
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of Earliest Event Reported): July 29, 2010

FORRESTER RESEARCH, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-21433
(Commission File Number)

04-2797789
(I.R.S. Employer
Identification Number)

400 Technology Square
Cambridge, Massachusetts 02139
(Address of principal executive offices, including zip code)

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

N/A

(Former Name or Former Address, if Changes since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

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

On July 29, 2010, Forrester Research, Inc. issued a press release announcing its financial results for the quarter and six months ended June 30, 2010.

Forrester believes that pro forma financial results provide investors with consistent and comparable information to aid in the understanding of Forrester’s ongoing business. Forrester uses pro forma financial information to manage its business, including use of pro forma financial results as the basis for setting targets for various compensation programs. Our pro forma presentation excludes the following, as well as their related tax effects:

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

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

Stock-based compensation expense—we exclude stock-based compensation from our pro forma results in order to keep quarter-over-quarter and year-over-year comparisons consistent.

Reorganization costs associated with the Company’s reduction in force announced in February 2009 are not included in our pro forma results in order to keep quarter-over-quarter and year-over-year comparisons consistent.

Acquisition related costs and credits are not included in our pro forma results in order to more consistently present our ongoing results of operations.

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

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

99.1 Press Release dated July 29, 2010 with respect to financial results for the quarter ended June 30, 2010.

SIGNATURES

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

FORRESTER RESEARCH, INC.

By /s/ Michael A. Doyle

Name: Michael A. Doyle

Title: Chief Financial Officer and Treasurer

Date: July 29, 2010

Exhibit Index

<u>Exhibit</u>	<u>Description</u>	<u>Page</u>
99.1	Press Release dated July 29, 2010	5

Forrester Research Reports Second-Quarter Financial Results

Cambridge, Mass., July 29, 2010 . . . Forrester Research, Inc. (Nasdaq: FORR) today announced its second quarter ended June 30, 2010 financial results.

Second-Quarter Financial Performance

- Total revenues were \$64.7 million, compared with \$61.6 million for the second quarter of last year.
- On a GAAP-reported basis, Forrester reported net income of \$6.9 million, or \$0.30 per diluted share, compared with net income of \$6.2 million, or \$0.27 per diluted share, for the same period last year. The effective tax rate for the second quarter of 2010 was 39 percent compared with 48 percent for the same period last year.
- On a pro forma basis, net income was \$8.2 million, or \$0.35 per diluted share, for the second quarter of 2010, which reflects a pro forma effective tax rate of 40 percent. Pro forma net income excludes stock-based compensation of \$1.4 million and amortization of \$0.9 million of acquisition-related intangible assets. This compares with pro forma net income of \$8.8 million, or \$0.38 per diluted share, for the same period in 2009, which reflects a pro forma effective tax rate of 40 percent. Pro forma net income for the second quarter of 2009 excludes stock-based compensation of \$1.3 million, amortization of \$0.7 million of acquisition-related intangible assets and net investment losses of \$1.0 million.

“We had a robust second quarter,” said George F. Colony, Forrester’s chairman of the board and chief executive officer. “All of our key client metrics continue to trend upward, so we are increasing guidance for the full year and reinvesting in the business. Forrester’s financial performance year-to-date continues to demonstrate that our role-based strategy resonates with our clients now more than ever.”

Six-Month Period Ended June 30, 2010, Financial Performance

- Total revenues were \$123.8 million, compared with \$118.0 million for the same period last year.
 - On a GAAP-reported basis, Forrester reported net income of \$12.7 million, or \$0.55 per diluted share for the six months ended June 30, 2010, compared with net income of \$8.8 million, or \$0.38 per diluted share, for the same period last year. The effective tax rate for the six-month period of 2010 was 38 percent compared with 46 percent for the same period last year.
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Forrester Research Q2, 2010 Results

