
FORM 10-Q

(MARK ONE)

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

FOR THE QUARTERLY PERIOD ENDED September 30, 2014

OR

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

COMMISSION FILE NUMBER: 000-21433

FORRESTER RESEARCH, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
**(State or other jurisdiction of
incorporation or organization)**

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

60 Acorn Park Drive
CAMBRIDGE, MASSACHUSETTS
(Address of principal executive offices)

02140
(Zip Code)

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

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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 3, 2014 18,205,000 shares of the registrant's common stock were outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FORRESTER RESEARCH, INC.

CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data, unaudited)

	September 30, 2014	December 31, 2013
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 56,932	\$ 74,132
Marketable investments (Note 3)	55,497	81,013
Accounts receivable, net	39,041	77,543
Deferred commissions	9,709	12,939
Prepaid expenses and other current assets	23,207	20,762
Total current assets	184,386	266,389
Property and equipment, net	33,863	39,868
Goodwill	77,793	80,001
Intangible assets, net	4,019	5,777
Other assets	10,828	10,167
Total assets	<u>\$ 310,889</u>	<u>\$ 402,202</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 1,035	\$ 1,024
Accrued expenses and other current liabilities	26,516	33,471
Deferred revenue	129,390	152,903
Total current liabilities	156,941	187,398
Non-current liabilities	9,305	10,142
Total liabilities	<u>166,246</u>	<u>197,540</u>
Commitments		
Stockholders' Equity (Note 7):		
Preferred stock, \$.01 par value		
Authorized—500 shares, issued and outstanding—none	—	—
Common stock, \$.01 par value		
Authorized—125,000 shares		
Issued—20,781 and 20,491 as of September 30, 2014 and December 31, 2013, respectively		
Outstanding- 18,247 and 19,756 as of September 30, 2014 and December 31, 2013, respectively	208	205
Additional paid-in capital	120,415	109,676
Retained earnings	116,628	118,415
Treasury stock- 2,534 and 735 as of September 30, 2014 and December 31, 2013, respectively, at cost	(92,645)	(26,088)
Accumulated other comprehensive income	37	2,454
Total stockholders' equity	144,643	204,662
Total liabilities and stockholders' equity	<u>\$ 310,889</u>	<u>\$ 402,202</u>

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, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenues:				
Research services	\$50,622	\$49,855	\$153,737	\$151,445
Advisory services and events	24,741	19,960	77,644	68,684
Total revenues	<u>75,363</u>	<u>69,815</u>	<u>231,381</u>	<u>220,129</u>
Operating expenses:				
Cost of services and fulfillment	30,105	27,584	93,143	85,397
Selling and marketing	27,677	25,771	86,190	79,617
General and administrative	10,023	9,310	29,365	27,217
Depreciation	2,174	2,292	7,236	6,954
Amortization of intangible assets	530	557	1,605	1,670
Reorganization costs (credits)	(71)	—	1,817	1,905
Total operating expenses	<u>70,438</u>	<u>65,514</u>	<u>219,356</u>	<u>202,760</u>
Income from operations	4,925	4,301	12,025	17,369
Other income (expense), net	232	(71)	247	560
Gains (losses) on investments, net	(105)	18	(25)	(84)
Income before income taxes	5,052	4,248	12,247	17,845
Income tax provision	2,009	1,739	4,981	6,982
Net income	<u>\$ 3,043</u>	<u>\$ 2,509</u>	<u>\$ 7,266</u>	<u>\$ 10,863</u>
Basic income per common share	<u>\$ 0.17</u>	<u>\$ 0.12</u>	<u>\$ 0.38</u>	<u>\$ 0.51</u>
Diluted income per common share	<u>\$ 0.16</u>	<u>\$ 0.12</u>	<u>\$ 0.38</u>	<u>\$ 0.50</u>
Basic weighted average common shares outstanding	<u>18,287</u>	<u>20,117</u>	<u>18,886</u>	<u>21,226</u>
Diluted weighted average common shares outstanding	<u>18,549</u>	<u>20,665</u>	<u>19,169</u>	<u>21,690</u>
Cash dividends declared per common share	<u>\$ 0.16</u>	<u>\$ 0.15</u>	<u>\$ 0.48</u>	<u>\$ 0.45</u>

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

FORRESTER RESEARCH, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net income	\$ 3,043	\$ 2,509	\$ 7,266	\$10,863
Other comprehensive income (loss), net of taxes:				
Foreign currency translation	(2,333)	1,560	(2,394)	221
Net change in market value of investments	(59)	231	(23)	(185)
Other comprehensive income (loss)	(2,392)	1,791	(2,417)	36
Comprehensive income	\$ 651	\$ 4,300	\$ 4,849	\$10,899

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

FORRESTER RESEARCH, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands, unaudited)

	Nine Months Ended	
	September 30,	
	2014	2013
Cash flows from operating activities:		
Net income	\$ 7,266	\$ 10,863
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	7,236	6,954
Amortization of intangible assets	1,605	1,670
Net losses from investments	25	84
Deferred income taxes	(5,406)	(6,461)
Stock-based compensation	5,148	4,588
Amortization of premium on investments	1,048	1,809
Foreign currency losses	234	248
Changes in assets and liabilities		
Accounts receivable	37,921	37,570
Deferred commissions	3,230	1,002
Prepaid expenses and other current assets	(255)	3,609
Accounts payable	18	116
Accrued expenses and other liabilities	(7,924)	(4,698)
Deferred revenue	(22,295)	(25,002)
Net cash provided by operating activities	<u>27,851</u>	<u>32,352</u>
Cash flows from investing activities:		
Purchases of property and equipment	(1,110)	(2,049)
Purchases of marketable investments	(27,165)	(39,636)
Proceeds from sales and maturities of marketable investments	51,610	85,398
Other investing activity	1,471	134
Net cash provided by investing activities	<u>24,806</u>	<u>43,847</u>
Cash flows from financing activities:		
Dividends paid on common stock	(9,053)	(9,425)
Repurchases of common stock	(66,557)	(109,193)
Proceeds from issuance of common stock under employee equity incentive plans	6,781	14,506
Excess tax benefits from stock-based compensation	157	687
Payment of deferred acquisition consideration	—	(900)
Net cash used in financing activities	<u>(68,672)</u>	<u>(104,325)</u>
Effect of exchange rate changes on cash and cash equivalents	(1,185)	16
Net decrease in cash and cash equivalents	(17,200)	(28,110)
Cash and cash equivalents, beginning of period	74,132	98,810
Cash and cash equivalents, end of period	<u>\$ 56,932</u>	<u>\$ 70,700</u>

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

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1 — Interim Consolidated Financial Statements*Basis of Presentation*

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) for reporting on Form 10-Q. Accordingly, certain information and footnote disclosures required for complete financial statements are not included herein. The year-end balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. It is recommended that these financial statements be read in conjunction with the consolidated financial statements and related notes that appear in the Forrester Research, Inc. (“Forrester”) Annual Report on Form 10-K for the year ended December 31, 2013. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation of the financial position, results of operations, of comprehensive income and of cash flows as of the dates and for the periods presented have been included. The results of operations for the three and nine months ended September 30, 2014 may not be indicative of the results for the year ending December 31, 2014, or any other period.

During the quarter ended March 31, 2014, the Company recorded \$0.5 million of expenses for out-of-period corrections, of which \$0.4 million related to depreciation and \$0.1 million related to other immaterial amounts that related to prior periods. The Company has concluded that these errors are immaterial to all prior period financial statements.

Fair Value Measurements

The carrying amounts reflected in the Consolidated Balance Sheets for cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate fair value due to their short-term maturities. See Note 3 – Marketable Investments for the fair value of the Company’s marketable investments.

Revision of quarterly financial statements

During the quarter ended December 31, 2013, the Company identified an immaterial prior period error of \$0.1 million that had the effect of decreasing income tax expense for the three and nine months ended September 30, 2013. The Company has reflected in the financial information included in this Note the correction of this error in the period in which it originated (in thousands except per share amounts).

Revised Consolidated Statements of Income

	Three Months Ended September 30, 2013			Nine Months Ended September 30, 2013		
	As Previously Reported	Adjustments	As Revised	As Previously Reported	Adjustments	As Revised
Income tax provision	1,813	(74)	1,739	7,056	(74)	6,982
Net income	\$ 2,435	\$ 74	\$ 2,509	\$ 10,789	\$ 74	\$ 10,863
Basic income per common share	\$ 0.12	\$ —	\$ 0.12	\$ 0.51	\$ —	\$ 0.51
Diluted income per common share	\$ 0.12	\$ —	\$ 0.12	\$ 0.50	\$ —	\$ 0.50

Revised Consolidated Statements of Comprehensive Income

The consolidated statement of comprehensive income for the three and nine months ended September 30, 2013 is impacted by the same amount as net income for the period.

Revised Consolidated Statement of Cash Flows

	Nine Months Ended September 30, 2013		
	As Previously Reported	Adjustments	As Revised
Cash flows from operating activities:			
Net income	\$ 10,789	\$ 74	\$10,863
Prepaid expenses and other current assets	3,683	(74)	3,609
Net cash provided by operating activities	32,352	—	32,352

Note 2 — Accumulated Other Comprehensive Income

The components of accumulated other comprehensive income are as follows (in thousands):

	Net Unrealized Gain (Loss) on Marketable Investments	Cumulative Translation Adjustment	Total Accumulated Other Comprehensive Income (Loss)
Balance at January 1, 2014	\$ 16	\$ 2,438	\$ 2,454
Foreign currency translation	—	(2,394)	(2,394)
Unrealized loss on investments before reclassification, net of tax of \$6	(18)	—	(18)
Reclassification adjustment for net gains realized in net income, net of tax of \$7	(5)	—	(5)
Balance at September 30, 2014	<u>\$ (7)</u>	<u>\$ 44</u>	<u>\$ 37</u>

	Net Unrealized Gain (Loss) on Marketable Investments	Cumulative Translation Adjustment	Total Accumulated Other Comprehensive Income (Loss)
Balance at July 1, 2014	\$ 52	\$ 2,377	\$ 2,429
Foreign currency translation	—	(2,333)	(2,333)
Unrealized loss on investments before reclassification, net of tax of \$33	(51)	—	(51)
Reclassification adjustment for net gains realized in net income, net of tax of \$5	(8)	—	(8)
Balance at September 30, 2014	<u>\$ (7)</u>	<u>\$ 44</u>	<u>\$ 37</u>

	Net Unrealized Gain (Loss) on Marketable Investments	Cumulative Translation Adjustment	Total Accumulated Other Comprehensive Income (Loss)
Balance at January 1, 2013	\$ (1,024)	\$ 1,612	\$ 588
Foreign currency translation	—	221	221
Unrealized loss on investments before reclassification, net of tax of \$98	(202)	—	(202)
Reclassification adjustments for net losses realized in net income, net of tax of \$11	17	—	17
Balance at September 30, 2013	<u>\$ (1,209)</u>	<u>\$ 1,833</u>	<u>\$ 624</u>

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	Net Unrealized Gain (Loss) on Marketable Investments	Cumulative Translation Adjustment	Total Accumulated Other Comprehensive Income (Loss)
Balance at July 1, 2013	\$ (1,440)	\$ 273	\$ (1,167)
Foreign currency translation	—	1,560	1,560
Unrealized gain on investments before reclassification, net of tax of \$143	238	—	238
Reclassification adjustments for net gains realized in net income, net of tax of \$4	(7)	—	(7)
Balance at September 30, 2013	<u>\$ (1,209)</u>	<u>\$ 1,833</u>	<u>\$ 624</u>

Reclassification adjustments for net gains (losses) are reported in gains (losses) on investments, net in the Consolidated Statements of Income.

Note 3 — Marketable Investments

The following table summarizes the Company's marketable investments (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
September 30, 2014				
<i>Available-for-sale securities</i>				
State and municipal obligations	\$ 1,980	\$ 2	\$ —	\$ 1,982
Federal agency and corporate obligations	53,528	52	(65)	53,515
Total	<u>\$ 55,508</u>	<u>\$ 54</u>	<u>\$ (65)</u>	<u>\$55,497</u>
December 31, 2013				
<i>Available-for-sale securities</i>				
State and municipal obligations	\$ 6,809	\$ 5	\$ —	\$ 6,814
Federal agency and corporate obligations	74,179	112	(92)	74,199
Total	<u>\$ 80,988</u>	<u>\$ 117</u>	<u>\$ (92)</u>	<u>\$81,013</u>

Realized gains and losses on securities are included in earnings and are determined using the specific identification method. Realized gains or losses on the sale of the Company's federal agency, state, municipal and corporate obligations were not material in the three and nine months ended September 30, 2014 or 2013.

The following table summarizes the maturity periods of the marketable securities in the Company's portfolio as of September 30, 2014 (in thousands).

	FY 2014	FY 2015	FY 2016	Thereafter	Total
State and municipal obligations	\$ —	\$ 1,982	\$ —	\$ —	\$ 1,982
Federal agency and corporate obligations	3,531	24,219	16,192	9,573	53,515
Total	<u>\$ 3,531</u>	<u>\$ 26,201</u>	<u>\$ 16,192</u>	<u>\$ 9,573</u>	<u>\$55,497</u>

The following table shows the gross unrealized losses and market value of Forrester's available-for-sale securities with unrealized losses that are not deemed to be other-than-temporary, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position (in thousands):

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	As of September 30, 2014			
	Less Than 12 Months		12 Months or Greater	
	Market Value	Unrealized Losses	Market Value	Unrealized Losses
State and municipal bonds	\$ —	\$ —	\$ —	\$ —
Federal agency and corporate obligations	16,102	65	—	—
Total	\$16,102	\$ 65	\$ —	\$ —

	As of December 31, 2013			
	Less Than 12 Months		12 Months or Greater	
	Market Value	Unrealized Losses	Market Value	Unrealized Losses
State and municipal bonds	\$ —	\$ —	\$ —	\$ —
Federal agency and corporate obligations	30,645	92	—	—
Total	\$30,645	\$ 92	\$ —	\$ —

Fair Value

The Company measures certain financial assets at fair value on a recurring basis, including cash equivalents and available-for-sale securities. The fair values of these financial assets have been classified as Level 1, 2 or 3 within the fair value hierarchy as described in the accounting standards for fair value measurements.

Level 1 — Fair value based on quoted prices in active markets for identical assets or liabilities.

