands Company, L.P.

Michael H. Welles became a director of Forrester in November 1996. Mr. Welles has been Vice President of News Operations for NewsEdge Corporation since February 1998. He previously served as Vice President of Engineering at Individual, Inc. from May 1997 to February 1998, General Manager, Next Generation Products for Lotus Development Corporation from 1994 to 1997 and General Manager of Lotus Improv development team from 1991 to 1994.

ITEM 2. PROPERTIES

Our headquarters are located in approximately 100,000 square feet of office space in Cambridge, Massachusetts. This facility accommodates research, marketing, sales, IT, and operations personnel. The initial lease term of this facility expires in January 2006. We have the option to extend this lease for up to two additional terms of 5 years each.

Our European headquarters are located in approximately 1,400 square meters of office space in Amsterdam, the Netherlands. This facility accommodates research, marketing, sales, IT, and operations personnel. The initial lease term of this facility expires in February 2003.

Our office in the United Kingdom is located in approximately 1,600 square feet of office space in London, England. We are currently in the process of opening remote sales offices in New York, Chicago, and San Francisco.

The Company believes that its existing facilities are adequate for its current needs and that additional facilities are available for lease to meet future needs.

ITEM 3. LEGAL PROCEEDINGS

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

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

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is traded on the Nasdaq National Market under the symbol "FORR". All share and per share amounts contained herein give effect to our two-for-one stock split effected on February 7, 2000. On March 9, 2000, the closing price of the Company's common stock was $56.50.

As of March 9, 2000 there were approximately 50 stockholders of record of the Company's common stock.

The following table represents the ranges of high and low sale prices of the Company's common stock for the fiscal years ended December 31, 1998 and 1999:

	1998		1999	
	HIGH	LOW	HIGH	LOW
First Quarter	$17.94	$ 9.25	$24.44	$14.63
Second Quarter	21.88	14.38	19.25	10.94
Third Quarter	21.31	14.75	20.50	10.50
Fourth Quarter	22.00	11.88	36.44	19.00

The Company did not declare or pay any dividends during the fiscal years ended December 31, 1998 and 1999. The Company anticipates that future earnings, if any, will be retained for the development of its business, and the Company does not anticipate paying any cash dividends on its common stock in the foreseeable future.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

The selected financial data presented below is derived from the consolidated financial statements of the Company and should be read in connection with those statements which are included herein.

	YEAR ENDED DECEMBER 31,				
	1995	1996	1997	1998	1999
	(IN THOUSANDS, EXCEPT PER SHARE DATA)				
CONSOLIDATED STATEMENT OF INCOME DATA:					
Revenues:					
Core research	$10,150	$18,206	$30,431	$46,842	$ 64,697
Advisory services and other	4,439	6,757	9,990	14,725	22,571
Total revenues	14,589	24,963	40,421	61,567	87,268
Operating expenses:					
Cost of services and fulfillment	5,486	8,762	13,698	22,038	27,715
Selling and marketing	5,643	8,992	14,248	20,896	31,131
General and administrative	1,389	2,509	4,500	6,688	9,865
Depreciation and amortization	287	618	1,209	2,763	4,003
Costs related to acquisition	--	--	--	--	694
Total operating expenses	12,805	20,881	33,655	52,385	73,408
Income from operations	1,784	4,082	6,766	9,182	13,860
Other income, net	339	634	2,515	2,957	3,710
Income before income tax provision	2,123	4,716	9,281	12,139	17,570
Income tax provision	96	712	3,683	4,592	6,589
Net income	2,027	4,004	$ 5,598	$ 7,547	$ 10,981
Pro forma income tax adjustment	739	1,198			
Pro forma net income	$ 1,288	$ 2,806			
Basic net income per common share	$ 0.17	$ 0.32	$ 0.34	$ 0.44	$ 0.61
Diluted net income per common share	$ 0.17	$ 0.31	$ 0.32	$ 0.40	$ 0.55
Basic pro forma net income per common share	$ 0.11	$ 0.23			
Diluted pro forma net income per common share	$ 0.11	$ 0.22			
Basic weighted average common shares outstanding	12,000	12,384	16,679	17,041	18,028
Diluted weighted average common shares outstanding	12,000	12,852	17,703	18,744	20,067

	DECEMBER 31,				
	1995	1996	1997	1998	1999
	(IN THOUSANDS)				
CONSOLIDATED BALANCE SHEET DATA:					
Cash, cash equivalents and marketable securities	$ 7,518	$44,640	$54,914	$ 66,483	$ 98,787
Working capital	$ 991	$31,291	$36,016	$ 45,720	$ 65,366
Deferred revenue	$11,359	$17,816	$27,074	$ 38,894	$ 66,233
Total assets	$15,426	$56,782	$73,536	$100,518	$159,393
Total stockholders' equity	$ 2,047	$33,762	$40,505	$ 53,533	$ 78,805

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expects," "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. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

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 68% to $115.8 million at December 31, 1999 from $69.1 million at December 31, 1998. No single client accounted for more than 2% of agreement value at December 31, 1999. 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% and 75% of our client companies with memberships expiring during the years ended December 31, 1999 and 1998, respectively, 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 selected financial data as a percentage of total revenues for the periods indicated:

	YEAR ENDED DECEMBER 31,		
	1997	1998	1999
Core research	75%	76%	74%
Advisory services and other	25	24	26
Total revenues	100	100	100
Cost of services and fulfillment	34	36	32
Selling and marketing	35	34	36
General and administrative	11	11	11
Depreciation and amortization	3	4	4
Costs related to acquisition	--	--	1
Income from operations	17	15	16
Other income, net	6	5	4
Income before income tax provision	23	20	20
Provision for income taxes	9	8	7
Net income	14%	12%	13%

YEARS ENDED DECEMBER 31, 1999 AND 1998

REVENUES. Total revenues increased 42% to $87.3 million in the year ended December 31, 1999 from $61.6 million in the year ended December 31, 1998. Revenues from core research increased 38% to $64.7 million in the year ended December 31, 1999 from $46.8 million in the year ended December 31, 1998. Increases in total revenues and revenues from core research were primarily attributable to an increase in the number of client companies to 1,793 at December 31, 1999 from 1,271 at December 31, 1998, an increase in the sales organization to 153 employees at December 31, 1999 from 92 employees at December 31, 1998 and sales of additional core research to existing clients. No single client company accounted for more than 2% of revenues for the year ended December 31, 1999.

Advisory services and other revenues increased 53% to $22.6 million in the year ended December 31, 1999 from $14.7 million in the year ended December 31, 1998. This increase was primarily attributable to increased demand for Forrester's advisory services programs and Forum events, an increase in the number of events held to eight in the year ended December 31, 1999 from six in the year ended December 31, 1998 and an increase in research staff providing advisory services to 125 employees at December 31, 1999 from 97 at December 31, 1998.

Revenues attributable to customers outside the United States increased 57% to $19.8 million in the year ended December 31, 1999 from $12.6 million in the year ended December 31, 1998. Revenues attributable to customers outside the United States increased as a percentage of total revenues to 22% for the year ended December 31, 1999 from 21% for the year ended December 31, 1998. The increase in international revenues was primarily attributable to the continued expansion of our European headquarters in Amsterdam, the Netherlands, including an increase in sales personnel, and our acquisition of London-based Fletcher Research Limited on November 15, 1999. We invoice our international clients, other than clients billed by our subsidiary Fletcher Research Limited, in U.S. dollars.

COST OF SERVICES AND FULFILLMENT. Cost of services and fulfillment decreased as a percentage of total revenues to 32% in the year ended December 31, 1999 from 36% in the year ended December 31, 1998. These expenses increased 26% to $27.7 million in the year ended December 31, 1999 from $22.0 million in the year ended December 31, 1998. The decrease in expenses as a percentage of revenues reflects a larger revenue base in 1999 and lower production costs resulting from the introduction of our eResearch platform in February 1999. The expense increase in 1999 was principally due to an increase in research analyst staffing and related compensation expenses.

SELLING AND MARKETING. Selling and marketing expenses increased as a percentage of total revenues to 36% in the year ended December 31, 1999 from 34% in the year ended December 31, 1998. These expenses increased 49% to $31.1 million in the year ended December 31, 1999 from $20.9 million in the year ended December 31, 1998. The increase in expenses and the increase in expenses as a percentage of revenues were principally due to the increase in the number of direct sales personnel and related commission and travel expenses.

GENERAL AND ADMINISTRATIVE. General and administrative expenses remained constant as a percentage of total revenues at 11% in the years ended December 31, 1999 and 1998. These expenses increased 48% to $9.9 million in the year ended December 31, 1999 from $6.7 million in the year ended December 31, 1998. The increase in expenses was principally due to staffing increases in our operations, technology, finance and strategy groups.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization expenses increased 45% to $4.0 million in the year ended December 31, 1999 from $2.8 million in the year ended December 31, 1998. The increase in these expenses was principally due to purchases of computer equipment, software, office furnishings and leasehold improvements to support business growth, including our move to our new headquarters in October 1999.

COSTS RELATED TO ACQUISITION. Costs related to acquisition totaled $694,000 and resulted from our acquisition of Fletcher Research Limited on November 15, 1999, which was accounted for as an immaterial pooling of interests. These one-time, non-recurring costs consisted of legal, accounting, investment banking, printing, filing and other related fees and expenses incurred in completing this acquisition.

OTHER INCOME, NET. Other income, consisting primarily of interest income, increased to $3.7 million in the year ended December 31, 1999 from $3.0 million in the year ended December 31, 1998. The increase was due to interest income from higher cash and marketable securities balances resulting from positive cash flows from operations.

INCOME TAX PROVISION. During the year ended December 31, 1999, we recorded a tax provision of $6.6 million, reflecting an effective tax rate of 37.5%. During the year ended December 31, 1998, we recorded a tax provision of $4.6 million reflecting an effective tax rate of 37.8%. The decrease in effective tax rate resulted from a reduction in our effective state tax rate and an increase in our investments in tax-exempt marketable securities, offset by non-deductible acquisition costs.

YEARS ENDED DECEMBER 31, 1998 AND DECEMBER 31, 1997

REVENUES. Total revenues increased 52% to $61.6 million in the year ended December 31, 1998 from $40.4 million in the year ended December 31, 1997. Revenues from core research increased 54% to $46.8 million in the year ended December 31, 1998 from $30.4 million in the year ended December 31, 1997. Increases in total revenues and revenues from core research were primarily attributable to an increase in the number of client companies to 1,271 at December 31, 1998 from 1,029 at December 31, 1997, sales of additional research services to existing clients and the introduction of five new strategy research services and one new quantitative research service since January 1, 1997.

Advisory services and other revenues increased 47% to $14.7 million in the year ended December 31, 1998 from $10.0 million in the year ended December 31, 1997. This increase was primarily attributable to demand for our advisory services and the addition of three new Forum events in 1998.

Revenues attributable to customers outside the United States increased 44% to $12.6 million in the year ended December 31, 1998 from $8.8 million in the year ended December 31, 1997 and decreased as a percentage of total revenues to 21% for the year ended December 31, 1998 from 22% for the year ended December 31, 1997. The increase in international revenues was primarily due to our opening of our European headquarters in Amsterdam, the Netherlands in April 1998, and the addition of direct international sales personnel. During 1998, we invoiced our international clients in U.S. dollars.

Agreement value grew 48% to $69.1 million at December 31, 1998 from $46.6 million at December 31, 1997. No single client company accounted for more than 3% of agreement value at December 31, 1998 or 3% of revenues for the year ended December 31, 1998.

COST OF SERVICES AND FULFILLMENT. Cost of services and fulfillment increased as a percentage of total revenues to 36% in the year ended December 31, 1998 from 34% in the year ended December 31, 1997. These expenses increased 61% to $22.0 million in the year ended December 31, 1998 from $13.7 million in the year ended December 31, 1997. The increase in expenses and expenses as a percentage of total revenues was principally due to increased analyst staffing for research services and related compensation expenses and the addition of three new Forum events in 1998.

SELLING AND MARKETING. Selling and marketing expenses decreased as a percentage of total revenues to 34% in the year ended December 31, 1998 from 35% in the year ended December 31, 1997. These expenses increased 47% to $20.9 million in the year ended December 31, 1998 from $14.2 million in the year ended December 31, 1997. The decrease as a percentage of total revenues resulted principally from the larger revenue base in 1998. The increase in expenses was principally due to the addition of direct salespersons and increased sales commission expenses associated with increased revenues.