- On a pro forma basis, net income was \$14.5 million, or \$0.63 per diluted share, for the six months ended June 30, 2010, which reflects a pro forma effective tax rate of 40 percent. Pro forma net income excludes stock-based compensation of \$2.5 million, amortization of \$1.8 million of acquisition-related intangible assets, \$0.3 million of acquisition-related credits and net investment gains of \$0.5 million. This compares with pro forma net income of \$15.0 million, or \$0.65 per diluted share, for the same period in 2009, which reflects a pro forma effective tax rate of 40 percent. Pro forma net income for the six months ended June 30, 2009 excludes stock-based compensation of \$3.5 million, amortization of \$1.3 million of acquisition-related intangible assets, \$3.1 million of reorganization costs and net investment losses of \$1.0 million.

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

Forrester is providing third-quarter 2010 financial guidance as follows:

Third-Quarter 2010 (GAAP):

- Total revenues of approximately \$57.5 million to \$60.5 million.
- Operating margin of approximately 8.0% to 10.0%.
- Other income of approximately \$250,000.
- An effective tax rate of 43 percent.
- Diluted earnings per share of approximately \$0.12 to \$0.16.

Third-Quarter 2010 (Pro Forma):

Pro forma financial guidance for the third quarter of 2010 excludes stock-based compensation of \$1.1 million to \$1.3 million, amortization of acquisition-related intangible assets of approximately \$0.9 million, and any investment gains or losses.

- Pro forma operating margin of approximately 11.5% to 13.5%.
- Pro forma effective tax rate of 40 percent.
- Pro forma diluted earnings per share of approximately \$0.18 to \$0.22.

Forrester is updating full-year 2010 guidance to reflect an increase in revenue, other income and earnings per share as follows:

Full-Year 2010 (GAAP):

- Total revenues of approximately \$244 million to \$252 million.
- Operating margin of approximately 11.0% to 12.0%.
- Other income of approximately \$2.7 million.
- An effective tax rate of 40 percent.
- Diluted earnings per share of approximately \$0.80 to \$0.86.

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Full-Year 2010 (Pro Forma):

Pro forma financial guidance for full-year 2010 excludes stock-based compensation expense of approximately \$5.0 million, amortization of acquisition-related intangible assets of approximately \$3.6 million, and any investment gains or losses.

- Pro forma operating margin of approximately 14.5% to 15.5%.
- Pro forma effective tax rate of 40 percent.
- Pro forma diluted earnings per share of approximately \$1.03 to \$1.09.

About Forrester Research

Forrester Research, Inc. (Nasdaq: FORR) is an independent research company that provides pragmatic and forward-thinking advice to global leaders in business and technology. Forrester works with professionals in 19 key roles at major companies providing proprietary research, customer insight, consulting, events, and peer-to-peer executive programs. For more than 27 years, Forrester has been making IT, marketing, and technology industry leaders successful every day. For more information, visit www.forrester.com.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, Forrester's financial guidance for the third quarter of and full-year 2010. These statements are based on Forrester's current plans and expectations and involve risks and uncertainties that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements. Important factors that could cause actual future activities and results to differ include, among others, Forrester's ability to respond to business and economic conditions, particularly in light of the global economic environment, technology spending, market trends, competition, industry consolidation, the ability to attract and retain professional staff, possible variations in Forrester's quarterly operating results, any cost savings related to reductions in force and associated actions, risks associated with Forrester's ability to offer new products and services, and Forrester's dependence on renewals of its membership-based research services and on key personnel. Forrester undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. For further information, please refer to Forrester's reports and filings with the Securities and Exchange Commission.

The consolidated statements of income and the table of selected balance sheet and cash flow data are attached.