Level 2 — Fair value based on inputs other than Level 1 inputs that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Fair value based on unobservable inputs that are supported by little or no market activity and such inputs are significant to the fair value of the assets or liabilities.

The following table represents the Company's fair value hierarchy for its financial assets (cash equivalents and investments) measured at fair value on a recurring basis as of September 30, 2014 and December 31, 2013 (in thousands):

	As of September 30, 2014			
	Level 1	Level 2	Level 3	Total
Money market funds (1)	\$ 931	\$ —	\$ —	\$ 931
State and municipal obligations	—	1,982	—	1,982
Federal agency and corporate obligations	—	53,515	—	53,515
Total	\$ 931	\$55,497	\$ —	\$56,428

	As of December 31, 2013			
	Level 1	Level 2	Level 3	Total
Money market funds (1)	\$6,897	\$ —	\$ —	\$ 6,897
State and municipal obligations	—	6,814	—	6,814
Federal agency and corporate obligations (2)	—	80,449	—	80,449
Total	\$6,897	\$87,263	\$ —	\$94,160

(1) Included in cash and cash equivalents.

(2) \$6.2 million are included in cash and cash equivalents at December 31, 2013 as original maturities at the time of purchase were 90 days or less.

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Level 2 assets consist of the Company's entire portfolio of federal, state, municipal and corporate bonds. Level 2 assets have been initially valued at the transaction price and subsequently valued, at the end of each reporting period, typically utilizing third party pricing services or other market observable data. The pricing services utilize industry standard valuation methods, including both income and market based approaches and observable market inputs to determine value. These observable market inputs include reportable trades, benchmark yields, credit spreads, broker/dealer quotes, bids, offers, current spot rates and other industry and economic events.

Note 4 — Non-Marketable Investments

At September 30, 2014 and December 31, 2013, the carrying value of the Company's non-marketable investments, which were composed primarily of interests in technology-related private equity funds, was \$4.1 million and \$5.7 million, respectively, and is included in other assets in the Consolidated Balance Sheets.

One of the Company's investments, with a book value of \$0.8 million and \$0.9 million at September 30, 2014 and December 31, 2013, respectively, is being accounted for using the cost method and, accordingly, is valued at cost unless an other-than-temporary impairment in its value occurs. The other investments are being accounted for using the equity method as the investments are limited partnerships and the Company has an ownership interest in excess of 5% and, accordingly, the Company records its share of the investee's operating results each period. Gains and losses from non-marketable investments were insignificant during the three and nine months ended September 30, 2014 and 2013, and are included in gains (losses) on investments, net in the Consolidated Statements of Income. During the nine months ended September 30, 2014 and 2013, gross distributions of \$1.5 million and \$0.3 million, respectively, were received from the funds.

Note 5 — Reorganization

In the first quarter of 2014 the Company terminated approximately 1% of its employees across various geographies and functions primarily to realign resources due to the Company's new organizational structure implemented in late 2013. The Company incurred \$1.8 million of severance and related costs in the nine months ended September 30, 2014 related to this action. The costs under this plan are expected to be substantially paid by the end of 2014.

During 2013 the Company incurred \$1.9 million of severance and related costs for the elimination of 31 jobs or approximately 2.5% of its workforce worldwide in an effort to streamline its operations.

The following table rolls forward the activity in the reorganization accrual for the nine months ended September 30, 2014 (in thousands):

	Workforce Reduction
Accrual at December 31, 2013	\$ 121
Additions	1,817
Cash payments	(1,509)
Accrual at September 30, 2014	<u>\$ 429</u>

Note 6 — 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 shares 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 equivalent shares consist of common stock issuable on the exercise of outstanding options and vesting of restricted stock units when dilutive.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Basic weighted average common shares outstanding	18,287	20,117	18,886	21,226
Weighted average common equivalent shares	262	548	283	464
Diluted weighted average common shares outstanding	18,549	20,665	19,169	21,690
Equity instruments excluded from diluted weighted average share calculation as effect would have been anti-dilutive	610	608	591	700

Note 7 — Stockholders' Equity

Equity Plans

Stock option activity for the nine months ended September 30, 2014 is presented below (in thousands, except per share data):

	Number of Shares	Weighted- Average Exercise Price Per Share	Weighted- Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2013	1,734	\$ 31.85		
Granted	532	38.12		
Exercised	(182)	29.89		
Forfeited	(65)	34.69		
Outstanding at September 30, 2014	2,019	\$ 33.59	7.23	\$ 7,452
Exercisable at September 30, 2014	898	\$ 30.29	5.12	\$ 5,977

Restricted stock unit activity for the nine months ended September 30, 2014 is presented below (in thousands, except per share data):

	Number of Shares	Weighted- Average Grant Date Fair Value
Unvested at December 31, 2013	372	\$ 34.14
Granted	235	36.67
Vested or settled	(96)	33.99
Forfeited	(74)	33.55
Unvested at September 30, 2014	437	\$ 35.63

Stock-Based Compensation

Forrester recognizes the fair value of stock-based compensation in net income over the requisite service period of the individual grantee, which generally equals the vesting period. Stock-based compensation was recorded in the following expense categories (in thousands):

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Cost of services and fulfillment	\$ 1,134	\$ 1,061	\$ 3,005	\$ 2,708
Selling and marketing	302	321	767	893
General and administrative	547	478	1,376	987
Total	<u>\$ 1,983</u>	<u>\$ 1,860</u>	<u>\$ 5,148</u>	<u>\$ 4,588</u>

Forrester utilizes the Black-Scholes valuation model for estimating the fair value of stock options. Options granted under the equity incentive plans and shares subject to purchase under the employee stock purchase plan were valued using the following assumptions:

	Three Months Ended September 30, 2014		Three Months Ended September 30, 2013	
	Equity Incentive Plans	Employee Stock Purchase Plan	Equity Incentive Plans	Employee Stock Purchase Plan
Average risk-free interest rate	1.70%	0.06%	1.40%	0.08%
Expected dividend yield	1.8%	1.8%	2.1%	2.1%
Expected life	5.1 Years	0.5 Years	4.9 Years	0.5 Years
Expected volatility	25%	23%	36%	19%
Weighted average fair value	\$ 7.68	\$ 8.00	\$ 9.94	\$ 6.02

	Nine Months Ended September 30, 2014		Nine Months Ended September 30, 2013	
	Equity Incentive Plans	Employee Stock Purchase Plan	Equity Incentive Plans	Employee Stock Purchase Plan
Average risk-free interest rate	1.69%	0.06%	0.81%	0.08%
Expected dividend yield	1.8%	1.8%	2.1%	2.1%
Expected life	5.1 Years	0.5 Years	4.9 Years	0.5 Years
Expected volatility	26%	23%	37%	19%
Weighted average fair value	\$ 7.91	\$ 8.00	\$ 9.15	\$ 6.02

Dividends

In the nine months ended September 30, 2014, the Company declared and paid dividends of \$9.1 million consisting of a \$0.16 per share dividend in each of the first three quarters of 2014. In the nine months ended September 30, 2013, the Company declared and paid dividends of \$9.4 million consisting of a \$0.15 per share dividend in each of the first three quarters of 2013. In October 2014 the Company declared a dividend of \$0.16 per share payable on December 17, 2014 to shareholders of record as of December 3, 2014.

Treasury Stock

Forrester's Board of Directors has authorized an aggregate \$410.0 million to purchase common stock under its stock repurchase program, including \$25.0 million authorized in April 2014. The shares repurchased may be used, among other things, in connection with Forrester's employee and director equity incentive and purchase plans. In the nine months ended September 30, 2014, the Company repurchased approximately 1.8 million shares of common stock at an aggregate cost of approximately \$66.6 million. From the inception of the program through September 30, 2014, Forrester repurchased approximately 14.2 million shares of common stock at an aggregate cost of approximately \$395.6 million.

Note 8 — Income Taxes

Forrester provides for income taxes on an interim basis according to management's estimate of the effective tax rate expected to be applicable for the full fiscal year. Certain items such as changes in tax rates and tax benefits related to disqualifying dispositions of incentive stock options are treated as discrete items and are recorded in the period in which they arise.

Income tax expense for the nine months ended September 30, 2014 was \$5.0 million resulting in an effective tax rate of 40.7% for the period. Income tax expense for the nine months ended September 30, 2013 was \$7.0 million resulting in an effective tax rate of 39.1% for the period. The increase in the effective tax rate during the nine months ended September 30, 2014 as compared to the prior year was primarily due to the recognition of \$0.2 million in the nine months ended September 30, 2014 for potential additional tax expense resulting from an on-going U.S. state audit.

Note 9 — Operating Segments

At the end of 2013 the Company reorganized its fulfillment organization into a single global research organization and a single global product organization to better support its client base by facilitating better research collaboration and quality, promoting a more uniform client experience and improved customer satisfaction, and encouraging innovation. During 2013 the Company also established a dedicated consulting organization to provide research-based project consulting services to its clients, allowing the Company's research personnel to spend additional time on writing research and providing shorter-term advisory services. As of January 1, 2014 the Company conformed its internal reporting to match the new organizational structure and as such is reporting segment information for the newly formed Research, Product and Project Consulting organizations. The 2013 segment amounts have been reclassified to conform to the current presentation.

The Research segment includes the costs of the Company's research personnel who are responsible for writing the research and performing the webinars and inquiries for the Company's RoleView product. In addition, the research personnel deliver advisory services (such as workshops, speeches and advisory days) and a portion of the Company's project consulting services. Revenue in this segment includes only revenue from advisory services and project consulting services that are delivered by the research personnel in this segment. During 2013, the Company began to transition the delivery of project consulting to a dedicated project consulting organization. The Company anticipates that the transition will be complete by the end of 2014 such that essentially all project consulting will be delivered by the project consulting organization in 2015.

The Product segment includes the costs of the product management organization that is responsible for pricing, packaging and the launch of new products. In addition, this segment includes the costs of the Company's data, Forrester Leadership Boards and events organizations. Revenue in this segment includes all revenue for the Company (including RoleView) except for revenue from advisory services and project consulting services that are delivered by personnel in the Research and Project Consulting segments.

The Project Consulting segment includes the costs of the consultants that deliver the Company's project consulting services. During 2013 the Company began to hire dedicated consultants to transition the delivery of project consulting services from research personnel (included in the Research segment) to the new Project Consulting segment. Revenue in this segment includes the project consulting revenue delivered by the consultants in this segment.

The Company evaluates reportable segment performance and allocates resources based on segment revenues and expenses. Segment expenses include the direct expenses of each segment organization and exclude selling and marketing expenses, general and administrative expenses, stock-based compensation expense, depreciation expense, adjustments to incentive bonus compensation from target amounts, amortization of intangible assets, reorganization costs, other income and gains (losses) on investments. The accounting policies used by the segments are the same as those used in the consolidated financial statements.

	<u>Products</u>	<u>Research</u>	<u>Project Consulting</u>	<u>Consolidated</u>
Three Months Ended September 30, 2014				
Research services revenues	\$50,622	\$ —	\$ —	\$ 50,622
Advisory services and events revenues	2,310	10,925	11,506	24,741
Total segment revenues	52,932	10,925	11,506	75,363
Segment expenses	8,298	13,012	7,590	28,900
Contribution margin (loss)	44,634	(2,087)	3,916	46,463
Selling, marketing, administrative and other expenses				(41,079)
Amortization of intangible assets				(530)
Reorganization credits				71
Other income and gains (losses) on investments				127
Income before income taxes				<u>\$ 5,052</u>

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	<u>Products</u>	<u>Research</u>	<u>Project Consulting</u>	<u>Consolidated</u>
Three Months Ended September 30, 2013				
Research services revenues	\$ 49,855	\$ —	\$ —	\$ 49,855
Advisory services and events revenues	2,167	12,781	5,012	19,960
Total segment revenues	52,022	12,781	5,012	69,815
Segment expenses	7,408	14,420	4,196	26,024
Contribution margin (loss)	44,614	(1,639)	816	43,791
Selling, marketing, administrative and other expenses				(38,933)
Amortization of intangible assets				(557)
Reorganization costs				—
Other income and gains (losses) on investments				(53)
Income before income taxes				<u>\$ 4,248</u>

	<u>Products</u>	<u>Research</u>	<u>Project Consulting</u>	<u>Consolidated</u>
Nine Months Ended September 30, 2014				
Research services revenues	\$153,737	\$ —	\$ —	\$ 153,737
Advisory services and events revenues	15,161	37,573	24,910	77,644
Total segment revenues	168,898	37,573	24,910	231,381
Segment expenses	28,543	40,386	19,705	88,634
Contribution margin (loss)	140,355	(2,813)	5,205	142,747
Selling, marketing, administrative and other expenses				(127,300)
Amortization of intangible assets				(1,605)
Reorganization costs				(1,817)
Other income and gains (losses) on investments				222
Income before income taxes				<u>\$ 12,247</u>

	<u>Products</u>	<u>Research</u>	<u>Project Consulting</u>	<u>Consolidated</u>
Nine Months Ended September 30, 2013				
Research services revenues	\$151,445	\$ —	\$ —	\$ 151,445
Advisory services and events revenues	13,868	42,531	12,285	68,684
Total segment revenues	165,313	42,531	12,285	220,129
Segment expenses	25,902	43,006	11,169	80,077
Contribution margin (loss)	139,411	(475)	1,116	140,052
Selling, marketing, administrative and other expenses				(119,108)
Amortization of intangible assets				(1,670)
Reorganization costs				(1,905)
Other income and gains (losses) on investments				476
Income before income taxes				<u>\$ 17,845</u>

Note 10 — Recent Accounting Pronouncements

In May, 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, which supersedes all existing revenue recognition requirements, including most industry-specific guidance. The new standard requires a company to recognize revenue when it transfers goods or services to customers in an amount that reflects the consideration that the company expects to receive for those goods or services. The new standard will be effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. For Forrester, the standard will be effective in the first quarter of 2017. The two permitted transition methods under the new standard are the full retrospective method, in which case the standard would be applied to each prior reporting period presented, or the modified retrospective method, in which case the cumulative effect of applying the standard would be recognized at the date of initial application. The Company has not yet selected a transition method. The Company is currently evaluating the potential changes from this ASU to its future financial reporting and disclosures.