GENERAL AND ADMINISTRATIVE. General and administrative expenses remained constant as a percentage of total revenues at 11% in the years ended December 31, 1998 and December 31, 1997. These expenses increased 49% to $6.7 million in the year ended December 31, 1998 from $4.5 million in the year ended December 31, 1997. The increase in expenses was principally due to staffing increases and costs associated with the opening of our European headquarters.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization expense increased 129% to $2.8 million in the year ended December 31, 1998 from $1.2 million in the year ended December 31, 1997. The increase in this expenses was principally due to investments in our technology infrastructure and costs associated with the opening of our European headquarters.

OTHER INCOME, NET. Other income, consisting primarily of interest income, increased to $3.0 million in the year ended December 31, 1998 from $2.5 million in the year ended December 31, 1997. This increase was due to interest income from higher cash and marketable securities balances resulting from positive cash flows from operations.

INCOME TAX PROVISION. During the year ended December 31, 1998, we recorded a tax provision of $4.6 million, reflecting an effective tax rate of 37.8%. During the year ended December 31, 1997, we recorded a tax provision of $3.7 million reflecting an effective tax rate of 39.7%. The decrease in effective tax rate resulted from a reduction in our effective state tax rate and an increase in sales through our foreign sales corporation, which we organized in 1998.

YEARS ENDED DECEMBER 31, 1997 AND DECEMBER 31, 1996

REVENUES. Total revenues increased 62% to $40.4 million in the year ended December 31, 1997 from $25.0 million in the year ended December 31, 1996. Revenues from core research increased 67% to $30.4 million in the year ended December 31, 1997 from $18.2 million in the year ended December 31, 1996. Increases in total revenues and revenues from core research were primarily attributable to an increase in the number of client companies to 1,029 at December 31, 1997 from 885 at December 31, 1996 and the introduction of six new strategy research services since January 1, 1996. Revenues from our quantitative research service were not material in 1997.

Advisory services and other revenues increased 48% to $10.0 million in the year ended December 31, 1997 from $6.8 million in the year ended December 31, 1996. This increase was primarily attributable to demand for the partners and strategy review programs and the addition of two new Forum events in 1997.

Revenues attributable to customers outside the United States increased 66% to $8.8 million in the year ended December 31, 1997 from $5.3 million in the year ended December 31, 1996 and also increased as a percentage of total revenues to 22% for the year ended December 31, 1997 from 21% for the year ended December 31, 1996. These increases were due primarily to the addition of direct international sales personnel. During 1997, we invoiced our international clients in U.S. dollars.

Agreement value grew 55% to $46.6 million at December 31, 1997 from $30.0 million at December 31, 1996. No single client company accounted for more than 2% of agreement value at December 31, 1997 or 3% of revenues for the year ended December 31, 1997.

COST OF SERVICES AND FULFILLMENT. Cost of services and fulfillment decreased as a percentage of total revenues to 34% in the year ended December 31, 1997 from 35% in the year ended December 31, 1996. These expenses increased 56% to $13.7 million in the year ended December 31, 1997 from $8.8 million in the year ended December 31, 1996. The expense increase in this period was principally due to increased analyst staffing for strategy research services and related compensation expenses. The decrease as a percentage of total revenues was principally due to the larger revenue base.

SELLING AND MARKETING. Selling and marketing expenses decreased as a percentage of total revenues to 35% in the year ended December 31, 1997 from 36% in the year ended December 31, 1996. These expenses increased 58% to $14.2 million in the year ended December 31, 1997 from $9.0 million in the year ended December 31, 1996. The increase in expenses was principally due to the addition of direct salespersons and increased sales commission expenses associated with increased revenues. The decrease as a percentage of total revenues was principally due to increased productivity of our direct sales force.

GENERAL AND ADMINISTRATIVE. General and administrative expenses increased as a percentage of total revenues to 11% in the year ended December 31, 1997 from 10% in the year ended December 31, 1996. These expenses increased 79% to $4.5 million in the year ended December 31, 1997 from $2.5 million in the year ended December 31, 1996. The increases in expenses and expenses as a percentage of total revenues were principally due to staffing increases in operations and technology, the addition of a human resources department and our investment in new internal technology, including new financial systems.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization expenses increased 95% to $1.2 million in the year ended December 31, 1997 from $618,000 in the year ended December 31, 1996. The increase in these expenses was principally due to purchases of computer equipment, software, office furnishings and leasehold improvements to support business growth.

OTHER INCOME, NET. Other income, consisting primarily of interest income, increased to $2.5 million in the year ended December 31, 1997 from $634,000 in the year ended December 31, 1996. This increase resulted from our higher cash and marketable securities balances resulting from positive cash flows from operations and net proceeds from our initial public offering.

INCOME TAX PROVISION. During the year ended December 31, 1997, we recorded a tax provision of $3.7 million, reflecting an effective tax rate of 39.7%. During the year ended December 31, 1996, we recorded a pro forma tax provision of $1.9 million reflecting an effective tax rate of 40.5%. The decrease in effective tax rate resulted from a reduction in our effective state tax rate and an increase in our investments in tax-exempt marketable securities.

RESULTS OF QUARTERLY OPERATIONS

The following tables set forth a summary of our unaudited quarterly operating results for each of our eight most recently ended fiscal quarters. We have derived this information from our unaudited interim consolidated financial statements, which, in the opinion of our management, have been prepared on a basis consistent with our financial statements contained elsewhere in this prospectus and include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation in accordance with generally accepted accounting principles when read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus. Historically, our total revenues, operating profit and net income in the fourth quarter have reflected the significant positive contribution of revenues attributable to advisory services performed and Forum events held in the fourth quarter. As a result, we have historically experienced a decline in total revenues, operating profit and net income from the quarter ended December 31 to the quarter ended March 31. Our quarterly operating results are not necessarily indicative of future results of operations.

	THREE MONTHS ENDED							
	MAR. 31, 1998	JUN. 30, 1998	SEP. 30, 1998	DEC. 31, 1998	MAR. 31, 1999	JUN. 30, 1999	SEP. 30, 1999	DEC. 31, 1999
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)							
Core research	$10,469	$11,202	$12,354	$12,816	$12,978	$14,773	$17,026	$19,919
Advisory services and other	2,662	3,841	2,716	5,506	4,951	4,898	4,955	7,768
Total revenues	13,131	15,043	15,070	18,322	17,929	19,671	21,981	27,687
Cost of services and fulfillment	4,829	5,782	5,212	6,215	6,612	6,424	6,909	7,770
Selling and marketing	4,766	5,078	5,194	5,857	6,192	7,276	7,854	9,809
General and administrative	1,557	1,642	1,647	1,843	2,041	2,213	2,504	3,107
Depreciation and amortization	531	648	760	824	873	1,048	973	1,109
Costs related to acquisition	--	--	--	--	--	--	--	694
Income from operations	1,448	1,893	2,257	3,583	2,211	2,710	3,741	5,198
Other income, net	715	715	765	762	860	895	864	1,092
Income before income tax provision	2,163	2,608	3,022	4,345	3,071	3,605	4,605	6,290
Income tax provision	821	991	1,148	1,631	1,167	1,370	1,750	2,302
Net income	$ 1,342	$ 1,617	$ 1,874	$ 2,714	$ 1,904	$ 2,235	$ 2,855	$ 3,988
Basic net income per common share	$ 0.08	$ 0.10	$ 0.11	$ 0.16	$ 0.11	$ 0.13	$ 0.16	$ 0.21
Diluted net income per common share	$ 0.07	$ 0.09	$ 0.10	$ 0.14	$ 0.10	$ 0.12	$ 0.14	$ 0.18

	AS A PERCENTAGE OF REVENUES							
	MAR. 31, 1998	JUN. 30, 1998	SEP. 30, 1998	DEC. 31, 1998	MAR. 31, 1999	JUN. 30, 1999	SEP. 30, 1999	DEC. 31, 1999
Core research	80%	74%	82%	70%	72%	75%	77%	72%
Advisory services and other	20	26	18	30	28	25	23	28
Total revenues	100	100	100	100	100	100	100	100
Cost of services and fulfillment	37	38	35	34	37	33	31	28
Selling and marketing	36	34	34	32	35	37	36	35
General and administrative	12	11	11	10	11	11	11	11
Depreciation and amortization	4	4	5	5	5	5	5	4
Costs related to acquisition	--	--	--	--	--	--	--	3
Income from operations	11	13	15	20	12	14	17	19
Other income, net	5	5	5	4	5	4	4	4
Income before income tax provision	16	18	20	24	17	18	21	23
Income tax provision	6	7	8	9	6	7	8	9
Net income	10%	11%	12%	15%	11%	11%	13%	14%

LIQUIDITY AND CAPITAL RESOURCES

We have financed our operations through funds generated from operations. Memberships for research, which constituted approximately 74% of our revenues for the year ended December 31, 1999, are generally annually renewable and are payable in advance. We generated $31.9 million and $14.3 million in cash from operating activities during the years ended December 31, 1999 and 1998, respectively.

In 1999, we used $39.1 million of cash in investing activities, consisting primarily of $8.9 million for net purchases of property and equipment, $1.0 million for a minority investment in an Internet-based marketing research firm and $29.8 million for net purchases of marketable securities. We regularly invest excess funds in short- and intermediate-term interest-bearing obligations of investment grade.

We had $13.4 million of cash and cash equivalents and $85.3 million of marketable securities at December 31, 1999. 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 and to invest in our infrastructure over the next 12 months. We believe that our current cash and marketable securities balances and cash flows from operations will satisfy working capital, financing activities and capital expenditure requirements for at least the next two years.

YEAR 2000 READINESS DISCLOSURE

As of the date of this filing, we have not incurred any significant business disruptions as a result of year 2000 issues. However, while no such occurrence has developed, year 2000 issues that may arise related to key suppliers and service providers may not become apparent immediately. We have received assurances of year 2000 compliance from key suppliers. We have also received assurances from key service providers such as financial institutions, our payroll service provider and our retirement plan administrator as to their year 2000 readiness. We can provide no assurance that we will not be adversely affected by these suppliers and service providers due to noncompliance in the future.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following discussion about our market risk disclosures involves 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 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 December 31, 1999, the fair market value of these investments 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 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 rates by expected maturity dates.

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

	FAIR VALUE AT DECEMBER 31, 1999	YEAR ENDING DECEMBER 31, 2000	YEAR ENDING DECEMBER 31, 2001	YEAR ENDING DECEMBER 31, 2002 AND THEREAFTER
Cash equivalents	$12,633	$12,633	$ --	$ --
Weighted average interest rate	3.11%	3.11%	--%	--%
Investments	$85,342	$47,793	$26,284	$11,265
Weighted average interest rate	5.35%	5.18%	5.95%	4.66%
Total portfolio	$97,975	$60,426	$26,284	$11,265
Weighted average interest rate	5.06%	9.75%	5.95%	4.66%

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 took place in our fiscal year 1999. 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 December 31, 1999, the total assets related to non-dollar-denominated currencies was approximately $2.6 million.

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements listed in the following Index to Financial Statements are filed as a part of this 1999 Annual Report on Form 10-K under Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

FORRESTER RESEARCH, INC.

INDEX TO FINANCIAL STATEMENTS

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There have been no changes in or disagreements with accountants on accounting or financial disclosure matters.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Certain information regarding Executive Officers of the registrant is included in Item 1 in Part I of this 1999 Annual Report on Form 10-K. The information set forth under the sections captioned "Election of Directors" and "Compliance with Section 16(a) of the Securities Exchange Act of 1934" in the Company's Proxy Statement (the "2000 Proxy Statement") for the Company's Annual Meeting of Stockholders is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information set forth under the caption "Executive Compensation" of the 2000 Proxy Statement, except for the Report of the Compensation Committee and the Performance Graph, is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this item may be found under the section captioned "Security Ownership of Certain Beneficial Owners and Management" in the 2000 Proxy Statement, and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item may be found under the section captioned "Certain Relationships and Related Transactions" and "Compensation Committee Interlocks and Insider Participation" in the 2000 Proxy Statement, and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. Financial Statements. The financial statements filed as part of this report are listed at Page F-1 and indexed on Page 20.

2. Financial Statements Schedules. None.

3. Exhibits. A complete listing of exhibits required is given in the Exhibit Index that precedes the exhibits filed with this report on page E-1 hereof.

(b) Report on Form 8-K.

The Company filed a report on Form 8-K on November 30, 1999 announcing the acquisition of Fletcher Research Limited.

(c) See Item 14(a)(3) of this report.