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Forrester Research Q2, 2010 Results

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Forrester Research, Inc.
Consolidated Statements of Income

(Unaudited, In thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
Revenues:				
Research services	\$ 40,752	\$ 39,025	\$ 80,168	\$ 78,075
Advisory services and other	23,901	22,553	43,665	39,910
Total revenues	<u>64,653</u>	<u>61,578</u>	<u>123,833</u>	<u>117,985</u>
Operating expenses:				
Cost of services and fulfillment	24,300	22,791	46,627	45,772
Selling and marketing	20,720	18,372	40,808	36,752
General and administrative	7,720	6,397	14,924	13,369
Depreciation	879	1,144	1,797	2,236
Amortization of intangible assets	905	656	1,810	1,312
Reorganization costs	—	—	—	3,141
Total operating expenses	<u>54,524</u>	<u>49,360</u>	<u>105,966</u>	<u>102,582</u>
Income from operations	10,129	12,218	17,867	15,403
Other income, net	1,148	453	2,223	1,722
Gains (losses) from investments, net	27	(951)	452	(951)
Income before income taxes	11,304	11,720	20,542	16,174
Income tax provision	4,402	5,568	7,868	7,391
Net Income	<u>\$ 6,902</u>	<u>\$ 6,152</u>	<u>\$ 12,674</u>	<u>\$ 8,783</u>
Diluted income per share	<u>\$ 0.30</u>	<u>\$ 0.27</u>	<u>\$ 0.55</u>	<u>\$ 0.38</u>
Diluted weighted average shares outstanding	<u>23,135</u>	<u>22,944</u>	<u>23,006</u>	<u>23,025</u>
Basic income per share	<u>\$ 0.31</u>	<u>\$ 0.27</u>	<u>\$ 0.56</u>	<u>\$ 0.38</u>
Basic weighted average shares outstanding	<u>22,517</u>	<u>22,703</u>	<u>22,453</u>	<u>22,824</u>
Pro forma data (1):				
Income from operations	\$ 10,129	\$ 12,218	\$ 17,867	\$ 15,403
Amortization of intangible assets	905	656	1,810	1,312
Reorganization costs	—	—	—	3,141
Acquisition costs (credits)	—	—	(326)	—
Stock-based compensation included in the following expense categories:				
Cost of services and fulfillment	607	640	1,056	1,748
Selling and marketing	227	183	471	610
General and administrative	589	477	1,002	1,133
Pro forma income from operations	12,457	14,174	21,880	23,347
Other income, net	1,148	453	2,223	1,722
Pro forma income before income taxes	13,605	14,627	24,103	25,069
Pro forma income tax provision	5,442	5,851	9,641	10,028
Pro forma net income	<u>\$ 8,163</u>	<u>\$ 8,776</u>	<u>\$ 14,462</u>	<u>\$ 15,041</u>
Pro forma diluted income per share	<u>\$ 0.35</u>	<u>\$ 0.38</u>	<u>\$ 0.63</u>	<u>\$ 0.65</u>
Diluted weighted average shares outstanding	<u>23,135</u>	<u>22,944</u>	<u>23,006</u>	<u>23,025</u>

- (1) Forrester believes that pro forma financial results provide investors with consistent and comparable information to aid in the understanding of Forrester's ongoing business. Our pro forma presentation excludes reorganization costs, amortization of acquisition-related intangible assets, stock-based compensation, net gains or losses from investments and costs or (credits) associated with acquisition activities, as well as their related tax effects. The pro forma data does not purport to be prepared in accordance with Accounting Principles Generally Accepted in the United States.

Forrester Research, Inc.
Consolidated Balance Sheet and Cash Flow Data

(Unaudited, In thousands)

	<u>June 30,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
Balance sheet data:		
Cash, cash equivalents and marketable investments	\$ 286,982	\$ 259,792
Accounts receivable, net	\$ 39,774	\$ 67,436
Deferred revenue	\$ 108,534	\$ 117,888
	<u>Six months ended</u> <u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
Cash flow data:		
Net cash provided by operating activities	\$ 32,350	\$ 29,366
Cash used for acquisitions	\$ (1,660)	\$ (752)
Purchases of property and equipment	\$ (2,442)	\$ (2,790)
Repurchases of common stock	\$ (5,002)	\$ (10,023)