In July 2013, the FASB issued ASU No. 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. The standard addresses the balance sheet presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The standard

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requires that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. The adoption of this ASU as of January 1, 2014 did not have a material effect on the Company's financial position.

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

Overview

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expects," "believes," "anticipates," "intends," "plans," "estimates," or similar expressions are intended to identify these forward-looking statements. These statements include, but are not limited to, statements about the adequacy of our liquidity and capital resources, future growth rates, the continued build-out of a dedicated consulting organization, anticipated increases in our sales force, future dividends, and anticipated continued repurchases of our common stock. These statements are based on our 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, our ability to retain and enrich memberships for our research products and services, technology spending, the risks and challenges inherent in international business activities, our ability to offer new products and services, our dependence on key personnel, the ability to attract and retain qualified professional staff, our ability to respond to business and economic conditions and market trends, the possibility of network disruptions and security breaches, competition and industry consolidation, and possible variations in our quarterly operating results. These risks are described more completely in our Annual Report on Form 10-K for the year ended December 31, 2013. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

We derive revenues from memberships to our research and data products and services, performing advisory services and consulting projects, and hosting events. We offer contracts for our research products that are typically renewable annually and payable in advance. Research revenues are recognized as revenue ratably over the term of the contract. Accordingly, a substantial portion of our billings are initially recorded as deferred revenue. Clients purchase advisory services independently and/or to supplement their memberships to our research. Billings attributable to advisory services and consulting projects are initially recorded as deferred revenue. Advisory service revenues, such as workshops, speeches and advisory days, are recognized when the customer receives the agreed upon deliverable. Consulting project revenues, which generally are short-term in nature and based upon fixed-fee agreements, are recognized as the services are provided. Event billings are also initially recorded as deferred revenue and are recognized as revenue upon completion of each event.

Our primary operating expenses consist of cost of services and fulfillment, selling and marketing expenses and general and administrative expenses. Cost of services and fulfillment represents the costs associated with the production and delivery of our products and services, including salaries, bonuses, employee benefits and stock-based compensation expense for research and consulting personnel and all associated editorial, travel, and support services. Selling and marketing expenses include salaries, sales commissions, bonuses, employee benefits, stock-based compensation expense, travel expenses, promotional costs and other costs incurred in marketing and selling our products and services. General and administrative expenses include the costs of the technology, operations, finance, and human resources groups and our other administrative functions, including salaries, bonuses, employee benefits, and stock-based compensation expense. Overhead costs such as facilities and service fees for cloud-based information systems are allocated to these categories according to the number of employees in each group.

Deferred revenue, agreement value, client retention, dollar retention, enrichment and number of clients are metrics we believe are important to understanding our business. We believe that the amount of deferred revenue, along with the agreement value of contracts to purchase research and advisory services, provide a significant measure of our business activity. We define these metrics as follows:

- **Deferred revenue** — billings in advance of revenue recognition as of the measurement date.
- **Agreement value** — the total revenues recognizable from all research and advisory service contracts in force at a given time (but not including advisory-only contracts), without regard to how much revenue has already been recognized.
- **Client retention** — the percentage of client companies with memberships expiring during the most recent twelve-month period that renewed one or more of those memberships during that same period.
- **Dollar retention** — the percentage of the dollar value of all client membership contracts renewed during the most recent twelve-month period to the total dollar value of all client membership contracts that expired during the period.

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- **Enrichment** — the percentage of the dollar value of client membership contracts renewed during the most recent twelve-month period to the dollar value of the corresponding expiring contracts.
- **Clients** — we count as a single client the various divisions and subsidiaries of a corporate parent and we also aggregate separate instrumentalities of the federal, state, and provincial governments as a single client.

Client retention, dollar retention, and enrichment are not necessarily indicative of the rate of future retention of our revenue base. A summary of our key metrics is as follows (dollars in millions):

	As of September 30,		Absolute Increase (Decrease)	Percentage Increase (Decrease)
	2014	2013		
Deferred revenue	\$129.4	\$125.8	\$ 3.6	3%
Agreement value	\$226.9	\$210.7	\$ 16.2	8%
Client retention	76%	76%	—	—
Dollar retention	89%	89%	—	—
Enrichment	97%	95%	2	2%
Number of clients	2,452	2,482	(30)	(1%)

Deferred revenue and agreement value at September 30, 2014 increased approximately 3% and 8%, respectively, compared to the prior year due primarily to increased contract bookings. Foreign exchange fluctuations had the effect of decreasing deferred revenue growth by 1%. Enrichment at 97% for the period ending September 30, 2014 is consistent with the past three quarters; however it represents a 2% increase from the prior year period. Client retention and dollar retention at September 30, 2014 have been flat or have increased slightly on a sequential basis during the prior four quarters and have now fully recovered to prior year levels.

Management's discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our policies and estimates, including but not limited to, those related to our revenue recognition, stock-based compensation, non-marketable investments, goodwill and other intangible assets, income taxes, and valuation and impairment of marketable investments. Management bases its estimates on historical experience, data available at the time the estimates are made and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Our other critical accounting policies and estimates are described in our Annual Report on Form 10-K for the year ended December 31, 2013.

Results of Operations

The following table sets forth our statement of income as a percentage of total revenues for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenues:				
Research services	67.2%	71.4%	66.4%	68.8%
Advisory services and events	32.8	28.6	33.6	31.2
Total revenues	100.0	100.0	100.0	100.0
Operating expenses:				
Cost of services and fulfillment	40.0	39.5	40.2	38.8
Selling and marketing	36.7	36.9	37.3	36.1
General and administrative	13.3	13.3	12.7	12.4
Depreciation	2.9	3.3	3.1	3.1
Amortization of intangible assets	0.7	0.8	0.7	0.8
Reorganization costs (credits)	(0.1)	—	0.8	0.9
Income from operations	6.5	6.2	5.2	7.9
Other income (expense), net	0.3	(0.1)	0.1	0.2
Gains (losses) on investments, net	(0.1)	—	—	—
Income before income taxes	6.7	6.1	5.3	8.1
Income tax provision	2.7	2.5	2.2	3.2
Net income	4.0%	3.6%	3.1%	4.9%

Three and Nine Months Ended September 30, 2014 and 2013

Revenues

	Three Months Ended September 30,		Absolute Increase (Decrease)	Percentage Increase (Decrease)
	2014	2013		
<i>(dollars in millions)</i>				
Revenues	\$ 75.4	\$ 69.8	\$ 5.6	8%
Revenues from research services	\$ 50.6	\$ 49.9	\$ 0.7	2%
Revenues from advisory services and events	\$ 24.7	\$ 20.0	\$ 4.7	24%
Revenues attributable to customers outside of the U.S.	\$ 19.5	\$ 18.9	\$ 0.6	3%
Percentage of revenue attributable to customers outside of the U.S.	26%	27%	(1)	(4%)
Number of clients (at end of period)	2,452	2,482	(30)	(1%)
Number of events	4	3	1	33%
Revenues				
	Nine Months Ended September 30,		Absolute Increase (Decrease)	Percentage Increase (Decrease)
	2014	2013		
<i>(dollars in millions)</i>				
Revenues	\$231.4	\$220.1	\$ 11.3	5%
Revenues from research services	\$153.7	\$151.4	\$ 2.3	2%
Revenues from advisory services and events	\$ 77.6	\$ 68.7	\$ 8.9	13%
Revenues attributable to customers outside of the U.S.	\$ 59.3	\$ 57.8	\$ 1.5	3%
Percentage of revenue attributable to customers outside of the U.S.	26%	26%	—	—
Number of events	11	10	1	10%

Total revenues increased 8% and 5% during the three and nine months ended September 30, 2014, respectively, compared to the prior year periods due primarily to the growth in revenues from advisory services and events and to a lesser extent growth in research services. Foreign exchange fluctuations had an insignificant effect on revenue growth in each of the three and nine month periods ending September 30, 2014 compared to the prior year. While revenues from customers outside of the U.S. increased 3% during the three and nine months ended September 30, 2014 compared to the prior year periods, the percentage of revenues attributable to

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customers outside of the U.S. decreased by one percentage point during the three months ended September 30, 2014 and was unchanged during the nine months ended September 30, 2014, each as compared to the prior year periods. Foreign exchange fluctuations had an insignificant effect on foreign revenue growth during the three months ended September 30, 2014 and an effect of increasing revenue growth by 1% during the nine months ended September 30, 2014 compared to the prior year. We continue to experience stronger growth during 2014 in the U.S. region compared to outside of the U.S. Strong growth in the Asia Pacific region and Canada was partially offset by a revenue decline (on a constant currency basis) in the European region.

Research services revenues are recognized as revenue primarily on a ratable basis over the term of the contracts, which are generally twelve-month periods. Research services revenues increased 2% during the three and nine months ended September 30, 2014 compared to the prior year, which is primarily consistent with the related contract bookings growth during this period. Compared to the corresponding prior year periods, revenues from our data subscription products declined by approximately \$0.2 million and \$2.0 million during the three and nine months ended September 30, 2014, respectively, the majority of which is due to the phasing out of our Tech Marketing Navigator product that began in 2013. The decline in data subscription revenues was offset by growth in our research product revenues.

Revenue from advisory services and events increased 24% and 13% during the three and nine months ended September 30, 2014, respectively, compared to the prior year periods. The increase was driven by strong growth in advisory and consulting revenues due primarily to strong demand for both advisory and consulting services and an increase in consulting headcount as we complete the build out of a dedicated consulting organization that began in 2013. We expect the growth rate in future periods for advisory and consulting revenues to decrease from the growth rate experienced in the three months ended September 30, 2014 as the year-over-year increase in headcount will slow in future periods as we complete the build out of the consulting organization and due to a historically high delivery of advisory and consulting revenue in the three months ended September 30, 2014. Events revenues were insignificant during the three months ended September 30, 2014 and 2013 and increased 7% during the nine months ended September 30, 2014 compared to the prior year due to higher ticket and sponsorship revenues.

Please refer to the “Segments Results” section below for a discussion of revenues and expenses by segment.

Cost of Services and Fulfillment

	Three Months Ended September 30,		Absolute Increase (Decrease)	Percentage Increase (Decrease)
	2014	2013		
Cost of services and fulfillment (dollars in millions)	\$ 30.1	\$ 27.6	\$ 2.5	9%
Cost of services and fulfillment as a percentage of total revenues	40.0%	39.5%	0.5	1%
Number of research and fulfillment employees (at end of period)	589	554	35	6%

	Nine Months Ended September 30,		Absolute Increase (Decrease)	Percentage Increase (Decrease)
	2014	2013		
Cost of services and fulfillment (dollars in millions)	\$ 93.1	\$ 85.4	\$ 7.7	9%
Cost of services and fulfillment as a percentage of total revenues	40.2%	38.8%	1.4	4%

The increase in cost of services and fulfillment expenses during the three and nine months ended September 30, 2014 compared to the prior year periods is primarily due to a \$1.8 million and \$6.2 million increase in compensation and benefit costs, respectively, resulting primarily from an increase in the number of employees (primarily consulting and product specialist employees) and annual merit increases, partially offset by lower incentive bonus expense. We hired additional consulting employees during 2013 and 2014 to build out a dedicated consulting organization to provide research-based project consulting services to our clients, allowing our analysts to spend additional time on writing research and providing shorter-term advisory services. In addition, both periods in 2014 include increased costs for the Forrester events, increased costs for travel and entertainment and increased facility costs.

Selling and Marketing

	Three Months Ended September 30,		Absolute Increase (Decrease)	Percentage Increase (Decrease)
	2014	2013		
Selling and marketing expenses (dollars in millions)	\$ 27.7	\$ 25.8	\$ 1.9	7%
Selling and marketing expenses as a percentage of total revenues	36.7%	36.9%	(0.2)	(1%)
Selling and marketing employees (at end of period)	546	533	13	2%

	Nine Months Ended September 30,		Absolute Increase (Decrease)	Percentage Increase (Decrease)
	2014	2013		
Selling and marketing expenses (dollars in millions)	\$ 86.2	\$ 79.6	\$ 6.6	8%
Selling and marketing expenses as a percentage of total revenues	37.3%	36.1%	1.2	3%

The increase in selling and marketing expenses during the three and nine months ended September 30, 2014 compared to the prior year periods is primarily due to a \$1.9 million and \$5.7 million increase in compensation and benefit costs, respectively, resulting from an increase in sales employees, annual merit increases and increased commission costs, partially offset by lower incentive bonus expense. During the three months ended September 30, 2014 we also incurred increased facility costs that were offset by lower professional service costs and travel and entertainment costs. In addition to the costs as described for the three months ended September 30, 2014, we also incurred increased costs during the nine months ended September 30, 2014 due to a larger sales kick off meeting in 2014 and costs to terminate a contract with an independent international sales representative.

Subject to the business environment, we intend to expand our quota carrying sales force by approximately 7% to 9% in 2014 as compared to 2013. Any resulting increase in contract bookings of our research services would generally be recognized over a twelve-month period, which typically results in an increase in selling and marketing expense as a percentage of revenues during periods of sales force expansion.

General and Administrative

	Three Months Ended September 30,		Absolute Increase (Decrease)	Percentage Increase (Decrease)
	2014	2013		
General and administrative expenses (dollars in millions)	\$ 10.0	\$ 9.3	\$ 0.7	8%
General and administrative expenses as a percentage of total revenues	13.3%	13.3%	—	—
General and administrative employees (at end of period)	181	176	5	3%

	Nine Months Ended September 30,		Absolute Increase (Decrease)	Percentage Increase (Decrease)
	2014	2013		
General and administrative expenses (dollars in millions)	\$ 29.4	\$ 27.2	\$ 2.2	8%
General and administrative expenses as a percentage of total revenues	12.7%	12.4%	0.3	2%

The increase in general and administrative expenses during the three and nine months ended September 30, 2014 compared to the prior year periods is primarily due to a \$0.2 million and \$0.7 million increase, respectively, in compensation and benefits costs resulting from increased headcount, annual merit increases and increased payroll taxes, partially offset by lower incentive bonus expense. Other cost increases during 2014 include professional services due to the implementation of cloud-based software services, stock compensation costs due in part to lower employee turnover in 2014 and recruiting costs due to increased hiring in 2014 primarily for consulting and sales employees.