(d) See Item 14(a)(2) of this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, President, and
Chief Executive Officer

Date: March 10, 2000

Pursuant to the requirement of the Securities Act of 1934, this report has been signed by the following persons on behalf of the registrant in the capacities and on the dates indicated.

SIGNATURE	CAPACITY IN WHICH SIGNED	DATE
/s/ GEORGE F. COLONY George F. Colony	Chief Executive Officer, President, and Director of the Company (principal executive officer)	March 10, 2000
/s/ SUSAN M. WHIRTY Susan M. Whirty	Chief Financial Officer (principal financial and accounting officer)	March 10, 2000
/s/ HENK W. BROEDERS Henk W. Broeders	Member of the Board of Directors	March 10, 2000
/s/ ROBERT M. GALFORD Robert M. Galford	Member of the Board of Directors	March 10, 2000
/s/ GEORGE R. HORNIG George R. Hornig	Member of the Board of Directors	March 10, 2000
/s/ MICHAEL H. WELLES Michael H. Welles	Member of the Board of Directors	March 10, 2000

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders of
Forrester Research, Inc.:

We have audited the accompanying consolidated balance sheets of Forrester Research, Inc. (a Delaware corporation) and subsidiaries as of December 31, 1998 and 1999 and the related consolidated statements of income, stockholders' equity and comprehensive income and cash flows for each of the three years in the period ended December 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Forrester Research, Inc. and subsidiaries as of December 31, 1998 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

Boston, Massachusetts
January 28, 2000 (except with
respect to the matters discussed in
Note 8, as to which the date is
February 28, 2000)

FORRESTER RESEARCH, INC.

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE DATA)

	DECEMBER 31, 1998	DECEMBER 31, 1999
CURRENT ASSETS:		
Cash and cash equivalents	$ 10,414	$ 13,445
Marketable securities	56,070	85,342
Accounts receivable, net of allowance for doubtful accounts of approximately $400 and $580 in 1998 and 1999, respectively	21,158	36,988
Deferred commissions	2,124	4,850
Prepaid income taxes	334	1,187
Prepaid expenses and other current assets	2,605	4,142
Total current assets	92,705	145,954
PROPERTY AND EQUIPMENT, AT COST:		
Computers and equipment	5,707	9,165
Computer software	2,766	2,701
Furniture and fixtures	1,249	5,348
Leasehold improvements	2,917	1,903
Total property and equipment	12,639	19,117
Less -- accumulated depreciation and amortization	4,826	7,498
Property and equipment, net	7,813	11,619
OTHER ASSETS	--	1,820
Total assets	$100,518	$159,393
CURRENT LIABILITIES:		
Accounts payable	$ 1,434	$ 2,702
Customer deposits	264	716
Accrued expenses	5,051	9,447
Accrued income taxes	933	617
Deferred revenue	38,894	66,233
Deferred income taxes	409	873
Total current liabilities	46,985	80,588
COMMITMENTS (NOTE 6)		
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 -- 17,308,350 and 19,408,064 shares in 1998 and 1999, respectively	173	194
Additional paid-in capital	39,548	54,771
Retained earnings	13,494	24,434
Accumulated other comprehensive income (loss)	318	(594)
Total stockholders' equity	53,533	78,805
Total liabilities and stockholders' equity	$100,518	$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)

	YEARS ENDED DECEMBER 31,		
	1997	1998	1999
REVENUES:			
Core research	$30,431	$46,842	$64,697
Advisory services and other	9,990	14,725	22,571
Total revenues	40,421	61,567	87,268
OPERATING EXPENSES:			
Cost of services and fulfillment	13,698	22,038	27,715
Selling and marketing	14,248	20,896	31,131
General and administrative	4,500	6,688	9,865
Depreciation and amortization	1,209	2,763	4,003
Costs related to acquisition (Note 2)	--	--	694
Total operating expenses	33,655	52,385	73,408
Income from operations	6,766	9,182	13,860
Other income, net	2,515	2,957	3,710
Income before income tax provision	9,281	12,139	17,570
Income tax provision	3,683	4,592	6,589
Net income	$ 5,598	$ 7,547	$10,981
Basic net income per common share	$ 0.34	$ 0.44	$ 0.61
Diluted net income per common share	$ 0.32	$ 0.40	$ 0.55
Basic weighted average common shares outstanding	16,679	17,041	18,028
Diluted weighted average common shares outstanding	17,703	18,744	20,067

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

FORRESTER RESEARCH, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME
(IN THOUSANDS)

	COMMON STOCK NUMBER OF SHARES	COMMON STOCK $.01 PAR VALUE	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL STOCKHOLDERS' EQUITY	COMPREHENSIVE INCOME
Balance, December 31, 1996	16,600	166	33,188	349	59	33,762	
Issuance of common stock under stock option plans, including tax benefit	140	2	848	--	--	850	
Issuance of common stock under employee stock purchase plan	44	--	293	--	--	293	
Net income	--	--	--	5,598	--	5,598	$ 5,598
Unrealized gain on marketable securities, net of tax provision	--	--	--	--	2	2	2
Total comprehensive income							$ 5,600
Balance, December 31, 1997	16,784	168	34,329	5,947	61	40,505	
Issuance of common stock under stock option plans, including tax benefit	457	4	4,562	--	--	4,566	
Issuance of common stock under employee stock purchase plan	67	1	657	--	--	658	
Net income	--	--	--	7,547	--	7,547	$ 7,547
Unrealized gain on marketable securities, net of tax provision	--	--	--	--	89	89	89
Cumulative translation adjustment	--	--	--	--	168	168	168
Total comprehensive income							$ 7,804
Balance, December 31, 1998	17,308	173	39,548	13,494	318	53,533	
Issuance of common stock related to acquisition (Note 2)	804	8	--	(41)	--	(33)	
Issuance of common stock under stock option plans, including tax benefit	1,184	12	13,846	--	--	13,858	
Issuance of common stock under employee stock purchase plan	112	1	1,377	--	--	1,378	
Net income	--	--	--	10,981	--	10,981	$10,981
Unrealized loss on marketable securities	--	--	--	--	(563)	(563)	(563)
Cumulative translation adjustment	--	--	--	--	(349)	(349)	(349)
Total comprehensive income							$10,069
Balance, December 31, 1999	19,408	$194	$54,771	$24,434	$(594)	$78,805	

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

FORRESTER RESEARCH, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	YEARS ENDED DECEMBER 31, 1997	1998	1999
Cash flows from operating activities:			
Net income	$5,598....	$ 7,547	$ 10,981
Adjustments to reconcile net income to net cash provided by operating activities --			
Depreciation and amortization	1,209	2,763	4,003
Loss on disposals of property and equipment	--	--	105
Deferred income taxes	(315)	288	464
Accretion of discount on marketable securities	(474)	(55)	(50)
Changes in assets and liabilities --			
Accounts receivable	(3,092)	(9,965)	(15,036)
Deferred commissions	(27)	(756)	(2,726)
Prepaid income taxes	(520)	186	(853)
Prepaid expenses and other current assets	(823)	(1,415)	(1,610)
Accounts payable	73	171	1,103
Customer deposits	139	(15)	452
Accrued expenses	460	1,400	3,875
Accrued income taxes	798	2,341	4,716
Deferred revenue	9,258	11,820	26,521
Net cash provided by operating activities	12,284	14,310	31,945
Cash flows from investing activities:			
Purchases of property and equipment	(3,226)	(6,087)	(8,892)
Proceeds related to disposals of property and equipment	--	--	1,056
Cash acquired in acquisition	--	--	355
Purchase of non-marketable investment	--	--	(1,000)
Increase in other assets	--	--	(835)
Purchases of marketable securities	(365,872)	(313,236)	(466,628)
Proceeds from sales and maturities of marketable securities	329,433	304,482	436,843
Net cash used in investing activities	(39,665)	(14,841)	(39,101)
Cash flows from financing activities:			
Proceeds from issuance of common stock under stock option plans and employee stock purchase plan	741	3,193	10,192
Net cash provided by financing activities	741	3,193	10,192
Effect of exchange rate changes on cash and cash equivalents	--	10	(5)
Net (decrease) increase in cash and cash equivalents	(26,640)	2,672	3,031
Cash and cash equivalents, beginning of year	34,382	7,742	10,414
Cash and cash equivalents, end of year	$ 7,742	$ 10,414	$ 13,445
Supplemental disclosure of cash flow information:			
Cash paid for income taxes	$ 3,720	$ 1,117	$ 2,217
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 of incentive and nonqualified stock options	$ 402	$ 2,031	$ 5,044

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

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Forrester Research, Inc. (the Company) is 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. The Company is incorporated under the laws of the State of Delaware and grants credit to its customers with locations throughout the world.

The accompanying consolidated financial statements reflect the application of certain significant accounting policies as described below and elsewhere in the accompanying financial statements and notes.

PRINCIPLES OF CONSOLIDATION

The accompanying financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany balances have been eliminated in consolidation.

MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

REVENUE RECOGNITION

The Company generally invoices its core research, advisory and other services when an order is received. The gross amount is recorded as accounts receivable and deferred revenue when the client is obligated to pay the invoice. Core research, which represents the distribution of research reports as well as data research, is recorded as revenue ratably over the term of the agreement. Advisory and other services are recognized during the period in which the services are performed.

DEFERRED COMMISSIONS

Commissions incurred in acquiring new or renewal contracts are deferred and charged to operations as the related revenue is recognized. The Company evaluates the recoverability of deferred commissions at each balance sheet date.

NET INCOME PER COMMON SHARE

Basic net income per common share is computed by dividing net income by the basic weighted average number of common shares outstanding during the period. Diluted net income per common share is computed by dividing net income by the diluted weighted average number of common and common equivalent 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 upon the exercise of outstanding stock options.

Basic and diluted weighted average common shares are as follows (in thousands):

	1997	1998	1999
Basic weighted average common shares outstanding...	16,679	17,041	18,028
Weighted average common equivalent shares..........	1,024	1,703	2,039
Diluted weighted average common shares outstanding.....................................	17,703	18,744	20,067

As of December 31, 1997, 1998 and 1999, 222,172, 879,780 and 672,000 options, respectively, were outstanding but not included in the diluted weighted average common share calculation as the effect would have been anti-dilutive.

DEPRECIATION AND AMORTIZATION

The Company provides for depreciation and amortization, computed using the straight-line method, by charges to income in amounts that allocate the costs of these assets over their estimated useful lives as follows:

	ESTIMATED USEFUL LIFE
Computers and equipment	3 to 5 Years
Computer software	3 Years
Furniture and fixtures	7 Years
Leasehold improvements	Life of lease

PRODUCT DEVELOPMENT

All costs associated with the development of new products and services are expensed as incurred.

CONCENTRATION OF CREDIT RISK

Statement of Financial Accounting Standards (SFAS) No. 105, Disclosure of Information About Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk, requires disclosure of any significant off-balance-sheet and credit risk concentrations. The Company has no significant off-balance sheet concentration of credit risk such as foreign exchange contracts, option contracts or other foreign hedging arrangements. Financial instruments that potentially subject the Company to concentrations of credit risk are principally cash equivalents, marketable securities and accounts receivable. The Company places its investments in highly rated institutions. No single customer accounted for greater than 10% of revenues or accounts receivable in any of the periods presented.

FINANCIAL INSTRUMENTS

SFAS No. 107, Disclosures About Fair Value of Financial Instruments, requires disclosure about the fair value of financial instruments. Financial instruments consist of cash equivalents, marketable securities, accounts receivable and accounts payable. The estimated fair value of these financial instruments approximates their carrying value. The fair market value of marketable securities is based on market quotes. The Company's cash equivalents and marketable securities are generally investment grade corporate bonds and obligations of the federal government or municipal issuers.

FOREIGN CURRENCY

The functional currency of the Company's wholly owned subsidiaries in the United Kingdom and the Netherlands are the local currency. The financial statements of the subsidiaries are translated to United States dollars using period-end exchange rates for assets and liabilities and average exchange rates during the corresponding period for revenues and expenses. Translation gains and losses as a result of this translation are accumulated as a component of accumulated other comprehensive income (loss). Net gains and losses resulting from foreign exchange transactions are included in the consolidated statements of operations and were not significant during the periods presented.

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

COMPREHENSIVE INCOME

SFAS No. 130, Reporting Comprehensive Income, requires disclosure of the components of comprehensive income, which 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. Comprehensive income is disclosed in the accompanying statements of stockholders' equity and comprehensive income. The components of accumulated other comprehensive income as of December 31, 1998 and 1999 are as follows (in thousands):

	1998	1999
Unrealized gain (loss) on marketable securities, net of taxes	$150	$(413)
Cumulative translation adjustment	168	(181)
Total accumulated other comprehensive income (loss)	$318	$(594)

CAPITALIZED SOFTWARE COSTS

In March 1998, the American Institute of Certified Public Accountants (AICPA) issued Statement of Position (SOP) No. 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use. SOP No. 98-1 requires certain computer software costs associated with internal-use software to be expensed as incurred until certain capitalization criteria are met. The Company adopted SOP No. 98-1 beginning January 1, 1999. SOP No. 98-1 had no effect upon adoption. The net book value of capitalized internal use software costs at December 31, 1998 and 1999 was approximately $1,920,000 and $3,420,000, respectively.

ORGANIZATIONAL COSTS

In April 1998, the AICPA issued SOP No. 98-5, Reporting on the Costs of Start-Up Activities which requires that all nongovernmental entities expense the costs of start-up activities, including organizational costs, as those costs are incurred. The Company has historically recorded all such costs as expenses in the period incurred.

NEW ACCOUNTING STANDARDS

In December 1999, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 101, Revenue Recognition in Financial Statements. SAB No. 101 is effective for all periods beginning after December 15, 1999. Adoption of SAB No. 101 is not expected to have a material impact on the Company's consolidated financial position or results of operations.

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 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 of operations.

(2) ACQUISITION

On November 15, 1999, the Company acquired 100% of the outstanding shares of Fletcher Research Limited (Fletcher). The transaction has been accounted for as a pooling of interests. However, Fletcher's historical financial position and results of operations were not material to the Company's financial position and results of operations. Accordingly, the historical financial statements of the Company have not been restated. The Company incurred approximately $694,000 of various costs including legal, accounting, investment

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

banking, printing, filing and other fees and expenses related to this transaction, which has been separately stated in the accompanying consolidated statement of income for the year ended December 31, 1999.

(3) CASH, CASH EQUIVALENTS AND MARKETABLE SECURITIES

The Company considers all short-term, highly liquid investments with maturities of 90 days or less from the original date of purchase to be cash equivalents.

The Company accounts for investments in accordance with SFAS No. 115, Accounting for Certain Investments in Debt and Equity Securities. Under SFAS No. 115, securities purchased in order to be held for indefinite periods of time and not intended at the time of purchase to be held until maturity are classified as available-for-sale securities. At December 31, 1998 and 1999, these securities consisted of investments in federal and state government obligations and corporate obligations, which were recorded at fair market value, with any unrealized gains and losses reported as a separate component of other accumulated comprehensive income (loss). There were no held-to-maturity or trading securities at December 31, 1998 and 1999.

At December 31, 1998 and 1999, marketable securities consisted of the following (in thousands):

	1998	1999
U.S. Treasury notes	$ 3,560	$ 7,911
Federal agency obligations	15,126	13,531
State and municipal bonds	12,336	19,415
Corporate obligations	25,048	44,485
	$56,070	$85,342

The following table summarizes the maturity periods of marketable securities as of December 31, 1999:

	LESS THAN 1 YEAR	1 TO 5 YEARS	TOTAL
U.S. Treasury notes	$ 999	$ 6,912	$ 7,911
Federal agency obligations	1,500	12,031	13,531
State and municipal bonds	1,509	17,906	19,415
Corporate obligations	42,478	2,007	44,485
	$46,486	$38,856	$85,342

Gross realized gains and losses on sales of marketable securities for the years ended December 31, 1998 and 1999, which were calculated based on specific identification, were not material.

(4) INVESTMENT IN GREENFIELD ONLINE

In May 1999, the Company invested $1.0 million in a holding company that is the majority shareholder of Greenfield Online, Inc., an Internet-based marketing research firm. As a result of this investment, the Company effectively owns approximately a 3.4% interest in Greenfield Online, Inc. 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 December 31, 1999, the Company has determined that a permanent impairment has not occurred.

During the year ended December 31, 1999, the Company charged approximately $220,000 to cost of services and fulfillment related to services provided by Greenfield Online.

(5) INCOME TAXES

The Company accounts for income taxes in accordance with SFAS No. 109, Accounting for Income Taxes. SFAS No. 109 prescribes an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement carrying amounts and the tax basis of assets and liabilities.

Income before income tax provision consists of the following (in thousands):

	1997	1998	1999
Domestic	$9,281	$12,239	$16,811
Foreign	--	(100)	759
Total	$9,281	$12,139	$17,570

The components of the income tax provisions for the years ended December 31, 1997, 1998 and 1999 are as follows (in thousands):

	1997	1998	1999
Current-			
Federal	$3,045	$3,800	$5,497
State	953	504	628
	3,998..	4,304	6,125
Deferred-			
Federal	(244)	255	415
State	(71)	33	49
	(315)	288	464
Income tax provision	$3,683	$4,592	$6,589

A reconciliation of the federal statutory rate to the Company's effective tax rate for the years ended December 31, 1997, 1998 and 1999 is as follows:

	1997	1998	1999
Income tax provision at federal statutory rate	34.0%	34.0%	35.0%
Increase (decrease) in tax resulting from-			
State tax provision, net of federal benefit	4.5	4.4	3.7
Non-deductible costs related to acquisition	--	--	1.1
Non-deductible expenses	0.6	0.8	0.6
Tax-exempt interest income	(1.1)	(0.8)	(1.7)
Benefit of foreign sales corporation	--	(0.8)	(0.6)
Other, net	1.7	0.2	(0.6)
Effective income tax rate	39.7%	37.8%	37.5%

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Deferred income taxes as of December 31, 1998 and 1999 are related to the following temporary differences (in thousands):

	1998	1999
Non-deductible reserves and accruals	$ 360	$ 622
Depreciation and amortization	38	323
Deferred commissions	(807)	(1,818)
	$(409)	$ (873)

The Company and George F. Colony, who was the sole stockholder of the Company prior to its initial public offering, have entered into an indemnification agreement relating to their respective income tax liabilities. Mr. Colony will continue to be liable for personal income taxes on the Company's income for all periods prior to the time the Company ceased to be an S corporation, while the Company will be liable for all income taxes subsequent to the time it ceased to be an S corporation. The agreement generally provides that the Company will indemnify Mr. Colony for any increase in his taxes (including interest and penalties) resulting from adjustments initiated by taxing authorities and from payments to him under the agreement and Mr. Colony will pay to the Company an amount equal to any decrease in his tax liability resulting from adjustments initiated by taxing authorities. The agreement also provides that, if the Company is determined to have been a C corporation for tax purposes at any time it reported its income as an S corporation, Mr. Colony will make a capital contribution to the Company in an amount necessary to hold the Company harmless from any taxes and interest arising from such determination up to the amount of distributions made by the Company to Mr. Colony prior to the termination of the Company's S corporation election less any taxes and interest attributable to such distributions.

(6) COMMITMENTS

The Company leases its office space and certain office equipment under operating leases. At December 31, 1999, approximate future minimum rentals due are as follows (in thousands):

2000	$ 4,955
2001	4,780
2002	5,029
2003	5,918
2004	6,210
Thereafter	11,474
Total minimum lease payments	$38,366

Rent expense was approximately $983,000, $1,463,000 and $2,760,000 for the years ended December 31, 1997 and 1998 and 1999, respectively.

(7) 401(K) PLAN

The Company has a 401(k) savings plan covering substantially all eligible employees. The plan is a qualified defined contribution plan in accordance with Section 401(k) of the Internal Revenue Code of 1986. Effective January 1, 1998, the Company elected to match 50% of employee contributions, up to 3% of each employee's annual salary. Company matching contributions will vest ratably over a period of four years. The Company's matching contributions totaled approximately $424,000 and $521,000 for the years ended December 31, 1998 and 1999, respectively.

(8) STOCKHOLDERS' EQUITY

INCREASE IN AUTHORIZED SHARES AND STOCK SPLIT

On February 7, 2000, the Company increased the number of authorized shares of common stock from 25,000,000 to 125,000,000 and effected a two-for-one stock split as a 100% stock dividend. The Company has retroactively restated all share and per share amounts for the periods presented to give effect to this stock split.

PUBLIC OFFERING

Also in February 2000, the Company issued 626,450 shares of common stock in a public offering that generated net proceeds to the Company of approximately $22,600,000.

PREFERRED STOCK

The Company has authorized 500,000 shares of $.01 par value preferred stock. The Board of Directors has full authority to issue this stock and to fix the voting powers, preferences, rights, qualifications, limitations or restrictions thereof, including dividend rights, conversion rights, redemption privileges and liquidation preferences and the number of shares constituting any series or designation of such series.

(9) STOCK OPTION PLANS

In February 1996, the Company adopted the Forrester Research, Inc. 1996 Equity Incentive Plan, which has been subsequently amended (the Plan). The Plan provides for the issuance of incentive stock options (ISOs) and nonqualified stock options (NSOs) to purchase up to 10,500,000 shares of common stock. Under the terms of the Plan, ISOs may not be granted at less than fair market value on the date of grant (and in no event less than par value). ISO grants to holders of 10% of the combined voting power of all classes of Company stock must be granted at an exercise price not less than 110% of the fair market value at the date of grant. Options generally vest ratably over three years and expire after 10 years. Options granted under the Plan immediately vest upon certain events, as defined.

In September 1996, the Company adopted the 1996 Stock Option Plan for Non-Employee Directors (the Directors' Plan), which provides for the issuance of options to purchase up to 300,000 shares of common stock. Under the Directors' Plan, each non-employee director shall be awarded options to purchase 12,000 shares of common stock, at an exercise price equal to the fair market value of the common stock upon his or her election as a director. These options vest in three equal annual installments commencing on the date of grant. In addition, each non-employee director will also receive an option to purchase 8,000 shares of common stock, at an exercise price equal to the fair market value of the common stock, each year immediately following the Company's annual stockholders' meeting. These options will vest in three equal installments on the first, second and third anniversaries of the date of grant. The Compensation Committee (the Committee) of the Board of Directors also has the authority under the Directors' Plan to grant options to non-employee directors in such amounts and on such terms as set forth in the Directors' Plan as it shall determine at the time of grant.

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Stock option activity under the Plan and under the Directors' Plan from December 31, 1996 to December 31, 1999 was as follows (in thousands, except per share data):

	NUMBER OF SHARES	EXERCISE PRICE PER SHARE	WEIGHTED AVERAGE EXERCISE PRICE PER SHARE
Outstanding at December 31, 1996	1,566	$2.75-$ 6.50	4.14
Granted	668	8.78- 14.60	11.26
Exercised	(140)	2.75- 6.50	3.19
Canceled	(56)	2.75- 11.00	7.09
Outstanding at December 31, 1997	2,038	2.75- 14.60	6.50
Granted	2,964	9.57- 19.88	12.74
Exercised	(458)	2.75- 14.60	5.54
Canceled	(447)	2.75- 19.85	9.04
Outstanding at December 31, 1998	4,097	2.75- 19.88	10.85
Granted	4,414	0.81- 33.88	14.31
Exercised	(1,184)	2.75- 19.85	7.46
Canceled	(870)	5.5 - 22.88	15.13
Outstanding at December 31, 1999	6,457	$0.81-$33.88	$13.28
Exercisable at December 31, 1999	1,226	$0.81-$23.94	$10.19
Exercisable at December 31, 1998	855	$2.75-$14.60	$ 6.36
Exercisable at December 31, 1997	726	$2.75-$11.00	$ 5.28

The following table summarizes information about stock options outstanding and exercisable at December 31, 1999 (in thousands, except per share data):

	NUMBER OUTSTANDING AT DECEMBER 31, 1999	NUMBER EXERCISABLE AT DECEMBER 31, 1999	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE PER SHARE
Range of exercise prices				
$ 0.81	89	89	9.64	$ 0.81
2.75	114	114	6.14	2.75
5.50 - 6.50	218	218	6.69	6.04
8.78 - 10.75	1,252	376	7.88	9.65
11.00 - 13.35	2,845	136	8.87	11.69
13.50 - 16.44	275	106	8.48	15.02
16.53 - 19.88	787	179	8.75	18.91
20.03 - 23.35	571	--	8.50	21.46
23.50 - 27.88	291	8	9.85	23.94
28.00 - 33.88	15	--	9.95	33.88
	6,457	1,226	8.55	$13.28

The weighted average remaining contractual life of options outstanding at December 31, 1997, 1998 and 1999 was 8.6, 8.7 and 8.6 years, respectively. As of December 31, 1997, 1998 and 1999, options available for future grant under the Plan and the Directors' Plan were approximately 3,621,000, 1,105,000 and 2,261,000, respectively.