Depreciation

Depreciation expense during the three months ended September 30, 2014 was consistent with the prior year, and during the nine months ended September 30, 2014 increased by \$0.3 million compared to the prior year. The \$0.3 million increase during the nine months ended September 30, 2014 is due to a \$0.4 million adjustment recorded during the three months ended March 31, 2014 to correct an immaterial understatement of depreciation expense of approximately \$0.2 million in each of 2013 and 2012.

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Amortization of Intangible Assets

Amortization expense remained essentially consistent during the three and nine months ended September 30, 2014 compared to the prior year.

Reorganization Costs

During the nine months ended September 30, 2014 we incurred \$1.8 million of severance and related costs for the termination of approximately 1% of our employees across various geographies and functions primarily to realign resources due to our new organizational structure implemented in late 2013. The costs under this plan are expected to be substantially paid by the end of 2014.

During the nine months ended September 30, 2013 we incurred \$1.9 million of severance and related costs for the elimination of 31 jobs or approximately 2.5% of our workforce worldwide in an effort to streamline our operations.

Other Income, Net

Other income, net primarily consists of interest income on our investments as well as gains and losses on foreign currency. The increase in other income, net during the three months ended September 30, 2014 is primarily due to foreign currency gains of approximately \$0.1 million during the current year quarter versus foreign currency losses of \$0.3 million during the prior year quarter. The decrease in other income, net during the nine months ended September 30, 2014 is primarily due to lower interest income earned in 2014 due to lower investment balances.

Gains (Losses) on Investments, Net

Gains (losses) on investments, net primarily represent our share of equity method investment gains (losses) from our technology-related investment funds. Activity within the funds was insignificant during the 2014 and 2013 periods.

Provision for Income Taxes

	Three Months Ended September 30,		Absolute Increase (Decrease)	Percentage Increase (Decrease)
	2014	2013		
Provision for income taxes (dollars in millions)	\$ 2.0	\$ 1.7	\$ 0.3	16%
Effective tax rate	39.8%	40.9%	(1.1)	(3%)

	Nine Months Ended September 30,		Absolute Increase (Decrease)	Percentage Increase (Decrease)
	2014	2013		
Provision for income taxes (dollars in millions)	\$ 5.0	\$ 7.0	\$ (2.0)	(29%)
Effective tax rate	40.7%	39.1%	1.6	4%

The increase in the effective tax rate during the nine months ended September 30, 2014 as compared to the prior year period is primarily due to \$0.2 million recorded in the nine months ended September 30, 2014 for potential additional tax expense resulting from an ongoing U.S. state audit.

Segment Results

At the end of 2013 we reorganized our fulfillment organization into a single global research organization and a single global product organization to better support our client base by facilitating better research collaboration and quality, promoting a more uniform client experience and improved customer satisfaction, and encouraging innovation. During 2013 we also established a dedicated consulting organization to provide research-based project consulting services to our clients, allowing our research personnel to spend additional time on writing research and providing shorter-term advisory services. As of January 1, 2014 we conformed our internal reporting to match the new organizational structure and as such we are reporting segment information for the newly formed Research, Product and Project Consulting organizations. The 2013 segment amounts have been reclassified to conform to the current presentation.

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The Research segment includes the costs of our research personnel who are responsible for writing the research and performing the webinars and inquiries for our RoleView product. In addition, the research personnel deliver advisory services (such as workshops, speeches and advisory days) and a portion of our project consulting services. Revenue in this segment includes only revenue from advisory services and project consulting services that are delivered by the research personnel in this segment. During 2013, we began to transition the delivery of project consulting to a dedicated project consulting organization. We anticipate that the transition will be complete by the end of 2014 such that essentially all project consulting will be delivered by the project consulting organization in 2015.

The Product segment includes the costs of the product management organization that is responsible for pricing, packaging and the launch of new products. In addition, this segment includes the costs of our data, Forrester Leadership Boards and events organizations. Revenue in this segment includes all of our revenue (including RoleView) except for revenue from advisory services and project consulting services that are delivered by personnel in the Research and Project Consulting segments.

The Project Consulting segment includes the costs of the consultants that deliver our project consulting services. During 2013 we began to hire dedicated consultants to transition the delivery of project consulting services from research personnel (included in the Research segment) to the new Project Consulting segment. Revenue in this segment includes the project consulting revenue delivered by the consultants in this segment.

We evaluate reportable segment performance and allocate resources based on segment revenues and expenses. Segment expenses include the direct expenses of each segment organization and exclude selling and marketing expenses, general and administrative expenses, stock-based compensation expense, depreciation expense, adjustments to incentive bonus compensation from target amounts, amortization of intangible assets, reorganization costs, other income and gains (losses) on investments. The accounting policies used by the segments are the same as those used in the consolidated financial statements.

	<u>Products</u>	<u>Research</u>	<u>Project Consulting</u>	<u>Consolidated</u>
Three Months Ended September 30, 2014				
Research services revenues	\$ 50,622	\$ —	\$ —	\$ 50,622
Advisory services and events revenues	2,310	10,925	11,506	24,741
Total segment revenues	52,932	10,925	11,506	75,363
Segment expenses	8,298	13,012	7,590	28,900
Contribution margin (loss)	44,634	(2,087)	3,916	46,463
Year over year revenue change	2%	(15%)	130%	8%
Year over year expense change	12%	(10%)	81%	11%

	<u>Products</u>	<u>Research</u>	<u>Project Consulting</u>	<u>Consolidated</u>
Three Months Ended September 30, 2013				
Research services revenues	\$ 49,855	\$ —	\$ —	\$ 49,855
Advisory services and events revenues	2,167	12,781	5,012	19,960
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Contribution margin (loss)	44,614	(1,639)	816	43,791

	<u>Products</u>	<u>Research</u>	<u>Project Consulting</u>	<u>Consolidated</u>
Nine Months Ended September 30, 2014				
Research services revenues	\$153,737	\$ —	\$ —	\$ 153,737
Advisory services and events revenues	15,161	37,573	24,910	77,644
Total segment revenues	168,898	37,573	24,910	231,381
Segment expenses	28,543	40,386	19,705	88,634
Contribution margin (loss)	140,355	(2,813)	5,205	142,747
Year over year revenue change	2%	(12%)	103%	5%
Year over year expense change	10%	(6%)	76%	11%

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	<u>Products</u>	<u>Research</u>	<u>Project Consulting</u>	<u>Consolidated</u>
Nine Months Ended September 30, 2013				
Research services revenues	\$151,445	\$ —	\$ —	\$ 151,445
Advisory services and events revenues	13,868	42,531	12,285	68,684
Total segment revenues	165,313	42,531	12,285	220,129
Segment expenses	25,902	43,006	11,169	80,077
Contribution margin (loss)	139,411	(475)	1,116	140,052

Product segment revenues increased 2% during the three and nine months ended September 30, 2014 compared to the prior year periods. Research services revenues increased 2% during the three and nine months ended September 30, 2014 compared to the prior year, which is essentially consistent with the related contract bookings growth during this period. Revenues from our data subscription products declined by approximately \$0.2 million and \$2.0 million during the three and nine months ended September 30, 2014, respectively, each as compared to the corresponding prior year period, with the majority of the decline due to the phasing out of our Tech Marketing Navigator product that began in 2013. The decline in data subscription revenues was offset by growth in our research product revenues. Events revenues were \$0.5 million and \$9.7 million during the three and nine months ended September 30, 2014, respectively, representing an increase of 36% and 7%, respectively, driven by higher ticket and sponsorship revenues for the events in 2014 as compared to the prior year. Data advisory revenues were flat during the three months ended September 30, 2014 and increased approximately \$0.7 million during the nine months ended September 30, 2014. Product segment expenses increased 12% and 10% during the three and nine months ended September 30, 2014 due primarily to a \$0.8 million and \$2.4 million increase, respectively, in compensation and benefit costs due to an increase in the number of employees and annual merit increases.

Research segment revenues decreased 15% and 12% during the three and nine months ended September 30, 2014, respectively, compared to the prior year due to the ongoing transition of the performance of project consulting services from personnel in our Research segment to personnel in our Project Consulting segment. Research segment expenses decreased by 10% and 6% during the three and nine months ended September 30, 2014, respectively, due primarily to a decrease in compensation and benefit costs due to a decrease in the number of employees in the Research segment related to the continued transition in the delivery of project consulting services to the Project Consulting segment.

Project Consulting segment revenues increased 130% and 103% during the three and nine months ended September 30, 2014, respectively, compared to the prior year periods due primarily to the ongoing transition of the performance of project consulting services from research personnel (in the Research segment) to consulting personnel, and due to strong demand for certain consulting projects and increased headcount to deliver the projects. Project Consulting segment expenses increased 81% and 76% during the three and nine months ended September 30, 2014, respectively, due primarily to a \$2.8 million and \$7.4 million increase, respectively, in compensation and benefit costs due to an increase in the number of employees and annual merit increases.

Liquidity and Capital Resources

We have historically financed our operations primarily through funds generated from operations. Memberships for research services, which constituted approximately 66% of our revenues during the nine months ended September 30, 2014, are generally renewable annually and are typically payable in advance. We generated cash from operating activities of \$27.9 million and \$32.4 million during the nine months ended September 30, 2014 and 2013, respectively. The \$4.5 million decrease in cash provided from operations for the nine months ended September 30, 2014 is primarily attributable to a decrease in net income of \$3.6 million for the nine months ended September 30, 2014 compared to the prior year period and an increase in cash taxes paid during the 2014 period primarily due to the timing of estimated tax payments.

During the nine months ended September 30, 2014, we generated \$24.8 million of cash from investing activities, consisting primarily of \$24.4 million in net sales and maturities of marketable investments and \$1.5 million of distributions from our non-marketable investments, which were partially offset by \$1.1 million of purchases of property and equipment. Property and equipment purchases during 2014 consisted primarily of software and leasehold improvements. During the nine months ended September 30, 2013, we generated \$43.8 million of cash from investing activities, consisting primarily of \$45.8 million in net sales and maturities of marketable investments partially offset by \$2.0 million of purchases of property and equipment. Property and equipment purchases during the 2013 period consisted primarily of software and leasehold improvements. We regularly invest excess funds in short and intermediate-term interest-bearing obligations of investment grade.

We used \$68.7 million of cash from financing activities during the nine months ended September 30, 2014 primarily for \$66.6 million of purchases of our common stock. In addition, we paid \$9.1 million of dividends consisting of a \$0.16 per share dividend in each of the first three quarters of 2014 and we received \$6.8 million of proceeds from the exercise of stock options and our employee stock purchase plan during the nine months ended September 30, 2014. We used \$104.3 million of cash from financing activities during the nine months ended September 30, 2013 primarily for \$109.2 million of purchases of our common stock, of which \$75.1 million was

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purchased through our modified Dutch auction self-tender offer and \$34.1 million was purchased on the open market subsequent to completion of the self-tender offer. In addition, during the 2013 period we paid \$9.4 million of dividends consisting of a \$0.15 per share dividend in each of the first three quarters of 2013 and we received \$14.5 million of proceeds from the exercise of stock options and our employee stock purchase plan during the nine months ended September 30, 2013.

In April 2014 our board of directors increased our stock repurchase authorization by \$25 million. As of September 30, 2014 our remaining stock repurchase authorization was approximately \$14.4 million. We plan to continue to repurchase our common stock during the remainder of 2014, as market conditions warrant.

As of September 30, 2014, we had cash and cash equivalents of \$56.9 million and marketable investments of \$55.5 million. These balances include \$31.2 million held outside of the U.S. If these funds outside of the U.S. are needed for our operations in the U.S., we would be required to accrue and pay U.S. taxes to repatriate these funds. However, our intent is to permanently reinvest these funds outside of the U.S. and our current plans do not demonstrate a need to repatriate these funds for our U.S. operations. We do not currently have a line of credit and do not presently anticipate the need to access a line of credit in the foreseeable future except in the case of a significant acquisition. We believe that our current cash balance, marketable investments, and cash flows from operations will satisfy working capital, financing activities, and capital expenditure requirements for the next twelve months.

Contractual Obligations

There have been no material changes to the contractual obligations table as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2013.

Off-Balance Sheet Arrangements

We do not maintain any off-balance sheet financing arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our assessment of our sensitivity to market risk since our presentation set forth in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," in our Annual Report on Form 10-K for the year ended December 31, 2013.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as such term is defined under Securities Exchange Act Rule 13a-15(e), that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2014. Based upon their evaluation and subject to the foregoing, the principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance as of that date.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended September 30, 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Form 10-Q, you should carefully consider the factors discussed in Part I, "Item 1A: Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2013, which could materially affect our business, financial condition or future results. The risk factors described in our Annual Report on Form 10-K remain applicable to our business. The risks described in our Annual Report on Form 10-K are not the only risks that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Our Board of Directors has authorized an aggregate \$410.0 million to purchase common stock under our stock repurchase program, including \$25.0 million authorized in April 2014, \$25.0 million authorized in July 2013, and \$50.0 million authorized in February 2013. During the quarter ended September 30, 2014, we purchased the following shares of our common stock under the stock repurchase program:

<u>Period</u>	<u>Total Number of Shares Purchased(1)</u>	<u>Average Price Paid per Share</u>	<u>Maximum Dollar Value that May Yet be Purchased Under the Stock Repurchase Program (In thousands)</u>
July 1 — July 31	257,469	\$ 38.47	
August 1 — August 31	10,000	\$ 38.77	
September 1 — September 31	35,000	\$ 37.87	\$ 14,391
	<u>302,469</u>		

(1) All purchases of our common stock were made under the stock repurchase program first announced in 2001.

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ITEM 6. EXHIBITS

10.1	Form of Stock Option Certificate with Non-Solicitation Covenant (Amended and Restated 2006 Equity Incentive Plan) (filed herewith)
10.2	Form of Stock Option Certificate with Non-Solicitation and Non-Competition Covenants (Amended and Restated 2006 Equity Incentive Plan) (filed herewith)
10.3	Form of Restricted Stock Unit Award Agreement with Non-Solicitation Covenant (Amended and Restated 2006 Equity Incentive Plan) (filed herewith)
10.4	Form of Restricted Stock Unit Award Agreement with Non-Solicitation and Non-Competition Covenants (Amended and Restated 2006 Equity Incentive Plan) (filed herewith)
31.1	Certification of the Principal Executive Officer. (filed herewith)
31.2	Certification of the Principal Financial Officer. (filed herewith)
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (furnished herewith)
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (furnished herewith)
101.INS	XBRL Instance Document. (filed herewith)
101.SCH	XBRL Taxonomy Extension Schema. (filed herewith)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase. (filed herewith)
101.DEF	XBRL Taxonomy Extension Definition Linkbase. (filed herewith)
101.LAB	XBRL Taxonomy Extension Label Linkbase. (filed herewith)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase. (filed herewith)

SIGNATURES

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

FORRESTER RESEARCH, INC.