SFAS No. 123, Accounting for Stock-Based Compensation, requires the measurement of the fair value of stock options or warrants to be included in the statement of income or disclosed in the notes to financial statements. The Company has determined that it will continue to account for stock-based compensation for employees under Accounting Principles Board Opinion No. 25 and elect the disclosure-only alternative under SFAS No. 123. The Company has computed the value of options granted during the years ended December 31, 1997, 1998 and 1999 using the Black-Scholes option pricing model prescribed by SFAS No. 123, using the following assumptions:

	1997	1998	1999
Risk-free interest rate	6.32%	5.28%	5.54%
Expected dividend yield	--	--	--
Expected lives	7.5 years	5 years	5 years
Expected volatility	59%	40%	55%

The weighted average grant date fair value of options granted under the Plan and the Directors' Plan during the years ended December 31, 1997, 1998 and 1999 were $7.58, $12.74 and $22.49, respectively.

If compensation cost for the Company's stock option plans had been determined consistent with SFAS No. 123, net income for the years ended December 31, 1997, 1998 and 1999 would have been approximately as follows (in thousands, except per share data):

	YEARS ENDED DECEMBER 31,		
	1997	1998	1999
As reported --			
Net income	$5,598	$7,547	$10,981
Basic net income per common share	$ 0.34	$ 0.44	$ 0.61
Diluted net income per common share	$ 0.32	$ 0.40	$ 0.55
Pro forma --			
Net income	$3,833	$4,569	$ 2,902
Basic net income per common share	$ 0.23	$ 0.27	$ 0.16
Diluted net income per common share	$ 0.22	$ 0.24	$ 0.14

In January 1998, the Company's founder and principal shareholder granted certain key employees options to purchase 2,000,000 shares of his common stock. The options have an exercise price of $9.57 and vest as follows: one-thirty-sixth of the total number of options granted monthly through January 28, 1999; and one-third of the total number of options granted on and after each of January 28, 2000 and January 28, 2001. As of December 31, 1999, approximately 697,000 options remained outstanding, of which 30,000 were exercisable.

(10) EMPLOYEE STOCK PURCHASE PLAN

In September 1996, the Company adopted the 1996 Employee Stock Purchase Plan (the Stock Purchase Plan), which provides for the issuance of up to 400,000 shares of common stock. The Stock Purchase Plan is administered by the Committee. With certain limited exceptions, all employees of the Company who have completed six months or more of continuous service in the employ of the Company and whose customary employment is more than 30 hours per week, including officers and directors who are employees, are eligible to participate in the Stock Purchase Plan. Purchase periods under the Stock Purchase Plan are generally six months in length and commence on each successive July 1 and January 1. During each purchase period under the Stock Purchase Plan, the maximum number of shares of common stock that may be purchased by an employee is limited to the number of shares equal to $12,500 divided by the fair market value of a share of common stock on the first day of the purchase period. An employee may elect to have up to a maximum of 10% deducted from his or her regular salary for the purpose of purchasing shares under the Stock Purchase Plan. The price at which the employee's shares are purchased is the lower of (a) 85% of the closing price of the common stock on the day that the purchase period commences or (b) 85% of the closing price of the common stock on the day that the purchase period terminates. Shares purchased by employees under the Stock Purchase Plan are as follows:

PURCHASE PERIOD ENDED --	SHARES PURCHASED	PURCHASE PRICE
June 30, 1997	43,166	$ 6.80
December 31, 1997	29,770	$ 9.67
June 30, 1998	37,626	$ 9.83
December 31, 1998	25,030	$17.27
June 30, 1999	38,570	$10.61
December 31, 1999	49,316	$10.89

(11) SEGMENT AND ENTERPRISE WIDE REPORTING

The Company adopted SFAS No. 131, Disclosures About Segments of an Enterprise and Related Information, in the fiscal year ended December 31, 1998. SFAS No. 131 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 the Executive Team, consisting of Mr. Colony and the executive officers. To date, the Company has viewed its operations and managed its business as principally 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 represent less than 2% of total consolidated assets for all periods presented.

Net revenues by geographic destination and as a percentage of total revenues for the years ended December 31, 1997, 1998 and 1999 are as follows (in thousands):

	1997	1998	1999
United States	$31,653	$48,922	$67,477
Europe	4,892	7,374	12,242
Other	3,876	5,271	7,549
	$40,421	$61,567	$87,268
United States	78%	79%	77%
Europe	12	12	14
Other	10	9	9
	100%	100%	100%

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(12) CERTAIN BALANCE SHEET ACCOUNTS

ACCRUED EXPENSES:

Accrued expenses as of December 31, 1998 and 1999 consist of the following (in thousands):

	1998	1999
Payroll and related	$2,951	$4,763
Other	2,100	4,684
	$5,051	$9,447

ALLOWANCE FOR DOUBTFUL ACCOUNTS:

A roll-forward of the allowance for doubtful accounts as of and for the years ended December 31, 1997, 1998 and 1999 is as follows (in thousands):

	1997	1998	1999
Balance, beginning of period	$200	$325	$400
Provision for doubtful accounts	399	375	904
Addition arising from acquisition (Note 2)	--	--	80
Write-offs	(274)	(300)	(804)
Balance, end of period	$325	$400	$580

(13) SUMMARY SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The following is a summary of selected quarterly financial data for the years ended December 31, 1998 and 1999 (in thousands, except per share data):

	QUARTER ENDED			
	MARCH 31, 1998	JUNE 30, 1998	SEPT. 30, 1998	DEC. 31, 1998
Revenues	$13,131	$15,043	$15,070	$18,322
Income from operations	$ 1,448	$ 1,893	$ 2,257	$ 3,583
Net income	$ 1,342	$ 1,617	$ 1,874	$ 2,714
Basic net income per common share	$ 0.08	$ 0.10	$ 0.11	$ 0.16
Diluted net income per common share	$ 0.07	$ 0.09	$ 0.10	$ 0.14

	QUARTER ENDED			
	MARCH 31, 1999	JUNE 30, 1999	SEPT. 30, 1999	DEC. 31, 1999
Revenues	$17,929	$19,671	$21,981	$27,687
Income from operations	$ 2,211	$ 2,710	$ 3,741	$ 5,198
Net income	$ 1,904	$ 2,235	$ 2,855	$ 3,988
Basic net income per common share	$ 0.11	$ 0.13	$ 0.16	$ 0.21
Diluted net income per common share	$ 0.10	$ 0.12	$ 0.14	$ 0.18

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
2.1(1)	Stock Purchase Agreement
3.1(2)	Certificate of Amendment of the Certificate of Incorporation of the Company.
3.2(3)	Bylaws of the Company, as amended.
4(3)	Specimen Certificate for shares of Common Stock, $.01 par value, of the Company.
10.1+(3)	Registration Rights and Non-Competition Agreement.
10.2+(3)	Tax Indemnification Agreement dated November 25, 1996.
10.3+(3)	1996 Amended and Restated Equity Incentive Plan as amended.
10.4+(3)	1996 Employee Stock Purchase Plan.
10.5+(3)	1996 Director Option Plan for Non-Employee Directors.
10.6(3)	Lease dated May 1, 1995 between Advent Realty Limited Partnership II and the Company for the premises located at 1033 Massachusetts Avenue, Cambridge, Massachusetts (the "Cambridge Lease").
10.7(3)	First Amendment to the Cambridge Lease, dated August 28, 1995.
10.8(3)	Second Amendment to the Cambridge Lease, dated May 21, 1996.
10.9(4)	Third Amendment to the Cambridge Lease, dated .
10.10(5)	Lease dated May 6, 1999 between Technology Square LLC and the Company for the premises located at 400 Technology Square, Cambridge, Massachusetts (the "Technology Square Lease").
10.11(2)	Registration Rights Agreement.
10.12(2)	Indemnification Agreement.
21	Subsidiaries of the Registrant (transmitted herewith).
23	Consent of Arthur Andersen LLP (transmitted herewith).
99(2)	Risk Factors

+ Denotes management contract or compensation arrangements.

(1) Filed as an Exhibit to the Company's report on Form 8-K filed on November 30, 1999 and incorporated by reference herein.

(2) Filed herewith.

(3) Filed as an Exhibit to the Company's Registration Statement on Form S-1 filed on September 26, 1997 (File No. 333-12761) and incorporated by reference herein.

(4) Filed as an exhibit to the Company's Annual Report on Form 10-K for year-ended December 31, 1997 and incorporated by reference herein.

(5) Filed as an Exhibit to the Company's Form 10-Q filed on August 16, 1999 and incorporated by reference herein.

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
FORRESTER RESEARCH, INC.

Forrester Research, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does here certify:

FIRST: That Article 4. of the Certificate of Incorporation be amended as follows:

"The total number of shares of stock that this corporation shall have authority to issue is 125,500,000 shares consisting of (i) 125,000,000 Common Stock, par value $.01 per share ("Common Stock") and (ii) 500,000 shares of Preferred Stock, $0.1 par value per share ("Preferred Stock").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of this corporation.

1. COMMON STOCK.

A. GENERAL. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights of the holders of the Preferred Stock of any series as may be designated by the board of directors upon any issuance of the Preferred Stock of any series. The holders of the Common Stock shall have no preemptive rights to subscribe for any shares of any class of stock of this corporation whether now or hereafter authorized.

B. VOTING. The holders of the Common Stock are entitled to one vote for each share held at all meetings of stockholders. There shall be no cumulative voting.

The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of this corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware.

C. DIVIDENDS. Dividends may be declared and paid on the Common Stock from funds lawfully available therefor as and when determined by the board of directors and subject to any preferential dividend rights of any then outstanding Preferred Stock.

D. LIQUIDATION. Upon the dissolution or liquidation of this corporation, whether voluntary or involuntary, holders of Common Stock will be entitled to receive all assets of this corporation available for distribution to its stockholders, subject to any preferential rights of any then outstanding Preferred Stock.

E. PREFERRED STOCK.

Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated or expressed herein and in the resolution or resolutions providing for the issue of such series adopted by the board of directors as hereinafter provided. Any shares of Preferred Stock which may be redeemed, purchased or acquired by this corporation may be reissued except as otherwise provided by law or this Certificate of Incorporation. Different series of Preferred Stock shall not be construed to constitute different classes of shares for the purposes of voting by classes unless expressly provided in the resolution or resolutions providing for the issue of such series adopted by the board of directors as hereinafter provided.

Authority is hereby expressly granted to the board of directors from time to time to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by resolution or resolutions providing for the issue of the shares thereof, to determine and fix such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including without limitation thereof, dividend rights, conversion rights, redemption privileges and liquidation preferences, as shall be stated and expressed in such resolutions, all to the full extent now or hereafter permitted by the General Corporation Law of the State of Delaware. Without limiting the generality of the foregoing, the resolutions providing for issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to the Preferred Stock of any other series to the extent permitted by law and this Certificate of Incorporation. Except as otherwise provided in this Certificate of Incorporation, no vote of the holders of the Preferred Stock or Common Stock shall be prerequisite to the designation or issuance of any shares of any series of the Preferred Stock authorized by and complying with the conditions of this Certificate of Incorporation, the right to have such vote being expressly waived by all present and future holders of the capital stock of this corporation.

SECOND: That the said amendment was duly adopted, consented to and authorized by the majority of the shareholders entitled to vote thereon in a special meeting of stockholders consent in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said corporation has caused this Certificate to be signed by George F. Colony, President dated this 7th day of February, 2000.

FORRESTER RESEARCH, INC.

/s/ George F. Colony, President

George F. Colony, President

EXHIBIT 10.11

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (the "AGREEMENT") is made and entered into as of November 15, 1999 by and among FORRESTER RESEARCH, INC., a Delaware corporation ("BUYER"), and NEIL BRADFORD AND WILLIAM REEVE, the former shareholders of FLETCHER RESEARCH, a limited liability corporation under the laws of the United Kingdom (collectively the "SHAREHOLDERS" and individually a "SHAREHOLDER").

RECITALS

WHEREAS, Buyer and the Shareholders are parties to a certain Stock Purchase Agreement dated as of November 15, 1999 (the "PURCHASE AGREEMENT") pursuant to which Buyer is acquiring all of the issued share capital of Fletcher from the Shareholders in exchange for the issuance by Buyer of shares of Buyer's Common Stock, $0.01 par value per share (the "BUYER COMMON STOCK"), as set forth in the Purchase Agreement.

WHEREAS, the execution and delivery of this Registration Rights Agreement by the parties hereto is a condition precedent to the obligations of the parties to consummate the transactions under the Purchase Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

1. DEFINITIONS

For the purposes of this Agreement, the following terms have the meanings indicated below:

"1933 ACT" means the Securities Act of 1933, as amended, and the rules and regulations promulgated by the Commission thereunder, as in effect from time to time.

"1934 ACT" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Commission thereunder, as in effect from time to time.

"BUSINESS DAY" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York City are authorized or obligated by law or executive order to close.

"CLOSING DATE" means the closing date specified in the Purchase Agreement.

"COMMISSION" means the United States Securities and Exchange Commission.

"HOLDER" means any person owning Registrable Securities who is a party to this Agreement, and any transferee thereof in accordance with Section 11 of this Agreement.

"PROSPECTUS" means the prospectus included in any Registration Statement, as amended or supplemented by any prospectus supplement (including, without limitation, any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement), and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"REGISTER, REGISTRATION AND REGISTERED" means a registration effected by preparing and filing a registration statement or similar document with the Commission in compliance with the 1933 Act, and the declaration or ordering of effectiveness of such registration statement or document.

"REGISTRABLE SECURITIES" means twenty-five percent (25%) of the shares of Buyer Common Stock issued to each Shareholder on the Closing Date pursuant to the Purchase Agreement and held continuously from the Closing Date by the Shareholders; PROVIDED, HOWEVER, that those shares as to which the following apply shall cease to be Registrable Securities if: (a) a Registration Statement with respect to the sale of such Registrable Securities shall have become effective under the 1933 Act and such Registrable Securities shall have been disposed of under such Registration Statement; (b) such Registrable Securities shall have become transferable, and have been so transferred, in accordance with the resale provisions of Rule 144 or any successor rule or provision, under the 1933 Act; (c) such Registrable Securities shall have been transferred in a transaction in which a Shareholder's rights and obligations under this Agreement were not properly assigned in accordance with this Agreement; (d) such Registrable Securities shall have ceased to be outstanding; or (e) the shares of Buyer Common Stock have previously been sold in accordance with the terms of this Agreement.

"REGISTRATION EXPENSES" means all expenses incident to Buyer's performance of or compliance with Section 2 hereof, including, without limitation, all registration and filing fees; PROVIDED, HOWEVER, that Registration Expenses shall not include underwriters' discounts or commissions associated with the sale of the Registrable Securities.

"REGISTRATION PERIOD" means the period commencing on the date hereof or and continuing through November 30, 2000.

"REGISTRATION STATEMENT" means a registration statement prepared and filed with the Commission in compliance with the 1933 Act.

"RELEASE DATE" means the date the Company makes available financial results covering at least 30 days of combined operations of the Company and Fletcher following the Closing Date.

"SELLER" means any person, including any Holder, participating in an offering of any Registrable Securities of Buyer pursuant to this Agreement.

"SELLING EXPENSES" means all applicable transfer taxes and any fees of accountants or other advisors for any Seller of the Registrable Securities being registered.

"SHELF REGISTRATION" means a registration effected pursuant to a shelf Registration Statement of Buyer, on an appropriate form under Rule 415 under the 1933 Act, or any similar rule that may be adopted by the Commission, all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein. A Registration Statement relating to a Shelf Registration shall be referred to herein as the "SHELF REGISTRATION STATEMENT." The Shelf Registration Statement shall be effected on Form S-3 or any successor form prescribed by the Commission.

2. SHELF REGISTRATION RIGHTS

2.1 SHELF REGISTRATION

Subject to the limitations set forth elsewhere in this Section 2, by December 31, 1999, Buyer shall file to effect qualification and registration of the Registrable Securities under the Securities Act on a Form S-3 Registration Statement (or any other shelf registration statement form for which it is then eligible or which Buyer may have available for the registration of equity securities) as a Shelf Registration. Buyer shall not be required to effect more than one registration on Form S-3 pursuant to the provisions of this Section 2.

2.2 LIMITATION ON SHELF REGISTRATION OBLIGATION

Notwithstanding the provisions of Section 2.1, and subject to the limitations described below in this Section 2 and Section 3, Buyer shall not be obligated to effect the filing of a Registration Statement pursuant to this Section 2 if Buyer shall furnish to the Holders a certificate signed by a Vice President of Buyer stating that in the good faith judgment of the Board of Directors of Buyer, it would not be in the best interests of Buyer and its stockholders for such Registration Statement to be filed under the circumstances specified in Section 2.3(b) for which Buyer could send a Suspension Notice, and Buyer shall, subject to the limitations set forth in Section 2.3(d) hereof, have the right to defer such filing or the effectiveness of such

Registration Statement, for a period of not more than 90 days; PROVIDED, HOWEVER, that Buyer may not utilize the right set forth in this Section 2.2 more than once. Buyer shall use its reasonable efforts to keep a Registration Statement filed pursuant to this Section 2 effective until November 30, 2000. If Buyer utilizes the right set forth in this Section 2, the Registration Period shall be extended for the number of days for which any filing was deferred as specified in the notice; PROVIDED, HOWEVER, that the Registration Period need not be extended pursuant to this subsection by a period of longer than six months.

2.3 SELLING PROCEDURES; SUSPENSION

Each Holder of Registrable Securities agrees to give written notice to the Buyer at least two (2) Business Days prior to any intended sale or distribution of Registrable Securities under the Shelf Registration Statement referred to in Section 2.1, which notice shall specify the date on which such Holder intends to begin such sale or distribution. As soon as practicable after the date such notice is received by Buyer, and in any event within two (2) Business Days after such date, Buyer shall comply with either paragraph (a) or (b) below.

(a) Unless paragraph (b) below applies, Buyer shall (i) if deemed necessary by Buyer, prepare and file with the Commission a post-effective amendment to the Shelf Registration Statement or a supplement to the related Prospectus or a supplement or amendment to any document incorporated therein by reference or file any other required document so that such Registration Statement will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and so that, as thereafter delivered to purchasers of the Registrable Securities being sold thereunder, such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (ii) provide the Holders of the Registrable Securities who gave such notice copies of any documents filed pursuant to Section 2.3(a)(i); and (iii) inform each such Holder that Buyer has complied with its obligations in Section 2.3(a)(i) (or that, if Buyer has filed a post-effective amendment to the Shelf Registration Statement which has not yet been declared effective, Buyer will notify each such Holder to that effect, will use its reasonable efforts to secure the effectiveness of such post-effective amendment and will immediately notify each such Holder pursuant to Section 2.3(a)(i) hereof when the amendment has become effective). Each Holder who has given notice of intention to distribute such Holder's Registrable Securities in accordance with Section 2.3 hereof (a "NOTICE HOLDER") shall sell all or any of such Registrable Securities pursuant to the Shelf Registration Statement and related Prospectus only during the 90-day period commencing with the date on which Buyer gives notice, pursuant to Section 2.3(a)(iii), that the Registration Statement and Prospectus may be used for such purpose (such 90-day period is referred to as a "SELLING PERIOD"). The Notice Holders will not sell any Registrable Securities pursuant to such Registration Statement or Prospectus after such Selling Period without giving a new notice of intention to sell pursuant to

Section 2.3 hereof and receiving a further notice from Buyer pursuant to Section 2.3(a)(iii) hereof or paragraph (b) below.

(b) In the event of (i) any request by the Commission or any other federal or state governmental authority during the period of effectiveness of the Shelf Registration Statement for amendments or supplements to a Shelf Registration Statement or related Prospectus or for additional information; (ii) the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of a Shelf Registration Statement or the written threat or initiation of any proceedings for that purpose; (iii) the receipt by Buyer of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; (iv) any event or circumstance which necessitates the making of any changes in the Shelf Registration Statement or Prospectus, or any document incorporated or deemed to be incorporated therein by reference, so that, in the case of the Shelf Registration Statement, it will not contain any untrue statement of a material fact or any omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the Prospectus, it will not contain any untrue statement of a material fact or any omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (v) that Buyer is in possession of material information that it deems advisable not to disclose in a Registration Statement or (vi) that, in the good faith judgment of Buyer's Board of Directors, it is advisable to suspend use of the Prospectus (a "SUSPENSION") for a discrete period of time due to pending corporate developments, public filings with the Commission or similar events; then, subject to paragraph (d) below, Buyer shall deliver a certificate in writing to the Notice Holders (the "SUSPENSION NOTICE") to the effect of the foregoing and, upon receipt of such Suspension Notice, each such Notice Holder's Selling Period will not commence until such Notice Holder's receipt of copies of the supplemented or amended Prospectus provided for in Section 2.3(a)(i) hereof, or until it is advised in writing by Buyer that the Prospectus may be used, and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus.

(c) In the event any of the events or circumstances listed in the foregoing paragraph (b) occur or exist after a Selling Period has commenced, subject to paragraph (d) below, Buyer shall have the same right to suspend such Selling Period by delivery of a Suspension Notice as Buyer would have had if the Selling Period had not yet commenced, and any such suspension of a Selling Period shall be deemed included within the meaning of the term "Suspension" for all purposes under this Agreement.

(d) In the event of any Suspension, or any delay in effecting the Shelf Registration under Section 2.2 above, Buyer will use its reasonable efforts to ensure that the use of the Prospectus so suspended or delayed may be commenced or resumed, as the case may be, and that any Selling Period so suspended will commence or resume, as the case may be, as soon as practicable and, in the case of a pending development, filing or event referred to in Section 2.3(b)(iv) or (v) hereof, as soon, in the judgment of Buyer's Board of Directors, as disclosure of the material relating to such pending development, filing or event would not have an adverse effect on Buyer's ability to consummate the transaction, if any, to which such development, filing or event relates. Notwithstanding any other provision of this Agreement, Buyer shall have the right to cause a maximum of two (2) Suspensions, neither of which may be within 30 days of the other, as provided above (including for this purpose a delay in effecting the Shelf Registration pursuant to Section 2.2 above) during any 12-month period after the initial effective date of the Shelf Registration Statement, and the total number of days in any 12-month period during which a Suspension or Suspensions (including for this purpose a delay in effecting the Shelf Registration Statement pursuant to Section 2.2 above) may be in effect shall not exceed 90 days.

(e) Subject to the provisions of Section 2.2, Buyer will use its reasonable efforts to maintain the effectiveness until November 30, 2000 of any Registration Statement pursuant to which any of the Registrable Securities are being offered. Buyer from time to time will amend or supplement such Registration Statement and the Prospectus contained therein to the extent necessary to comply with the 1933 Act and any applicable state securities statute or regulation. Buyer will also provide each holder of Registrable Securities with as many copies of the Prospectus contained in any such Registration Statement as it may reasonably request.

3. RESTRICTIONS ON TRANSFER OF SHARES; RULE 144 AVAILABILITY

(a) The Holders agree, understand and acknowledge that the issuance of the Registrable Securities to the Holders has not been, and, except as contemplated in this Agreement, the sale or other disposition thereof by the Holders will not be, registered under the 1933 Act or the securities laws of any state and that the transfer, sale, disposal or assignment of such shares is subject to restriction as set forth in Section 6.10 and 6.11 of the Purchase Agreement and will bear the legends set forth in those Sections. The Holders acknowledge that, except as expressly set forth in this Agreement, the Holders have no right to require Buyer to cause the registration of any Registrable Securities.

(b) With a view to making available to the Holders the benefits of Rule 144 promulgated under the 1933 Act and Form S-3 and any other rule or regulation of the Commission that may at any time after the Release Date permit such Holder to sell securities of the Company to the public without registration, the Company agrees to use its best efforts to:

(i) make and keep public information available, as those terms are understood and defined in Rule 144 under the 1933 Act;

(ii) file with the Commission in a timely manner all reports and other documents required of the Company under the 1933 Act and the 1934 Act; and

(iii) furnish to any holder of Registrable Shares upon request a

written statement by the Company as to its compliance with the reporting requirements of said Rule 144 and of the 1933 Act and the 1934 Act, a copy of the most recent annual or quarterly report of the Company, and such other reports and documents of the Company as such holder may reasonably request to avail itself of any similar rule or regulation of the Commission allowing it to sell any such securities without registration.

4. EXPENSES

Buyer will pay all Registration Expenses in connection with the registration of Registrable Securities effected by Buyer pursuant to Section 2. Holders of Registrable Securities registered pursuant to this Agreement shall pay all Selling Expenses associated with such registration, with each Holder bearing a pro rata portion of the Selling Expenses based upon the number of Registrable Securities registered by each Holder.