By: /s/ Michael A. Doyle

Michael A. Doyle
Chief Financial Officer and Treasurer
(Principal financial officer)

Date: November 5, 2014

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Exhibit Index

<u>Exhibit No.</u>	<u>Document</u>
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101.PRE	XBRL Taxonomy Extension Presentation Linkbase. (filed herewith)

**OPTION CERTIFICATE
NONQUALIFIED STOCK OPTION (Non-Assignable)**

For %%TOTAL_SHARES_GRANTED%%-% Shares

To Purchase Common Stock of Forrester Research, Inc.

Issued Pursuant to the Forrester Research, Inc. Amended and Restated 2006 Equity Incentive Plan (“Plan”)

THIS CERTIFIES that on xxxx, 201 (‘‘Issuance Date’’) %%FIRST_NAME%%-% %%LAST_NAME%%-% (the ‘‘Holder’’) was granted an option (the ‘‘Option’’ or this ‘‘Option’’) to purchase all or any part of %%TOTAL_SHARES_GRANTED%%-% fully paid and non-assessable shares (‘‘Shares’’) of Common Stock (par value of \$.01 per share) of Forrester Research, Inc. (the ‘‘Company’’) at the option price \$ xxxx per share, which is not less than the fair market value of the Shares on the date of grant of this Option, upon and subject to the following terms and conditions:

1. Nature of Option. This Option is to be treated for all purposes as an option that does *not* qualify as an incentive stock option as defined in Section 422 of the Code. This Option is intended not to constitute or provide for ‘‘nonqualified deferred compensation’’ subject to Section 409A of the Code. The right and option to purchase shares hereby granted shall be exercisable as provided in Paragraph 3 hereof, in accordance with the determination made by the Compensation and Nominating Committee (the ‘‘Committee’’) of the Company’s Board of Directors administering the Plan.

2. Expiration. This Option shall expire on xxxx, 20 (‘‘Expiration Date’’).

3. Vesting and Exercise. This Option may be exercised or surrendered during the Holder’s lifetime only by the Holder. This Option shall not be transferable by the Holder otherwise than by will or by the laws of descent and distribution.

Except as provided below in this Paragraph 3, this Option will not vest and may not be exercised unless the Holder shall have been continuously employed by the Company or any of its subsidiaries for a period of twelve (12) months after the Issuance Date, or until xxxx, 201 with regard to one-fourth of the total Shares that can be purchased under the Option (rounded to the nearest whole Share), twenty-four (24) months after the Issuance Date, or until xxxx, 201 with regard to one-half of the total Shares that can be purchased under the Option (rounded to the nearest whole Share), for thirty-six (36) months after the Issuance Date, or until xxxx, 201 with regard to an additional one-fourth of the total Shares under the Option (rounded to the nearest whole Share), and for forty-eight (48) months after the Issuance Date, or until xxxx, 201 for the balance of the total Shares under the Option. Upon and after such dates, the applicable portion of this Option shall vest and shall be exercisable. Except as otherwise permitted herein, if the Holder’s employment is terminated prior to the full vesting of the Option, all rights with respect to any unvested portion shall be forfeited and the remaining portion shall remain exercisable, if at all, in accordance with Paragraph 7 below. Notwithstanding the foregoing, this Option will be forfeited in its entirety if the Holder has not signed and returned to the Company this Option Certificate on or before xxxx, 201 .

Notwithstanding the foregoing, the unvested portion of this Option shall become exercisable to the extent, if any, provided in and in accordance with the provisions of Section 7(a) of the Plan (pertaining to "Covered Transactions") in the circumstances described in said Section 7(a).

This Option shall be exercised by the delivery of a written notice duly signed by the Holder, together with this Option Certificate, and the full purchase price of the Shares purchased pursuant to the exercise of this Option, to the Committee or an officer of the Company appointed by the Committee for the purpose of receiving the same. This Option may not be exercised at any time when such Option, or the exercise or payment thereof, may result in the violation of any law or governmental order or regulation.

Payment for the Shares purchased pursuant to the exercise of this Option shall be made in full at the time of the exercise of the Option (a) by check payable to the Company, or (b) by delivery of an unconditional and irrevocable undertaking by a broker to deliver promptly to the Company sufficient funds to pay the exercise price.

4. Restricted Activities. In consideration for the grant of the nonqualified stock option evidenced by this Option Certificate, the Holder acknowledges, and agrees to comply with, the restrictions on activities set forth in Exhibit A hereto. The holder acknowledges that if s/he were to breach the provisions of Exhibit A, in addition to any monetary damages and/or attorneys' fees that may be awarded to the Company, the Company shall be entitled to obtain (and the Holder will not contest) preliminary and permanent injunctive relief against any such breach, without having to post a bond.

5. Delivery of Shares. Within a reasonable time after the exercise of the Option, the Company shall cause to be delivered to the person entitled thereto the number of Shares purchased pursuant to the exercise of the Option.

6. Withholding. In the event that the Holder elects to exercise this Option or any part thereof, and if the Company or its subsidiaries shall be required to withhold any amount by reason of any federal, state, non-U.S. or other local tax rules or regulations in respect of the issuance of Shares to the Holder pursuant to the Option, the Company or any such subsidiary shall be entitled to satisfy such withholding obligations in accordance with the terms of Section 6 of the Plan.

7. Termination. Notwithstanding Paragraph 3 above, this Option, to the extent unexercised, shall terminate immediately upon the earliest to occur of the following:

(a) The Expiration Date of the Option;

(b) The expiration of three months from the date of termination of the Holder's employment by the Company or any of its subsidiaries (other than a termination described in subparagraph (c), (d), or (e) below); provided, that if the Holder shall die during such three-month period, the time of termination of the unexercised portion of the Option shall be determined under the provisions of subparagraph (d) below, subject to subparagraph (a) above;

(c) The expiration of one year from the date of termination of the employment of the Holder due to permanent and total disability within the meaning of Section 22(e)(3) of the Internal Revenue Code of 1986, as amended (other than a termination described in subparagraph (e) below);

(d) The expiration of one year following the Holder's death if it occurs while Holder is employed by the Company or its subsidiaries; or

(e) The termination of the Holder's employment by the Company or any of its subsidiaries if such termination constitutes or is attributable to a breach by the Holder of an employment agreement with the Company or its subsidiaries, or if the Holder is discharged for cause. The Committee shall have the right to determine whether the Holder has been discharged for breach or for cause and the date of such discharge, and such determination of the Committee shall be final and conclusive.

8. Reservation of Shares. The Company hereby agrees that at all times there shall be reserved for issuance and/or delivery upon exercise of the Option such number of Shares as shall be required for issuance or delivery upon exercise hereof.

9. Rights of Holder. Nothing contained herein shall be construed to confer upon the Holder any right to be continued in the employ of the Company or any of its subsidiaries, or derogate from the right of the Company or any of its Subsidiaries to retire, request the resignation of, or discharge the Holder at any time, with or without cause. The Holder shall not, by virtue hereof, be entitled to any rights of a stockholder in the Company or its subsidiaries, either at law or equity, and the rights of the Holder are limited to those expressed herein and in the Plan and are not enforceable against the Company or its subsidiaries, except to the extent set forth herein.

10. Exclusion from Pension and Incentive Computations. By acceptance of the grant of the Option, the Holder hereby agrees that any income realized upon the receipt or exercise hereof, or upon the disposition of the Shares received upon its exercise, is special incentive compensation and will not be taken into account as "wages," "salary," or "compensation" in determining the amount of any payment under any pension, retirement, incentive, profit-sharing, bonus, or deferred compensation plan of the Company, or its subsidiaries.

11. Registration; Legend. Without limiting the generality of Section 8 of the Plan, the Company may postpone the issuance and delivery of Shares upon any exercise of the Option until (a) the admission of such Shares to listing on any stock exchange or exchanges on which Shares of the Company of the same classes are then listed and (b) the completion of such registration or other qualification of such Shares under any state or federal law, rule or regulation as the Company shall determine to be necessary or advisable. The Holder shall make such representations and furnish such information as, in the opinion of counsel for the Company, may be appropriate to permit the Company to issue the Shares in compliance with the provisions of the Securities Act of 1933, as amended, or any comparable act. The Company may cause an appropriate legend to be set forth on each certificate representing Shares or any other security issued or issuable upon exercise of the Option unless counsel for the Company is of the opinion as to any such certificate that a legend is unnecessary.

12. Amendment. The Committee may, with the consent of the Holder in the case of an amendment that adversely affects the Holder's rights under the Option, at any time or from time to time, amend the terms and conditions of the Option.

13. Notices. Any notice which either party hereto may be required or permitted to give to the other shall be in writing, and may be delivered personally or by mail, postage prepaid, addressed as follows: to the Company, at its office at 60 Acorn Park Drive, Cambridge,

Massachusetts 02140, or at such other address as the Company by notice to the Holder may designate in writing from time to time; to the Holder, at the address shown below his signature on this Option certificate, or at such other address as the Holder by notice to the Company may designate in writing from time to time. Notices shall be effective upon receipt.

14. Personal Data. Holder agrees, understands and acknowledges that by signing this Option Certificate, Holder has given his/her voluntary and explicit consent to the Company to process personal data and/or sensitive personal data concerning the Holder, including but not limited to the information provided in this Certificate and any changes thereto, other necessary or appropriate personal and financial data relating to Holder and Holder's Option, participation in the Plan, and the Shares acquired from time to time upon exercise of the Option. Holder also hereby gives his or her explicit and voluntary consent to the Company to transfer any such personal data and/or sensitive personal data or information outside the country or jurisdiction in which the Holder works or is employed in order for the Company to fulfill its obligations under this Option and the Plan. Holder acknowledges that the Company and any subsidiary may make such personal data available to one or more third parties selected by the Company or the Administrator who provide services to the Company relating to the Option and the Plan. Holder hereby acknowledges that he or she has been informed of his or her right of access to his or her personal data by contacting his or her strategic growth representative. Holder understands and acknowledges that the transfer of the personal data is important to the administration of the Option and the Plan and that failure to consent to the transmission of such data may limit his or her participation in the Plan.

15. Incorporation of Plan; Interpretation. The Option and this Option Certificate are issued pursuant to and are subject to all of the terms and conditions of the Plan, the terms, conditions, and definitions of which are hereby incorporated as though set forth at length, and the receipt of a copy of which the Holder hereby acknowledges by his signature below. A determination of the Committee as to any questions which may arise with respect to the interpretation of the provisions of this Option and of the Plan shall be final. The Committee may authorize and establish such rules, regulations, and revisions thereof not inconsistent with the provisions of the Plan, as it may deem advisable.

16. Miscellaneous. (a) *Interpretation*. If any provision of this Option Certificate, including any exhibits hereto, should, for any reason, be held invalid or unenforceable in any respect, it shall not affect any other provisions and shall be construed by limiting it so as to be enforceable to the maximum extent compatible with applicable law. (b) *Choice of Law; Consent to Jurisdiction*. This Option Certificate shall be governed by and construed in accordance with the laws of the state of Delaware. In the event of any alleged breach of the provisions of this Option Certificate, the Holder hereby consents and submits to the jurisdiction of the federal and state courts in the Commonwealth of Massachusetts, and will accept service of process by registered or certified mail or the equivalent directed to the last known address on the books of the Company or by whatever other means are permitted by such court. (c) *Assignability of Restricted Activities Obligation*. The Holder's obligations pursuant to paragraph 4 above ("Restricted Activities"), shall inure to the benefit of the Company and any successor of the Company by reorganization, merger, consolidation, or liquidation and any assignee of all or substantially all of the business or assets of the Company or of any division or line of business of the Company with which the Holder is at any time associated.

Unless otherwise indicated to the contrary herein, defined terms used in this Option Certificate shall have the same meaning as used in the Plan.

IN WITNESS WHEREOF, the parties have signed this Certificate on the date first above written.

Forrester Research, Inc.

By: /S/ _____
Chief Legal Officer

ACCEPTED AND AGREED TO:

First Last

Date

Address

City State Postal Code

Country

Exhibit A

1. Non-recruitment. For a period of one year after my employment with Forrester terminates, I will not, and will not assist anyone else to (i) hire or attempt to hire any employee of Forrester, (ii) encourage any employee of Forrester to discontinue employment with Forrester or any former employee to become employed in any business directly or indirectly competitive with Forrester's business, or (iii) encourage any independent contractor or supplier of Forrester to discontinue its relationship or violate any agreement with Forrester.

2. Restricted Activities. I agree that some restrictions on my activities during my employment are necessary to protect the goodwill, Proprietary and Confidential Information, and other legitimate interests of Forrester. While I am employed by Forrester, I will not undertake any matters for any outside business competitive with Forrester. The foregoing restriction will not prevent my owning 1% or less of the equity of any publicly traded company.

3. Non-Solicitation. For a period of one year after my employment with Forrester terminates, I will not, and will not assist anyone else to, solicit or endeavor to entice away from Forrester any of its clients or customers, or any of its prospective clients or customers with whom I had material dealings during my employment with Forrester. If I violate the foregoing provision, then the time limit set forth in this paragraph shall be extended for a period of time equal to the period of time during which such breach occurs, and in the event Forrester is required to seek relief from such breach before any court, board or other tribunal, then the time limitation shall be extended for a period of time equal to the pendency of such proceedings, including all appeals.

4. Definitions.

Forrester means the Company, and all subsidiaries and other entities directly or indirectly owned or controlled by it.

Intellectual Property means inventions, discoveries, developments, improvements, methods, processes, compositions, trademarks, works, concepts, and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed, or reduced to practice by or for Forrester.