5. EXPIRATION OF REGISTRATION RIGHTS

The obligations of Buyer under Section 2 of this Agreement to register the Registrable Securities shall expire and terminate at such time as the Shareholders shall be entitled or eligible to sell all such securities in the United States or to a U.S. person (as defined in Regulation S under the 1933 Act) without restriction and without a need for the filing of a registration statement under the 1933 Act. The obligations of Buyer under Section 2 of this Agreement shall expire on November 30, 2000 (provided no stop transfer orders are in place with the transfer agent).

6. REGISTRATION PROCEDURES

In connection with the registration of Registrable Securities under this Agreement, and subject to the other provisions of this Agreement, Buyer shall:

(a) use its reasonable efforts to cause the Registration Statement filed in accordance with Section 2 to become effective as soon as practicable after the Release Date;

(b) prepare and file with the Commission such amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continuously effective for the shorter of (i) the duration of its registration obligations pursuant to Section 2, or (ii) until there are no

Registrable Securities outstanding, and to comply with the provisions of the 1933 Act with respect to the disposition of the Registrable Securities;

(c) furnish to each Seller of such Registrable Securities such number of copies of the Prospectus included in such Registration Statement as such Seller may reasonably request in order to facilitate the sale or disposition of such Registrable Securities;

(d) use its reasonable efforts to register or qualify all securities covered by such Registration Statement under such other securities or "blue sky" laws of such jurisdictions as each Seller shall reasonably request, and do any and all other acts and things as may be reasonably necessary to enable such Seller to consummate the disposition in such jurisdictions of its Registrable Securities covered by such Registration Statement, except that Buyer shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it is not so qualified, or to subject itself to taxation in respect of doing business in any such jurisdiction, or to consent to general service of process in any such jurisdiction;

(e) notify each Seller of Registrable Securities covered by such Registration Statement, at any time when a Prospectus relating thereto is required to be delivered under the 1933 Act, of the happening of any event as a result of which the Prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing or if it is necessary to amend or supplement such Prospectus to comply with the law, and at the request of any such Seller, prepare and furnish to such Seller a reasonable number of copies of a supplement to or an amendment of such Prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities or securities, such Prospectus, as amended or supplemented, will comply with the law;

(f) use its best efforts to comply with all applicable rules and regulations of the Commission;

(g) use its best efforts to qualify such securities for listing on the Nasdaq National Market, and provide a transfer agent and registrar for such Registrable Securities not later than the effective date of such Registration Statement; and

(h) issue to any person to which any Holder of Registrable Securities may sell such Registrable Securities in connection with such registration certificates evidencing such Registrable Securities without any legend restricting the transferability of the Registrable Securities.

Buyer will promptly amend or supplement such Registration Statement and the Prospectus contained therein whenever and to the extent necessary to comply with the 1933

Act and any applicable state securities statute or regulation. Buyer will also provide the Holder of Registrable Securities with as many copies of the Prospectus contained in any such Registration Statement as it may reasonably request.

7. 1934 ACT REGISTRATION

Buyer shall timely file with the Commission such information as the Commission may require under Section 13 or 15(d) of the 1934 Act; and in such event, Buyer shall use its best efforts to take all action pursuant to Rule 144(c) as may be required as a condition to the availability of Rule 144 under the 1933 Act (or any successor exemptive rule hereinafter in effect) with respect to such Common Stock. Buyer shall furnish to any holder of Registrable Securities forthwith upon request (i) a written statement by Buyer as to its compliance with the reporting requirements of Rule 144(c), (ii) a copy of the most recent annual or quarterly report of Buyer as filed with the Commission, and (iii) such other publicly-filed reports and documents as a holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a holder to sell any such Registrable Securities without registration.

8. SHAREHOLDER INFORMATION

It shall be a condition precedent to the obligations of Buyer to take any action pursuant to this Agreement that all Holders shall furnish to Buyer such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such Registrable Securities as shall be reasonably required to effect the registration of their Registrable Securities and to execute such documents in connection with such registration as Buyer may reasonably request. In addition, each Holder agrees to dispose of any Registrable Securities included in any registration only in accordance with the plan of distribution described in the Registration Statement.

9. INDEMNIFICATION AND CONTRIBUTION

In the event any Registrable Securities are included in a Registration Statement under this Agreement:

(a) In the event of any registration of any Registrable Securities under the 1933 Act pursuant to this Agreement, then to the extent permitted by law, Buyer will indemnify and hold harmless each Seller and any of his agents, and any underwriter (as defined in the 1933 Act) for such Seller and each person, if any, who controls such Seller or underwriter within the meaning of the 1933 Act or the 1934 Act, against any losses, claims, damages, liabilities and expenses (including reasonable attorneys fees) (joint or several) to which they may become subject under the 1933 Act, the 1934 Act or other federal or state law, insofar as such losses, claims, damages, liabilities and expenses (including reasonable attorneys fees (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (the following are collectively referred to as a

"VIOLATION"): (i) any untrue statement or alleged untrue statement of a material fact contained in such Registration Statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or (iii) any violation or alleged violation by Buyer of the 1933 Act, the 1934 Act, any state securities law or any rule or regulation promulgated under the 1933 Act, the 1934 Act or any state securities law; and Buyer will reimburse each such Seller, his agent, underwriter or controlling person for any reasonable legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action. Notwithstanding anything contained in this Agreement to the contrary, the indemnity agreement contained in this Section 9 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of Buyer (which consent shall not be unreasonably withheld, conditioned or delayed), nor shall Buyer be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished to Buyer expressly for use in connection with such registration by any such Seller, underwriter or controlling person.

(b) In the event of any registration of any Registrable Securities under the 1933 Act pursuant to this Agreement, then to the extent permitted by law, each Seller will indemnify and hold harmless Buyer, each of its officers, directors, agents or employees, any underwriter (as defined in the 1933 Act) and each person, if any, who controls Buyer or any underwriter for Buyer within the meaning of the 1933 Act or the 1934 Act, and any other Seller or any of his agents, underwriter or any person who controls such Seller within the meaning of the 1933 Act or the 1934 Act, against any losses, claims, damages or liabilities and expenses (including reasonable attorneys fees) (joint or several) to which Buyer or any such director, officer, partner, agent, employee, controlling person or underwriter, or other such Seller or agent, underwriter or controlling person may become subject, under the 1933 Act, the 1934 Act or other federal or state law, insofar as such losses, claims, damages, liabilities and expenses (including reasonable attorneys fees) (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Seller expressly for use in connection with such registration; and each such Seller will reimburse any reasonable legal or other expenses reasonably incurred by Buyer or any such director, officer, partner, agent, employee, controlling person or underwriter, other Seller, agent, underwriter or controlling person in connection with investigating or defending any such loss, claim, damage, liability or action. Notwithstanding anything contained in this Agreement to the contrary, the indemnity agreement contained in this Section 9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Seller (which consent shall not be unreasonably withheld, conditioned or delayed) provided further, that the aggregate liability of each Seller in connection with any sale of Registrable Securities pursuant to a Registration

Statement in which a Violation occurred shall be limited to the net proceeds from such sale received by such Seller.

(c) Promptly after receipt by an indemnified party under this Section 9 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 9, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing or conflicting interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, to the extent prejudicial to its ability to defend such action, shall relieve such indemnifying party of liability to the indemnified party under this Section 9 to the extent of such prejudice, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 9.

(d) If recovery is not available under the foregoing indemnification provisions of this Section 9, for any reason other than as specified therein, the parties entitled to indemnification by the terms thereof shall be entitled to contribution to liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying parties and the indemnified parties, except to the extent that contribution is not permitted under Section 11(f) of the 1933 Act. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, the parties' relative knowledge and access to information concerning the matter with respect to which the claim was asserted, the opportunity to correct and prevent any statement or omission and any other equitable considerations appropriate under the circumstances, including, without limitation, whether any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by Buyer, on the one hand, or by the Seller, on the other hand. Buyer and the Seller of the Registrable Securities covered by such Registration Statement agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation. No Seller of Registrable Securities covered by such Registration Statement or person controlling such Seller shall be obligated to make any contribution hereunder which in the aggregate exceeds the net proceeds from the Registrable Securities sold by such Seller, less the aggregate amount of any damages which such Seller and its controlling persons have otherwise been required to pay in respect of the same claim or any substantially similar claim. The obligations of such Sellers to contribute are several in proportion to their respective ownership of the Registrable Securities covered by such Registration Statement and not joint.

10. NON-ASSIGNABILITY OF REGISTRATION RIGHTS

The rights to cause Buyer, or its successors or assigns, to register Registrable Securities pursuant to this Agreement are reserved solely for the use and benefit of the Holders and may not be assigned or transferred by the Holders to any other person; PROVIDED, HOWEVER, that any Holder who is a natural person may transfer Registrable Securities to any member of the immediate family of a Holder who is a natural person, or any trust or other fiduciary arrangement for the benefit of such family member.

11. MISCELLANEOUS

11.1 AMENDMENTS AND WAIVERS

Any provision of this Agreement may be amended and the observance thereof may only be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of Buyer and the Holders of at least two thirds of the Registrable Securities then outstanding. Any amendment or waiver effected in accordance with this Section shall be binding upon each Holder of Registrable Securities at the time outstanding, each future Holder of Registrable Securities, and Buyer.

11.2 NOTICES

Any notice required or permitted to be given hereunder shall be in writing and shall be deemed given at the opening of business on the first Business Day following the time (a) delivery is made, if by hand delivery, (b) the facsimile is successfully transmitted, if by telecopier or facsimile machine, or (c) the Business Day after such notice is deposited with a reputable overnight courier service, postage prepaid, for next-day delivery, addressed as respectively set forth below or to such other address as any party shall have previously designated by such a notice:

To Buyer at:

Forrester Research, Inc.
400 Technology Square
Cambridge, Massachusetts 02139
Attn: Chief Financial Officer
Facsimile No.: (617) 613-5643

With a copy to:

Ropes & Gray
One International Place
Boston, Massachusetts 02110
Attn: Ann L. Milner, Esq.
Facsimile No.: (617) 951-7050

To any Shareholder:

To such Shareholder at the address
specified for such Shareholder on
SCHEDULE A hereto.

With a copy to:

Stephen Hermer, Esq.
Olswang
90 Longacre
London WC2E 9TT
England
Facsimile No.: 0171-208-8800

11.3 GOVERNING LAW

This Agreement shall for all purposes be governed by and construed in accordance with the internal laws of The Commonwealth of Massachusetts with respect to the enforceability of contracts and in accordance with the United States securities laws with respect to matters involving securities laws regarding the registration of the Registrable Shares, both without regard to conflicts-of-laws principles. The parties hereto agree to submit to the jurisdiction of the federal and state courts of The Commonwealth of Massachusetts with respect to the breach or interpretation of this Agreement or the enforcement of any and all rights, duties, liabilities, obligations, powers and other relations between parties arising under this Agreement.

11.4 SEVERABILITY

If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be deemed to be excised from this Agreement, and the remainder of this Agreement shall be interpreted as if such provision were so excised and shall be enforceable in accordance with its remaining terms.

11.5 COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

11.6 BINDING EFFECT

This Agreement shall be binding upon and inure to the benefit of the successors and permitted assignees of each of the parties.

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IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

FORRESTER RESEARCH, INC.

/s/ Susan M. Whirty
By: ________________________________
Name: Susan M. Whirty
Title: Chief Financial Officer

SHAREHOLDERS

Neil Bradford

/s/ Neil Bradford
____

William Reeve

/s/ William Reeve
____

SCHEDULE A

SHAREHOLDER

1. Neil Bradford
   [Address]

2. William Reeve

INDEMNIFICATION AGREEMENT

This Indemnification Agreement is made and entered into this 28th day of February, 2000 ("AGREEMENT"), by and between Forrester Research, Inc., a Delaware corporation (the "COMPANY") and the persons listed as Selling Stockholders on the signature pages hereto (the "Selling Stockholders". Unless otherwise defined herein, terms defined in the Underwriting Agreement, dated as of February 22, 2000 (the "UNDERWRITING AGREEMENT") among the Company, the Selling Stockholders and the other stockholders of the Company party thereto, Goldman, Sachs & Co., Adams, Harkness & Hill, Inc., Thomas Weisel Partners LLC, FAC/Equities, a division of First Albany Corporation and William Blair & Company, L.L.C., as representatives of the several underwriters (collectively, the "UNDERWRITERS") and used herein shall have the meanings given to them in the Underwriting Agreement.