Proprietary Information means all information and any idea in whatever form, tangible or intangible, pertaining in any manner to the business of Forrester, or any affiliate, or its employees, clients, consultants, or business associates, which was produced by any employee of Forrester in the course of his or her employment or otherwise produced or acquired on behalf of Forrester. All Proprietary Information not generally known outside of Forrester's organization, and all Proprietary Information so known only through improper means, shall be deemed "Confidential Information." Proprietary and Confidential Information includes, without limitation, such information, whether written, electronic, or oral, relating to (i) the development, research, and sales and marketing activities of Forrester; (ii) the Products; (iii) the financial information of Forrester, including without limitation actual and forecasted bookings, revenues, expenses, profit, and prices; (iv) the strategic plans of Forrester; (v) the identity and special needs of the customers and prospective customers of Forrester; (vi) people and

organizations with whom Forrester has business relationships and those relationships; and (vii) personal information about the employees of Forrester. Proprietary and Confidential Information includes information in electronic form, including, without limitation, information on Forrester's electronic network and files, and other information that is not reduced to writing. Proprietary and Confidential Information also includes such information that Forrester may receive or have received belonging to customers or others who do business with Forrester. In addition, except to the extent disclosed by Forrester on a non-confidential basis, Proprietary and Confidential Information includes Intellectual Property, as defined above.

Products shall mean all products and product packaging (written, electronic, consultative, event, or otherwise) which are researched, developed, planned, published, sold, licensed, or otherwise distributed or put into use by Forrester, including, without limitation, all research published or planned by Forrester, all research groups created or planned by Forrester, and all consulting and advisory services and events provided or planned by Forrester.

**OPTION CERTIFICATE
NONQUALIFIED STOCK OPTION (Non-Assignable)**

For %%TOTAL_SHARES_GRANTED%%-% Shares

To Purchase Common Stock of Forrester Research, Inc.

Issued Pursuant to the Forrester Research, Inc. Amended and Restated 2006 Equity Incentive Plan (“Plan”)

THIS CERTIFIES that on xxxx, 201 (‘‘Issuance Date’’) %%FIRST_NAME%%-% %%LAST_NAME%%-% (the ‘‘Holder’’) was granted an option (the ‘‘Option’’ or this ‘‘Option’’) to purchase all or any part of %%TOTAL_SHARES_GRANTED%%-% fully paid and non-assessable shares (‘‘Shares’’) of Common Stock (par value of \$.01 per share) of Forrester Research, Inc. (the ‘‘Company’’) at the option price \$ xxxx per share, which is not less than the fair market value of the Shares on the date of grant of this Option, upon and subject to the following terms and conditions:

1. Nature of Option. This Option is to be treated for all purposes as an option that does *not* qualify as an incentive stock option as defined in Section 422 of the Code. This Option is intended not to constitute or provide for ‘‘nonqualified deferred compensation’’ subject to Section 409A of the Code. The right and option to purchase shares hereby granted shall be exercisable as provided in Paragraph 3 hereof, in accordance with the determination made by the Compensation and Nominating Committee (the ‘‘Committee’’) of the Company’s Board of Directors administering the Plan.

2. Expiration. This Option shall expire on xxxx, 20 (‘‘Expiration Date’’).

3. Vesting and Exercise. This Option may be exercised or surrendered during the Holder’s lifetime only by the Holder. This Option shall not be transferable by the Holder otherwise than by will or by the laws of descent and distribution.

Except as provided below in this Paragraph 3, this Option will not vest and may not be exercised unless the Holder shall have been continuously employed by the Company or any of its subsidiaries for a period of twelve (12) months after the Issuance Date, or until xxxx, 201 with regard to one-fourth of the total Shares that can be purchased under the Option (rounded to the nearest whole Share), twenty-four (24) months after the Issuance Date, or until xxxx, 201 with regard to one-half of the total Shares that can be purchased under the Option (rounded to the nearest whole Share), for thirty-six (36) months after the Issuance Date, or until xxxx, 201 with regard to an additional one-fourth of the total Shares under the Option (rounded to the nearest whole Share), and for forty-eight (48) months after the Issuance Date, or until xxxx, 201 for the balance of the total Shares under the Option. Upon and after such dates, the applicable portion of this Option shall vest and shall be exercisable. Except as otherwise permitted herein, if the Holder’s employment is terminated prior to the full vesting of the Option, all rights with respect to any unvested portion shall be forfeited and the remaining portion shall remain exercisable, if at all, in accordance with Paragraph 7 below. Notwithstanding the foregoing, this Option will be forfeited in its entirety if the Holder has not signed and returned to the Company this Option Certificate on or before xxxx, 201 .

Notwithstanding the foregoing, the unvested portion of this Option shall become exercisable to the extent, if any, provided in and in accordance with the provisions of Section 7(a) of the Plan (pertaining to "Covered Transactions") in the circumstances described in said Section 7(a).

This Option shall be exercised by the delivery of a written notice duly signed by the Holder, together with this Option Certificate, and the full purchase price of the Shares purchased pursuant to the exercise of this Option, to the Committee or an officer of the Company appointed by the Committee for the purpose of receiving the same. This Option may not be exercised at any time when such Option, or the exercise or payment thereof, may result in the violation of any law or governmental order or regulation.

Payment for the Shares purchased pursuant to the exercise of this Option shall be made in full at the time of the exercise of the Option (a) by check payable to the Company, or (b) by delivery of an unconditional and irrevocable undertaking by a broker to deliver promptly to the Company sufficient funds to pay the exercise price.

4. Restricted Activities. In consideration for the grant of the nonqualified stock option evidenced by this Option Certificate, the Holder acknowledges, and agrees to comply with, the restrictions on activities set forth in Exhibit A hereto. The holder acknowledges that if s/he were to breach the provisions of Exhibit A, in addition to any monetary damages and/or attorneys' fees that may be awarded to the Company, the Company shall be entitled to obtain (and the Holder will not contest) preliminary and permanent injunctive relief against any such breach, without having to post a bond.

5. Delivery of Shares. Within a reasonable time after the exercise of the Option, the Company shall cause to be delivered to the person entitled thereto the number of Shares purchased pursuant to the exercise of the Option.

6. Withholding. In the event that the Holder elects to exercise this Option or any part thereof, and if the Company or its subsidiaries shall be required to withhold any amount by reason of any federal, state, non-U.S. or other local tax rules or regulations in respect of the issuance of Shares to the Holder pursuant to the Option, the Company or any such subsidiary shall be entitled to satisfy such withholding obligations in accordance with the terms of Section 6 of the Plan.

7. Termination. Notwithstanding Paragraph 3 above, this Option, to the extent unexercised, shall terminate immediately upon the earliest to occur of the following:

(a) The Expiration Date of the Option;

(b) The expiration of three months from the date of termination of the Holder's employment by the Company or any of its subsidiaries (other than a termination described in subparagraph (c), (d), or (e) below); provided, that if the Holder shall die during such three-month period, the time of termination of the unexercised portion of the Option shall be determined under the provisions of subparagraph (d) below, subject to subparagraph (a) above;

(c) The expiration of one year from the date of termination of the employment of the Holder due to permanent and total disability within the meaning of Section 22(e)(3) of the Internal Revenue Code of 1986, as amended (other than a termination described in subparagraph (e) below);

(d) The expiration of one year following the Holder's death if it occurs while Holder is employed by the Company or its subsidiaries; or

(e) The termination of the Holder's employment by the Company or any of its subsidiaries if such termination constitutes or is attributable to a breach by the Holder of an employment agreement with the Company or its subsidiaries, or if the Holder is discharged for cause. The Committee shall have the right to determine whether the Holder has been discharged for breach or for cause and the date of such discharge, and such determination of the Committee shall be final and conclusive.

8. Reservation of Shares. The Company hereby agrees that at all times there shall be reserved for issuance and/or delivery upon exercise of the Option such number of Shares as shall be required for issuance or delivery upon exercise hereof.

9. Rights of Holder. Nothing contained herein shall be construed to confer upon the Holder any right to be continued in the employ of the Company or any of its subsidiaries, or derogate from the right of the Company or any of its Subsidiaries to retire, request the resignation of, or discharge the Holder at any time, with or without cause. The Holder shall not, by virtue hereof, be entitled to any rights of a stockholder in the Company or its subsidiaries, either at law or equity, and the rights of the Holder are limited to those expressed herein and in the Plan and are not enforceable against the Company or its subsidiaries, except to the extent set forth herein.

10. Exclusion from Pension and Incentive Computations. By acceptance of the grant of the Option, the Holder hereby agrees that any income realized upon the receipt or exercise hereof, or upon the disposition of the Shares received upon its exercise, is special incentive compensation and will not be taken into account as "wages," "salary," or "compensation" in determining the amount of any payment under any pension, retirement, incentive, profit-sharing, bonus, or deferred compensation plan of the Company, or its subsidiaries.

11. Registration; Legend. Without limiting the generality of Section 8 of the Plan, the Company may postpone the issuance and delivery of Shares upon any exercise of the Option until (a) the admission of such Shares to listing on any stock exchange or exchanges on which Shares of the Company of the same classes are then listed and (b) the completion of such registration or other qualification of such Shares under any state or federal law, rule or regulation as the Company shall determine to be necessary or advisable. The Holder shall make such representations and furnish such information as, in the opinion of counsel for the Company, may be appropriate to permit the Company to issue the Shares in compliance with the provisions of the Securities Act of 1933, as amended, or any comparable act. The Company may cause an appropriate legend to be set forth on each certificate representing Shares or any other security issued or issuable upon exercise of the Option unless counsel for the Company is of the opinion as to any such certificate that a legend is unnecessary.

12. Amendment. The Committee may, with the consent of the Holder in the case of an amendment that adversely affects the Holder's rights under the Option, at any time or from time to time, amend the terms and conditions of the Option.

13. Notices. Any notice which either party hereto may be required or permitted to give to the other shall be in writing, and may be delivered personally or by mail, postage prepaid, addressed as follows: to the Company, at its office at 60 Acorn Park Drive, Cambridge,

Massachusetts 02140, or at such other address as the Company by notice to the Holder may designate in writing from time to time; to the Holder, at the address shown below his signature on this Option certificate, or at such other address as the Holder by notice to the Company may designate in writing from time to time. Notices shall be effective upon receipt.

14. Personal Data. Holder agrees, understands and acknowledges that by signing this Option Certificate, Holder has given his/her voluntary and explicit consent to the Company to process personal data and/or sensitive personal data concerning the Holder, including but not limited to the information provided in this Certificate and any changes thereto, other necessary or appropriate personal and financial data relating to Holder and Holder's Option, participation in the Plan, and the Shares acquired from time to time upon exercise of the Option. Holder also hereby gives his or her explicit and voluntary consent to the Company to transfer any such personal data and/or sensitive personal data or information outside the country or jurisdiction in which the Holder works or is employed in order for the Company to fulfill its obligations under this Option and the Plan. Holder acknowledges that the Company and any subsidiary may make such personal data available to one or more third parties selected by the Company or the Administrator who provide services to the Company relating to the Option and the Plan. Holder hereby acknowledges that he or she has been informed of his or her right of access to his or her personal data by contacting his or her strategic growth representative. Holder understands and acknowledges that the transfer of the personal data is important to the administration of the Option and the Plan and that failure to consent to the transmission of such data may limit his or her participation in the Plan.

15. Incorporation of Plan; Interpretation. The Option and this Option Certificate are issued pursuant to and are subject to all of the terms and conditions of the Plan, the terms, conditions, and definitions of which are hereby incorporated as though set forth at length, and the receipt of a copy of which the Holder hereby acknowledges by his signature below. A determination of the Committee as to any questions which may arise with respect to the interpretation of the provisions of this Option and of the Plan shall be final. The Committee may authorize and establish such rules, regulations, and revisions thereof not inconsistent with the provisions of the Plan, as it may deem advisable.

16. Miscellaneous. (a) *Interpretation*. If any provision of this Option Certificate, including any exhibits hereto, should, for any reason, be held invalid or unenforceable in any respect, it shall not affect any other provisions and shall be construed by limiting it so as to be enforceable to the maximum extent compatible with applicable law. (b) *Choice of Law; Consent to Jurisdiction*. This Option Certificate shall be governed by and construed in accordance with the laws of the state of Delaware. In the event of any alleged breach of the provisions of this Option Certificate, the Holder hereby consents and submits to the jurisdiction of the federal and state courts in the Commonwealth of Massachusetts, and will accept service of process by registered or certified mail or the equivalent directed to the last known address on the books of the Company or by whatever other means are permitted by such court. (c) *Assignability of Restricted Activities Obligation*. The Holder's obligations pursuant to paragraph 4 above ("Restricted Activities"), shall inure to the benefit of the Company and any successor of the Company by reorganization, merger, consolidation, or liquidation and any assignee of all or substantially all of the business or assets of the Company or of any division or line of business of the Company with which the Holder is at any time associated.

Unless otherwise indicated to the contrary herein, defined terms used in this Option Certificate shall have the same meaning as used in the Plan.

IN WITNESS WHEREOF, the parties have signed this Certificate on the date first above written.

Forrester Research, Inc.

By: /S/ _____
Chief Legal Officer

ACCEPTED AND AGREED TO:

First Last

Date

Address

City State Postal Code

Country

Exhibit A

1. Non-Recruitment. For a period of one year after my employment with Forrester terminates, I will not, and will not assist anyone else to (i) hire or attempt to hire any employee of Forrester, (ii) encourage any employee of Forrester to discontinue employment with Forrester or any former employee to become employed in any business directly or indirectly competitive with Forrester's business, or (iii) encourage any independent contractor or supplier of Forrester to discontinue its relationship or violate any agreement with Forrester.
2. Restricted Activities. I agree that some restrictions on my activities during my employment are necessary to protect the goodwill, Proprietary and Confidential Information, and other legitimate interests of Forrester. While I am employed by Forrester, I will not compete or undertake any matters for any outside business competitive with Forrester. I acknowledge and agree that the pursuit of the activities forbidden by this subsection would necessarily involve the use or disclosure of Confidential Information, but that proof of such use or disclosure would be extremely difficult. To forestall this disclosure and use, and in consideration of my employment with Forrester and the equity award granted to me, I agree that for a period of one (1) year after my employment with Forrester terminates, I will not, directly or indirectly, engage in any business activity that is or may be competitive with Forrester, whether as an employee, consultant, agent, partner, owner, investor, or otherwise, in any location where Forrester conducts its business. I further agree that for a period of one (1) year after my employment with Forrester terminates, I will not, and will not assist anyone else to, solicit or endeavor to entice away from Forrester any of its clients or customers, or any of its prospective clients or customers with whom I had material dealings during my employment with Forrester. If I violate any of the foregoing provisions, then the time limits set forth in this paragraph shall be extended for a period of time equal to the period of time during which such breach occurs, and in the event Forrester is required to seek relief from such breach before any court, board or other tribunal, then the time limitation shall be extended for a period of time equal to the pendency of such proceedings, including all appeals. The foregoing restrictions will not prevent my owning 1% or less of the equity of any publicly traded company. I agree that the foregoing restrictions are reasonable in nature and appropriate to provide adequate protection to Forrester's business and that such restrictions do not preclude me from pursuing my livelihood.
3. Notice Requirement. Until six months after the conclusion of the periods set forth above, including any extensions, I will notify Forrester in writing of any change in my address and of each new job or other business activity in which I plan to engage, at least 30 days prior to beginning such job or activity, or as soon as practicable if 30 days prior notice is not possible. Such notice shall include the name and address of any new employer and the nature of my position.