RECITALS

WHEREAS, the Company has filed a Registration Statement on Form S-3 (File No. 333-95663) (the "REGISTRATION STATEMENT") with the Securities and Exchange Commission to register 3,269,450 shares of common stock, $0.01 per value per share ("Common Stock"), of the Company;

WHEREAS, pursuant to the Underwriting Agreement, the Selling Stockholders, other stockholders of the Company and the Company will sell Shares of Common Stock to the Underwriters; and

WHEREAS, under the Underwriting Agreement, the Selling Stockholders are obligated to indemnify the Underwriters under the circumstances set forth therein and the Company wishes to indemnify the Selling Stockholder for certain of such indemnification obligations.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Selling Stockholders do hereby covenant and agree as follows:

AGREEMENT

1. DEFINITIONS. Terms defined in the Underwriting Agreement and not otherwise defined herein are used herein with the meanings so defined.

2. INDEMNIFICATION. The Company shall indemnify and hold harmless each of the Selling Stockholders against any losses, claims, damages or liabilities (collectively, the

"DAMAGES") for which such Selling Stockholder indemnifies any Underwriter pursuant to Section 8 of the Underwriting Agreement and will reimburse each Selling Stockholder for any legal or other expenses reasonably incurred by such Selling Stockholder in connection with defending any action or claim for which such Selling Stockholder is entitled to indemnification hereunder; PROVIDED, HOWEVER, that the Company shall not be required to indemnify and hold harmless any Selling Stockholder for such Damages to the extent that such Damages arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any amendment or supplement thereto in reliance upon and in conformity with written information furnished by such Selling Stockholders to the Underwriters through Goldman, Sachs & Co. expressly for use therein.

3. PROCEDURE. Promptly after a Selling Stockholder has received notice of or has knowledge of any claim by an Underwriter for which the Company is obligated to indemnify such Selling Stockholder pursuant to Section 2 above (a "CLAIM"), such Selling Stockholder shall, as a condition precedent to a Claim with respect thereto being made against the Company, give the Company written notice of such Claim. Such notice shall state the nature and the basis of such Claim and a reasonable estimate of the amount thereof. The Company shall have right to defend and settle, at its own expense and by its own counsel, any such Claim. Such Selling Stockholder shall cooperate with the Company and its counsel in the defense thereof and in any settlement. If the Company desires to accept a final and complete settlement of any such Claim and such Selling Stockholder unreasonably refuses to consent to such settlement, then the Company's liability under Section 2 with respect to such Claim shall be limited to the amount so offered in settlement by such Underwriter and such Selling Stockholder shall reimburse the Company for any additional costs of defense which it subsequently incurs with respect to such Claim.

4. GENERAL PROVISIONS.

(a) AMENDMENT. This Agreement may not be amended except by an instrument in writing signed by the parties hereto.

(b) SEVERABILITY. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

(c) ASSIGNMENT. No party may assign this Agreement or delegate its obligations hereunder without, in the case of the Company, each of the Selling Stockholders, and, in the case of a Selling Stockholder, without the consent of the Company.

(d) PARTIES IN INTEREST. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and its successors and permitted assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

(e) GOVERNING LAW. This Agreement has been executed as an agreement under seal and shall be governed by, and construed in accordance with, the laws of The Commonwealth of Massachusetts without giving effect to the conflict of laws principles thereof.

(f) COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

FORRESTER RESEARCH, INC.

By: /s/ George F. Colony

Name:
Title:

Selling Stockholders:

/s/ Mary A. Modahl

Mary A. Modahl

/s/ William M. Bluestein

William M. Bluestein, Ph.D.

/s/ Susan M. Whirty

Susan M. Whirty

/s/ Emily Nagle Green

Emily Nagle Green

/s/ Joel Blenner

Joel Blenner

/s/ John W. Boynton

John W. Boynton

/s/ Stanley Dolberg

Stanley Dolberg

/s/ Timothy M. Riley

Timothy M. Riley

/s/ Richard C. Belanger

Richard C. Belanger

/s/ Robert M. Galford

Robert M. Galford

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

Whitcomb Investments, Inc., a Massachusetts corporation.

Forrester Research, B.V., a Dutch corporation.

Forrester Research FSC, Inc., a Barbados corporation

Fletcher Research Limited, a United Kingdom corporation

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report dated January 28, 2000 included in this Form 10-K, into the Company's previously filed Registration Statement(s) File No. 333-12761, File No. 333-96393, and File No. 333-95663.

ARTHUR ANDERSEN LLP

Boston, Massachusetts
March 9, 2000

EXHIBIT 99

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below before purchasing our common stock. If any of the following risks actually occur, our business, financial condition or results of operations could be harmed. In that case, the trading price of our common stock could decline, and you could lose all or part of your investment.

IF WE DO NOT ATTRACT AND RETAIN QUALIFIED PROFESSIONAL STAFF, WE WILL NOT BE ABLE TO MAINTAIN OUR POSITION IN THE MARKET OR GROW OUR BUSINESS

Our future success will depend in large measure upon the continued contributions of our senior management team, research analysts and experienced sales and marketing personnel. Thus, our future operating results will be largely dependent upon our ability to retain the services of these individuals and to attract additional qualified people from a limited pool of qualified candidates. We experience intense competition in hiring and retaining professionals from developers of Internet and emerging technology products, other research firms, management consulting firms, print and electronic publishing companies and financial services companies. Many of these firms have substantially greater ability, either through cash or equity, to attract and compensate qualified people. In addition, the Internet has created many opportunities for people with the skills we seek to form their own companies or join start-up companies, and these opportunities frequently offer the potential for significant future financial profit through equity incentives that we cannot match. If we lose professionals or are unable to attract new talent to Forrester, we will not be able to maintain our position in the market or grow our business.

IF WE DO NOT MANAGE OUR GROWTH EFFECTIVELY, IT COULD ADVERSELY AFFECT OUR ABILITY TO GROW REVENUE AND COULD INCREASE OUR OPERATING EXPENSES

Our growth has placed significant demands on our management and other resources. Our revenues increased approximately 42% to $87.3 million in the year ended December 31, 1999 from $61.6 million in the year ended December 31, 1998. Our ability to effectively manage growth will require us to continue to develop and improve our operational, financial, electronic research collection and distribution, technology and other internal systems. We must also continue to expand our business development capabilities and continue to train, motivate and manage our employees. If we are unable to effectively manage our growth, it would have an adverse effect on the quality of our products and services, our ability to retain key personnel and to grow revenue and could increase our operating expenses.

OUR OPERATING RESULTS FLUCTUATE AND OUR STOCK PRICE MAY BE VOLATILE AS A RESULT

Our revenues and earnings may fluctuate from quarter to quarter based on a variety of factors, many of which are beyond our control. The factors include, but are not limited to:

- the timing and size of new and renewal memberships for our research from clients;
- the timing of revenue-generating Forum events sponsored by us;
- the utilization of our advisory services by our clients;
- the introduction and marketing of new products and services by us and our competitors;
- the hiring and training of new analysts and sales personnel;
- changes in demand for our research; and
- general economic conditions.

As a result, our operating results in future quarters may be below the expectations of securities analysts and investors which could have an adverse effect on the market price for our common stock. Factors such as announcements of new products, services, offices or strategic alliances by us or our competitors, as well as market conditions in the Internet and emerging technologies services industry, may have a significant impact on the market price of our common stock. The market price for our common stock may also be affected by movements in prices of stocks in general.

A DECLINE IN RENEWALS FOR OUR MEMBERSHIP-BASED RESEARCH SERVICES COULD ADVERSELY AFFECT OUR REVENUES

Our success depends in large part upon renewals of memberships for our research products. Approximately 74% of our revenues in the year ended December 31, 1999 were derived from our membership-based research products. In addition, approximately 74% of our client companies with memberships expiring during this period renewed one or more memberships for our products and services. A significant decline in renewal rates for our research products could have an adverse effect on our revenues.

LOSS OF KEY MANAGEMENT COULD AFFECT OUR ABILITY TO RUN OUR BUSINESS

Our future success will depend in large part upon the continued services of a number of our key management employees. The loss of any one of them, in particular George F. Colony, our founder and Chairman, President and Chief Executive Officer, could adversely affect our business.

IF WE DO NOT ANTICIPATE AND RESPOND TO MARKET TRENDS, WE MAY NOT REMAIN COMPETITIVE

Our success depends in part upon our ability to anticipate rapidly changing technologies and market trends and to adapt our research to meet the changing information needs of our clients. The technology and commerce sectors that we analyze undergo frequent and often dramatic changes. The changes include:

- the introduction of new products and obsolescence of others;

- the use of technology to transform existing and create new business models;

- shifting strategies and market positions of major industry participants;

- paradigm shifts in system architectures; and

- changing objectives and expectations of users of technology.

The environment of rapid and continuous change presents significant challenges to our ability to provide our clients with current and timely analysis, strategies and advice on issues of importance to them. Meeting these challenges requires the commitment of substantial resources. Any failure to continue to provide insightful and timely analysis of developments, technologies and trends in a manner that meets market needs could have an adverse effect on our market position and results of operations.

IF WE DO NOT DEVELOP AND OFFER NEW PRODUCTS AND SERVICES, WE COULD LOSE OUR COMPETITIVE POSITION AND FAIL TO GROW OUR BUSINESS

Our future success will depend in part on our ability to offer new products and services. These new products and services must successfully gain market acceptance by addressing specific industry and business organization sectors, anticipating and identifying changes in client requirements and changes in the technology industry. The process of internally researching, developing, launching and gaining client acceptance of a new product or service, or assimilating and marketing an acquired product or service, is risky and costly. We may not be able to introduce new, or assimilate acquired, products or services successfully. Our failure to do so would adversely affect our ability to maintain a competitive position in our market and continue to grow our business.

THE MARKET FOR RESEARCH PRODUCTS AND SERVICES IS COMPETITIVE AND IF WE FAIL TO COMPETE EFFECTIVELY, WE COULD LOSE OUR MARKET POSITION

We compete in the market for research products and services with other independent providers of similar services. We may also face increased competition from Internet-based research firms. Some of our competitors have substantially greater financial, information-gathering and marketing resources than we do. In addition, our indirect competitors include the internal planning and marketing staffs of our current and prospective clients, as well as other information providers such as electronic and print publishing companies, survey-based general market research firms and general business consulting firms. Our indirect competitors may choose to compete directly against us in the future. In addition, there are relatively few barriers to entry into our market and new competitors could readily seek to compete against us in one or more market segments addressed by our products and services. Increased competition could adversely affect our operating results through pricing pressure and loss of market share.

IF WE FAIL TO INTEGRATE OUR RECENTLY COMPLETED ACQUISITION EFFECTIVELY, IT COULD ADVERSELY AFFECT OUR OPERATING EXPENSES AND COULD CAUSE US TO FAIL TO ACHIEVE THE BENEFITS WE EXPECTED

We recently acquired Fletcher Research Limited, an Internet research company located in the United Kingdom. It was our first acquisition and our management has had no experience to date integrating acquisitions into our business. The integration of any acquisition can be disruptive, divert management time and attention and result in a failure to realize the expected benefits of the acquisition. The problems may be accentuated where the acquired company is foreign and located far from our headquarters. If we do not integrate the Fletcher acquisition effectively, we could fail to achieve the benefits we expected.

OUR CHAIRMAN AND CEO HAS SIGNIFICANT VOTING POWER AND MAY EFFECTIVELY CONTROL THE OUTCOME OF ANY STOCKHOLDER VOTE

George F. Colony, our Chairman, President and Chief Executive Officer, beneficially owns approximately 46% of our common stock. As a result, he has the ability to substantially influence, and may effectively control, the outcome of corporate actions requiring stockholder approval, including the election of directors. This concentration of ownership may also have the effect of delaying or preventing a change in control of Forrester even if such a change of control would benefit other investors.

OUR CORPORATE GOVERNANCE PROVISIONS MAY DETER A FINANCIALLY ATTRACTIVE TAKEOVER ATTEMPT

Provisions of our charter and by-laws may discourage, delay or prevent a merger or acquisition that stockholders may consider favorable, including transactions in which stockholders would receive a premium for their shares. These provisions include the following:

- any action to be taken by stockholders must be taken at a meeting and may not be taken by written consent;

- stockholders must comply with advance notice requirements before raising a matter at a meeting of stockholders or nominating a director for election;

- only our chairman, chief executive officer or, if there is none, the president or the board of directors may call a special meeting of stockholders;

- our board of directors is divided into three classes and the members may be removed by the stockholders only for cause; and

- our board of directors has the authority, without further action by the stockholders, to fix the rights and preferences of and issue shares of preferred stock.