4. Definitions.

Forrester means the Company, and all subsidiaries and other entities directly or indirectly owned or controlled by it.

Intellectual Property means inventions, discoveries, developments, improvements, methods, processes, compositions, trademarks, works, concepts, and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed, or reduced to practice by or for Forrester.

Proprietary Information means all information and any idea in whatever form, tangible or intangible, pertaining in any manner to the business of Forrester, or any affiliate, or its employees, clients, consultants, or business associates, which was produced by any employee of Forrester in the course of his or her employment or otherwise produced or acquired on behalf of Forrester. All Proprietary Information not generally known outside of Forrester's organization, and all Proprietary Information so known only through improper means, shall be deemed "Confidential Information." Proprietary and Confidential Information includes, without limitation, such information, whether written, electronic, or oral, relating to (i) the development, research, and sales and marketing activities of Forrester; (ii) the Products; (iii) the financial information of Forrester, including without limitation actual and forecasted bookings, revenues, expenses, profit, and prices; (iv) the strategic plans of Forrester; (v) the identity and special needs of the customers and prospective customers of Forrester; (vi) people and organizations with whom Forrester has business relationships and those relationships; and (vii) personal information about the employees of Forrester. Proprietary and Confidential Information includes information in electronic form, including, without limitation, information on Forrester's electronic network and files, and other information that is not reduced to writing. Proprietary and Confidential Information also includes such information that Forrester may receive or have received belonging to customers or others who do business with Forrester. In addition, except to the extent disclosed by Forrester on a non-confidential basis, Proprietary and Confidential Information includes Intellectual Property, as defined above.

Products shall mean all products and product packaging (written, electronic, consultative, event, or otherwise) which are researched, developed, planned, published, sold, licensed, or otherwise distributed or put into use by Forrester, including, without limitation, all research published or planned by Forrester, all research groups created or planned by Forrester, and all consulting and advisory services and events provided or planned by Forrester.

RESTRICTED STOCK UNIT AWARD AGREEMENT
Issued Pursuant to the Forrester Research, Inc. Amended and Restated 2006 Equity Incentive Plan

xxxx, 201

%%FIRST_NAME%- %%%LAST_NAME%- %
 %%ADDRESS_LINE_1%- %%%ADDRESS_LINE_2%- %%%ADDRESS_LINE_3%- %
 %%CITY%- %%%STATE%- %%%ZIPCODE%- %

Dear %%FIRST_NAME%- %:

The undersigned (the "Participant") (i) acknowledges that (s)he has received an award (the "Award") of restricted stock units from Forrester Research, Inc. (the "Company") under the Forrester Research, Inc. 2006 Amended and Restated Equity Incentive Plan (the "Plan"), subject to the terms set forth below in this agreement (the "Agreement") and (ii) agrees with the Company as follows:

1. Effective Date; Restricted Stock Unit Award. Provided the Company receives this Agreement duly signed by the Participant by xxxx, 201 , this Agreement shall take effect xxxx, 201 which is the date of grant of the Award. The Award gives the Participant the conditional right to receive, without payment but subject to the conditions and limitations set forth in this Agreement and in the Plan, %%TOTAL_SHARES_GRANTED%- % shares of Stock (the "Shares").

Except as otherwise expressly provided herein, all terms used herein shall have the same meaning as in the Plan.

2. Restricted Activities. In consideration for the award of restricted stock units evidenced by this Restricted Stock Unit Award Agreement, the Participant acknowledges, and agrees to comply with, the restrictions on activities set forth in Exhibit A hereto. The Participant acknowledges that if s/he were to breach the provisions of Exhibit A, in addition to any monetary damages and/or attorneys' fees that may be awarded to the Company, the Company shall be entitled to obtain (and the Participant will not contest) preliminary and permanent injunctive relief against any such breach, without having to post a bond.

3. Vesting. This Award shall vest twelve (12) months after the date of this Agreement, with regard to one-fourth of the total Shares under this Award (rounded to the nearest whole Share), twenty-four (24) months after the date of this Agreement with regard to an additional one-fourth of the total Shares under this Award (rounded to the nearest whole Share), thirty-six (36) months after the date of this Agreement with regard to an additional one-fourth of the total Shares under this Award (rounded to the nearest whole Share), and forty-eight (48) months after the date of this Agreement for the balance of the total Shares under this Award, provided that the Participant on each such vesting date has been continuously employed by the Company or a subsidiary of the Company since the date of this Agreement.

4. Delivery of Shares. Subject to Section 6 below, the Company shall, on or as soon as reasonably practicable following each vesting date set forth in Section 3 above (but in no event later than March 15 of the year following the calendar year of each such vesting date), effect

delivery of the Shares with respect to the vested portion of the Award to the Participant (or, in the event of the Participant's death after vesting of all or a portion of the Award, to the person to whom the Award has passed by will or the laws of descent and distribution).

5. Dividends; Equity Interest. The Award shall not be interpreted to bestow upon the Participant any equity interest or ownership in the Company or any of its subsidiaries prior to the date on which the Company delivers Shares to the Participant. The Participant is not entitled to vote any Shares by reason of the granting of this Award or to receive or be credited with any dividends that may be declared and payable on any Share prior to the payment date with respect to such Share. The Participant shall have the rights of a shareholder only as to those Shares, if any, that are actually delivered under the Award.

6. Certain Tax Matters. The Participant expressly acknowledges that because this Award consists of an unfunded and unsecured promise by the Company to deliver Shares in the future, subject to the terms hereof, it is not possible to make a so-called "83(b) election" with respect to the Award. The Company shall, and the Participant expressly authorizes the Company to, satisfy the federal, state, local, non-U.S. or other tax withholding obligations arising in connection with the vesting of this Award or any portion thereof by having shares of Stock withheld from the Shares deliverable to the Participant upon vesting of all or any portion of the Award, up to the greatest number of whole shares with an aggregate fair market value sufficient to satisfy the minimum required withholding applicable to the amount so vesting.

7. Nontransferability. Neither this Award nor any rights with respect thereto may be sold, assigned, transferred, pledged or otherwise encumbered, except as the administrator may otherwise determine.

8. Reservation of Shares. The Company hereby agrees that at all times there shall be reserved for issuance and/or delivery such number of Shares as shall be required for issuance or delivery upon vesting of the Award.

9. Effect on Employment Rights. Nothing contained herein shall be construed to confer upon the Participant any right to be continued in the employ of the Company or any of its subsidiaries, or derogate from the right of the Company or any of its subsidiaries to retire, request the resignation of, or discharge the Participant at any time, with or without cause, except as may be expressly agreed otherwise between the Company and the Participant. The rights of the Participant are limited to those expressed herein and in the Plan and are not enforceable against the Company or its subsidiaries or affiliates, except to the extent set forth herein.

10. Exclusion from Pension and Incentive Computations. By acceptance of the grant of the Award, the Participant hereby agrees that any income realized upon the vesting of the Award, or upon the disposition of the Shares delivered upon vesting, is special incentive compensation and will not be taken into account as "wages," "salary," or "compensation" in determining the amount of any payment under any pension, retirement, incentive, profit-sharing, bonus, or deferred compensation plan of the Company or its subsidiaries.

11. Legal Requirements. Without limiting the generality of Section 8 of the Plan, the Company may postpone the issuance and delivery of Shares after vesting of the Award until (a) the admission of such Shares to listing on any stock exchange or exchanges on which Shares of the Company of the same classes are then listed and (b) the completion of such registration or other qualification of such Shares under any state or federal law, rule or regulation as the Company shall determine to be necessary or advisable.

12. Amendment. The Compensation Committee may, with the consent of the Participant in the case of an amendment that adversely affects the Participant's rights under the Award, at any time or from time to time, amend the terms and conditions of the Award. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing.

13. Notices. Any notice which either party hereto may be required or permitted to give to the other shall be in writing, and may be delivered personally or by mail, postage prepaid, addressed as follows: to the Company, at its office at 60 Acorn Park Drive, Cambridge, Massachusetts 02140, or at such other address as the Company by notice to the Participant may designate in writing from time to time; to the Participant, at the address shown below his signature on this Agreement, or at such other address as the Participant by notice to the Company may designate in writing from time to time. Notices shall be effective upon receipt.

14. Personal Data. Participant agrees, understands and acknowledges that by signing this Agreement, Participant has given his/her voluntary and explicit consent to the Company to process personal data and/or sensitive personal data concerning the Participant, including but not limited to the information provided in this Agreement and any changes thereto, other necessary or appropriate personal and financial data relating to Participant and Participant's Award, participation in the Plan, and the Shares acquired upon vesting of the Award. Participant also hereby gives his or her explicit and voluntary consent to the Company to transfer any such personal data and/or sensitive personal data or information outside the country or jurisdiction in which the Participant works or is employed in order for the Company to fulfill its obligations under this Award and the Plan. Participant acknowledges that the Company and any subsidiary may make such personal data available to one or more third parties selected by the Company or the Administrator who provide services to the Company relating to the Award and the Plan. Participant hereby acknowledges that he or she has been informed of his or her right of access to his or her personal data by contacting his or her strategic growth representative. Participant understands and acknowledges that the transfer of the personal data is important to the administration of the Award and the Plan and that failure to consent to the transmission of such data may limit his or her participation in the Plan.

15. Incorporation of Plan; Interpretation. The Award and this Agreement are issued pursuant to and are subject to all of the terms and conditions of the Plan, the terms, conditions, and definitions of which are hereby incorporated as though set forth at length, and the receipt of a copy of which the Participant hereby acknowledges by his signature below. A determination of the Committee as to any questions which may arise with respect to the interpretation of the provisions of this Award and of the Plan shall be final. The Committee may authorize and establish such rules, regulations, and revisions thereof not inconsistent with the provisions of the Plan, as it may deem advisable.

16. Miscellaneous. (a) *Interpretation*. If any provision of this Restricted Stock Unit Award Agreement, including any exhibits hereto, should, for any reason, be held invalid or unenforceable in any respect, it shall not affect any other provisions and shall be construed by limiting it so as to be enforceable to the maximum extent compatible with applicable law. (b) *Choice of Law; Consent to Jurisdiction*. This Restricted Stock Unit Award Agreement shall be governed by and construed in accordance with the laws of the state of Delaware. In the event of any alleged breach of the provisions of this Restricted Stock Unit Award Agreement, the

Participant hereby consents and submits to the jurisdiction of the federal and state courts in the Commonwealth of Massachusetts, and will accept service of process by registered or certified mail or the equivalent directed to the last known address on the books of the Company or by whatever other means are permitted by such court. (c) *Assignability of Restricted Activities Obligation*. The Participant's obligations pursuant to paragraph 2, above ("Restricted Activities"), shall inure to the benefit of the Company and any successor of the Company by reorganization, merger, consolidation, or liquidation and any assignee of all or substantially all of the business or assets of the Company or of any division or line of business of the Company with which the Participant is at any time associated.

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

Forrester Research, Inc.

By: /S/ _____
Chief Legal Officer

Participant

Signature: _____

Name of Participant: _____

Date: _____, 201

Address of Participant: _____

Exhibit A

1. Non-recruitment. For a period of one year after my employment with Forrester terminates, I will not, and will not assist anyone else to (i) hire or attempt to hire any employee of Forrester, (ii) encourage any employee of Forrester to discontinue employment with Forrester or any former employee to become employed in any business directly or indirectly competitive with Forrester's business, or (iii) encourage any independent contractor or supplier of Forrester to discontinue its relationship or violate any agreement with Forrester.
2. Restricted Activities. I agree that some restrictions on my activities during my employment are necessary to protect the goodwill, Proprietary and Confidential Information, and other legitimate interests of Forrester. While I am employed by Forrester, I will not undertake any matters for any outside business competitive with Forrester. The foregoing restriction will not prevent my owning 1% or less of the equity of any publicly traded company.
3. Non-Solicitation. For a period of one year after my employment with Forrester terminates, I will not, and will not assist anyone else to, solicit or endeavor to entice away from Forrester any of its clients or customers, or any of its prospective clients or customers with whom I had material dealings during my employment with Forrester. If I violate the foregoing provision, then the time limit set forth in this paragraph shall be extended for a period of time equal to the period of time during which such breach occurs, and in the event Forrester is required to seek relief from such breach before any court, board or other tribunal, then the time limitation shall be extended for a period of time equal to the pendency of such proceedings, including all appeals.
4. Definitions.

Forrester means the Company, and all subsidiaries and other entities directly or indirectly owned or controlled by it.

Intellectual Property means inventions, discoveries, developments, improvements, methods, processes, compositions, trademarks, works, concepts, and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed, or reduced to practice by or for Forrester.

Proprietary Information means all information and any idea in whatever form, tangible or intangible, pertaining in any manner to the business of Forrester, or any affiliate, or its employees, clients, consultants, or business associates, which was produced by any employee of Forrester in the course of his or her employment or otherwise produced or acquired on behalf of Forrester. All Proprietary Information not generally known outside of Forrester's organization, and all Proprietary Information so known only through improper means, shall be deemed "Confidential Information." Proprietary and Confidential Information includes, without limitation, such information, whether written, electronic, or oral, relating to (i) the development, research, and sales and marketing activities of Forrester; (ii) the Products; (iii) the financial information of

Forrester, including without limitation actual and forecasted bookings, revenues, expenses, profit, and prices; (iv) the strategic plans of Forrester; (v) the identity and special needs of the customers and prospective customers of Forrester; (vi) people and organizations with whom Forrester has business relationships and those relationships; and (vii) personal information about the employees of Forrester. Proprietary and Confidential Information includes information in electronic form, including, without limitation, information on Forrester's electronic network and files, and other information that is not reduced to writing. Proprietary and Confidential Information also includes such information that Forrester may receive or have received belonging to customers or others who do business with Forrester. In addition, except to the extent disclosed by Forrester on a non-confidential basis, Proprietary and Confidential Information includes Intellectual Property, as defined above.

Products shall mean all products and product packaging (written, electronic, consultative, event, or otherwise) which are researched, developed, planned, published, sold, licensed, or otherwise distributed or put into use by Forrester, including, without limitation, all research published or planned by Forrester, all research groups created or planned by Forrester, and all consulting and advisory services and events provided or planned by Forrester.

RESTRICTED STOCK UNIT AWARD AGREEMENT
Issued Pursuant to the Forrester Research, Inc. Amended and Restated 2006 Equity Incentive Plan

xxxx, 201

%%FIRST_NAME%- %%%LAST_NAME%- %
 %%ADDRESS_LINE_1%- %%%ADDRESS_LINE_2%- %%%ADDRESS_LINE_3%- %
 %%CITY%- %%%STATE%- %%%ZIPCODE%- %

Dear %%FIRST_NAME%- %:

The undersigned (the "Participant") (i) acknowledges that (s)he has received an award (the "Award") of restricted stock units from Forrester Research, Inc. (the "Company") under the Forrester Research, Inc. 2006 Amended and Restated Equity Incentive Plan (the "Plan"), subject to the terms set forth below in this agreement (the "Agreement") and (ii) agrees with the Company as follows:

1. Effective Date; Restricted Stock Unit Award. Provided the Company receives this Agreement duly signed by the Participant by xxxxx, 201 , this Agreement shall take effect xxxxx, 201 which is the date of grant of the Award. The Award gives the Participant the conditional right to receive, without payment but subject to the conditions and limitations set forth in this Agreement and in the Plan, %%TOTAL_SHARES_GRANTED%- % shares of Stock (the "Shares").

Except as otherwise expressly provided herein, all terms used herein shall have the same meaning as in the Plan.

2. Restricted Activities. In consideration for the award of restricted stock units evidenced by this Restricted Stock Unit Award Agreement, the Participant acknowledges, and agrees to comply with, the restrictions on activities set forth in Exhibit A hereto. The Participant acknowledges that if s/he were to breach the provisions of Exhibit A, in addition to any monetary damages and/or attorneys' fees that may be awarded to the Company, the Company shall be entitled to obtain (and the Participant will not contest) preliminary and permanent injunctive relief against any such breach, without having to post a bond.

3. Vesting. This Award shall vest twelve (12) months after the date of this Agreement, with regard to one-fourth of the total Shares under this Award (rounded to the nearest whole Share), twenty-four (24) months after the date of this Agreement with regard to an additional one-fourth of the total Shares under this Award (rounded to the nearest whole Share), thirty-six (36) months after the date of this Agreement with regard to an additional one-fourth of the total Shares under this Award (rounded to the nearest whole Share), and forty-eight (48) months after the date of this Agreement for the balance of the total Shares under this Award, provided that the Participant on each such vesting date has been continuously employed by the Company or a subsidiary of the Company since the date of this Agreement.

4. Delivery of Shares. Subject to Section 6 below, the Company shall, on or as soon as reasonably practicable following each vesting date set forth in Section 3 above (but in no event later than March 15 of the year following the calendar year of each such vesting date), effect

delivery of the Shares with respect to the vested portion of the Award to the Participant (or, in the event of the Participant's death after vesting of all or a portion of the Award, to the person to whom the Award has passed by will or the laws of descent and distribution).

5. Dividends; Equity Interest. The Award shall not be interpreted to bestow upon the Participant any equity interest or ownership in the Company or any of its subsidiaries prior to the date on which the Company delivers Shares to the Participant. The Participant is not entitled to vote any Shares by reason of the granting of this Award or to receive or be credited with any dividends that may be declared and payable on any Share prior to the payment date with respect to such Share. The Participant shall have the rights of a shareholder only as to those Shares, if any, that are actually delivered under the Award.

6. Certain Tax Matters. The Participant expressly acknowledges that because this Award consists of an unfunded and unsecured promise by the Company to deliver Shares in the future, subject to the terms hereof, it is not possible to make a so-called "83(b) election" with respect to the Award. The Company shall, and the Participant expressly authorizes the Company to, satisfy the federal, state, local, non-U.S. or other tax withholding obligations arising in connection with the vesting of this Award or any portion thereof by having shares of Stock withheld from the Shares deliverable to the Participant upon vesting of all or any portion of the Award, up to the greatest number of whole shares with an aggregate fair market value sufficient to satisfy the minimum required withholding applicable to the amount so vesting.

7. Nontransferability. Neither this Award nor any rights with respect thereto may be sold, assigned, transferred, pledged or otherwise encumbered, except as the administrator may otherwise determine.

8. Reservation of Shares. The Company hereby agrees that at all times there shall be reserved for issuance and/or delivery such number of Shares as shall be required for issuance or delivery upon vesting of the Award.

9. Effect on Employment Rights. Nothing contained herein shall be construed to confer upon the Participant any right to be continued in the employ of the Company or any of its subsidiaries, or derogate from the right of the Company or any of its subsidiaries to retire, request the resignation of, or discharge the Participant at any time, with or without cause, except as may be expressly agreed otherwise between the Company and the Participant. The rights of the Participant are limited to those expressed herein and in the Plan and are not enforceable against the Company or its subsidiaries or affiliates, except to the extent set forth herein.

10. Exclusion from Pension and Incentive Computations. By acceptance of the grant of the Award, the Participant hereby agrees that any income realized upon the vesting of the Award, or upon the disposition of the Shares delivered upon vesting, is special incentive compensation and will not be taken into account as "wages," "salary," or "compensation" in determining the amount of any payment under any pension, retirement, incentive, profit-sharing, bonus, or deferred compensation plan of the Company or its subsidiaries.

11. Legal Requirements. Without limiting the generality of Section 8 of the Plan, the Company may postpone the issuance and delivery of Shares after vesting of the Award until (a) the admission of such Shares to listing on any stock exchange or exchanges on which Shares of the Company of the same classes are then listed and (b) the completion of such registration or other qualification of such Shares under any state or federal law, rule or regulation as the Company shall determine to be necessary or advisable.

12. Amendment. The Compensation Committee may, with the consent of the Participant in the case of an amendment that adversely affects the Participant's rights under the Award, at any time or from time to time, amend the terms and conditions of the Award. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing.

13. Notices. Any notice which either party hereto may be required or permitted to give to the other shall be in writing, and may be delivered personally or by mail, postage prepaid, addressed as follows: to the Company, at its office at 60 Acorn Park Drive, Cambridge, Massachusetts 02140, or at such other address as the Company by notice to the Participant may designate in writing from time to time; to the Participant, at the address shown below his signature on this Agreement, or at such other address as the Participant by notice to the Company may designate in writing from time to time. Notices shall be effective upon receipt.

14. Personal Data. Participant agrees, understands and acknowledges that by signing this Agreement, Participant has given his/her voluntary and explicit consent to the Company to process personal data and/or sensitive personal data concerning the Participant, including but not limited to the information provided in this Agreement and any changes thereto, other necessary or appropriate personal and financial data relating to Participant and Participant's Award, participation in the Plan, and the Shares acquired upon vesting of the Award. Participant also hereby gives his or her explicit and voluntary consent to the Company to transfer any such personal data and/or sensitive personal data or information outside the country or jurisdiction in which the Participant works or is employed in order for the Company to fulfill its obligations under this Award and the Plan. Participant acknowledges that the Company and any subsidiary may make such personal data available to one or more third parties selected by the Company or the Administrator who provide services to the Company relating to the Award and the Plan. Participant hereby acknowledges that he or she has been informed of his or her right of access to his or her personal data by contacting his or her strategic growth representative. Participant understands and acknowledges that the transfer of the personal data is important to the administration of the Award and the Plan and that failure to consent to the transmission of such data may limit his or her participation in the Plan.

15. Incorporation of Plan; Interpretation. The Award and this Agreement are issued pursuant to and are subject to all of the terms and conditions of the Plan, the terms, conditions, and definitions of which are hereby incorporated as though set forth at length, and the receipt of a copy of which the Participant hereby acknowledges by his signature below. A determination of the Committee as to any questions which may arise with respect to the interpretation of the provisions of this Award and of the Plan shall be final. The Committee may authorize and establish such rules, regulations, and revisions thereof not inconsistent with the provisions of the Plan, as it may deem advisable.

16. Miscellaneous. (a) *Interpretation*. If any provision of this Restricted Stock Unit Award Agreement, including any exhibits hereto, should, for any reason, be held invalid or unenforceable in any respect, it shall not affect any other provisions and shall be construed by limiting it so as to be enforceable to the maximum extent compatible with applicable law. (b) *Choice of Law; Consent to Jurisdiction*. This Restricted Stock Unit Award Agreement shall be governed by and construed in accordance with the laws of the state of Delaware. In the event of any alleged breach of the provisions of this Restricted Stock Unit Award Agreement, the

Exhibit A

1. Non-Recruitment. For a period of one year after my employment with Forrester terminates, I will not, and will not assist anyone else to (i) hire or attempt to hire any employee of Forrester, (ii) encourage any employee of Forrester to discontinue employment with Forrester or any former employee to become employed in any business directly or indirectly competitive with Forrester's business, or (iii) encourage any independent contractor or supplier of Forrester to discontinue its relationship or violate any agreement with Forrester.
2. Restricted Activities. I agree that some restrictions on my activities during my employment are necessary to protect the goodwill, Proprietary and Confidential Information, and other legitimate interests of Forrester. While I am employed by Forrester, I will not compete or undertake any matters for any outside business competitive with Forrester. I acknowledge and agree that the pursuit of the activities forbidden by this subsection would necessarily involve the use or disclosure of Confidential Information, but that proof of such use or disclosure would be extremely difficult. To forestall this disclosure and use, and in consideration of my employment with Forrester and the equity award granted to me, I agree that for a period of one (1) year after my employment with Forrester terminates, I will not, directly or indirectly, engage in any business activity that is or may be competitive with Forrester, whether as an employee, consultant, agent, partner, owner, investor, or otherwise, in any location where Forrester conducts its business. I further agree that for a period of one (1) year after my employment with Forrester terminates, I will not, and will not assist anyone else to, solicit or endeavor to entice away from Forrester any of its clients or customers, or any of its prospective clients or customers with whom I had material dealings during my employment with Forrester. If I violate any of the foregoing provisions, then the time limits set forth in this paragraph shall be extended for a period of time equal to the period of time during which such breach occurs, and in the event Forrester is required to seek relief from such breach before any court, board or other tribunal, then the time limitation shall be extended for a period of time equal to the pendency of such proceedings, including all appeals. The foregoing restrictions will not prevent my owning 1% or less of the equity of any publicly traded company. I agree that the foregoing restrictions are reasonable in nature and appropriate to provide adequate protection to Forrester's business and that such restrictions do not preclude me from pursuing my livelihood.
3. Notice Requirement. Until six months after the conclusion of the periods set forth above, including any extensions, I will notify Forrester in writing of any change in my address and of each new job or other business activity in which I plan to engage, at least 30 days prior to beginning such job or activity, or as soon as practicable if 30 days prior notice is not possible. Such notice shall include the name and address of any new employer and the nature of my position.
4. Definitions.
Forrester means the Company, and all subsidiaries and other entities directly or indirectly owned or controlled by it.

Intellectual Property means inventions, discoveries, developments, improvements, methods, processes, compositions, trademarks, works, concepts, and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed, or reduced to practice by or for Forrester.

Proprietary Information means all information and any idea in whatever form, tangible or intangible, pertaining in any manner to the business of Forrester, or any affiliate, or its employees, clients, consultants, or business associates, which was produced by any employee of Forrester in the course of his or her employment or otherwise produced or acquired on behalf of Forrester. All Proprietary Information not generally known outside of Forrester's organization, and all Proprietary Information so known only through improper means, shall be deemed "Confidential Information." Proprietary and Confidential Information includes, without limitation, such information, whether written, electronic, or oral, relating to (i) the development, research, and sales and marketing activities of Forrester; (ii) the Products; (iii) the financial information of Forrester, including without limitation actual and forecasted bookings, revenues, expenses, profit, and prices; (iv) the strategic plans of Forrester; (v) the identity and special needs of the customers and prospective customers of Forrester; (vi) people and organizations with whom Forrester has business relationships and those relationships; and (vii) personal information about the employees of Forrester. Proprietary and Confidential Information includes information in electronic form, including, without limitation, information on Forrester's electronic network and files, and other information that is not reduced to writing. Proprietary and Confidential Information also includes such information that Forrester may receive or have received belonging to customers or others who do business with Forrester. In addition, except to the extent disclosed by Forrester on a non-confidential basis, Proprietary and Confidential Information includes Intellectual Property, as defined above.

Products shall mean all products and product packaging (written, electronic, consultative, event, or otherwise) which are researched, developed, planned, published, sold, licensed, or otherwise distributed or put into use by Forrester, including, without limitation, all research published or planned by Forrester, all research groups created or planned by Forrester, and all consulting and advisory services and events provided or planned by Forrester.

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER

I, George F. Colony, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Forrester Research, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ GEORGE F. COLONY

George F. Colony

Chairman of the Board and Chief Executive Officer

(Principal executive officer)

Date: November 5, 2014

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER

I, Michael A. Doyle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Forrester Research, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ MICHAEL A. DOYLE

Michael A. Doyle
Chief Financial Officer and Treasurer
(Principal financial officer)

Date: November 5, 2014

CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Executive Officer of Forrester Research, Inc. (the "Company"), does hereby certify that to the undersigned's knowledge:

- 1) the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, as filed with the Securities and Exchange Commission (the "10-Q Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) the information contained in the 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ George F. Colony

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

Dated: November 5, 2014

CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Financial Officer of Forrester Research, Inc. (the "Company"), does hereby certify that to the undersigned's knowledge:

- 1) the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, as filed with the Securities and Exchange Commission (the "10-Q Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) the information contained in the 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MICHAEL A. DOYLE

Michael A. Doyle
Chief Financial Officer and Treasurer

Dated: November 5, 2014