

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

**FORM 8-K**

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

Date of Report (Date of Earliest Event Reported): February 13, 2013

**FORRESTER RESEARCH, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**000-21433**  
(Commission File Number)

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

**60 Acorn Park Drive**  
**Cambridge, Massachusetts 02140**  
(Address of principal executive offices, including zip code)

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

**N/A**

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

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

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

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

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

On February 13, 2013, Forrester Research, Inc. issued a press release announcing its financial results for the quarter and year ended December 31, 2012.

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

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

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

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

Reorganization costs and credits are not included in our pro forma results in order to keep quarter-over-quarter and year-over-year comparisons consistent.

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

Duplicate lease costs represent costs for replacement facilities for the period of time prior to the Company utilizing the new facility for operations. Duplicate lease costs are excluded from our pro forma results in order to keep quarter-over-quarter and year-over-year comparisons consistent.

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

ITEM 2.05. COSTS ASSOCIATED WITH EXIT OR DISPOSAL ACTIVITIES.

On February 13, 2013, the Company announced a reduction in its workforce of approximately 30 employees across various functions and geographies. Notification to affected persons commenced on February 7, 2013 and is expected to be completed by February 22, 2013. Forrester expects to incur pre-tax expenses of \$1.5-1.8 million in the first quarter of 2013 related principally to cash severance and related benefit costs for terminated employees.

ITEM 8.01 OTHER EVENTS.

On February 13, 2013, the Company announced that its Board of Directors has authorized a \$50 million increase in the Company's stock repurchase program, bringing the total available authorization to approximately \$150 million. The Company also announced that it intends to engage an investment banker to assist it in exploring alternative means to accelerate its share repurchase program.

On February 13, 2013, the Company also announced that its Board of Directors has approved an increase to its regular quarterly cash dividend to \$0.15 per share, to be paid on March 20, 2013 to shareholders of record on March 6, 2013.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

99.1 Press release dated February 13, 2013 with respect to increased authorization to repurchase Company stock and an increase to the Company's quarterly dividend.

99.2 Press Release dated February 13, 2013 with respect to financial results for the quarter and year ended December 31, 2012.

SIGNATURES

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

FORRESTER RESEARCH, INC.

By /s/ Michael A. Doyle

\_\_\_\_\_  
Name: Michael A. Doyle

Title: Chief Financial Officer and Treasurer

Date: February 13, 2013

Exhibit Index

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release dated February 13, 2013 with respect to increased authorization to repurchase Company stock and an increase to the Company's quarterly dividend.
99.2	Press Release dated February 13, 2013 with respect to financial results for the quarter and year ended December 31, 2012.

The Forrester logo consists of the word "FORRESTER" in a white, sans-serif, all-caps font, centered within a dark green, horizontally-oriented oval.

## **Forrester Research Announces 7% Increase In Quarterly Dividend And Increase In Share Repurchase Authorization To \$150 Million**

**Cambridge, Mass., February 13, 2013.** . . Forrester Research, Inc. (Nasdaq: FORR) today announced that its board of directors has authorized an increase to its regular quarterly cash dividend to \$0.15 per share. The next quarterly dividend is payable on March 20, 2013, to shareholders of record on March 6, 2013. The company also announced that its board of directors authorized a \$50 million increase in the company's stock repurchase program, bringing the total available share repurchase authorization to approximately \$150 million. The company intends to engage an investment banker to assist it in exploring alternative means to accelerate the company's share repurchase program. As of December 31, 2012, Forrester had approximately 22.3 million shares outstanding.

"Our business model remains strong, and combined with our focus on disciplined business execution, we believe our share price is undervalued based on our recent performance," said Michael Doyle, chief financial officer. "Our sizable cash reserve enables us to pay quarterly dividends and buy back shares while continuing to invest in our business."

### **About Forrester Research**

Forrester Research, Inc. (Nasdaq: FORR) is an independent research company that provides pragmatic and forward-thinking advice to global leaders in business and technology. Forrester works with professionals in 17 roles at major companies providing proprietary research, customer insight, consulting, events, and peer-to-peer executive programs. For more than 29 years, Forrester has been making IT, marketing, and technology industry leaders successful every day. For more information, visit [www.forrester.com](http://www.forrester.com).

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements about the amount and payment of dividends by Forrester, Forrester's plans for repurchase of its stock, and Forrester's future financial performance and financial condition. These statements are based on Forrester's current plans and expectations and involve risks and uncertainties that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements. Dividend declarations are at the discretion of Forrester's board of directors, and plans for future dividends may be revised by the board at any time. The specific timing, amount, and pricing of share repurchases depends upon market conditions and other factors, and the share repurchase program may be modified or terminated by Forrester's board of directors at any time. Forrester undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. For further information, please refer to Forrester's reports and filings with the Securities and Exchange Commission.

### Contact:

Michael Doyle  
Chief Financial Officer  
Forrester Research, Inc.  
+1 617.613.6000

[mdoyle@forrester.com](mailto:mdoyle@forrester.com)  
Jon Symons  
Vice President, Corporate Communications  
Forrester Research, Inc.  
+1 617.613.6104  
[press@forrester.com](mailto:press@forrester.com)

## Forrester Research Reports 2012 Fourth-Quarter and Full-Year Financial Results

Cambridge, Mass., February 13, 2013 . . . Forrester Research, Inc. (Nasdaq: FORR) today announced its 2012 fourth-quarter and full-year financial results.

### Fourth-Quarter 2012 Financial Performance

- Total revenues were \$75.1 million for the fourth quarter of 2012, compared with \$74.7 million for the fourth quarter of last year. Research revenues increased 3%, and advisory services and other revenue decreased 4% compared with the fourth quarter of last year.
- On a GAAP basis, net income was \$4.7 million, or \$0.21 per diluted share, for the fourth quarter of 2012, compared with net income of \$8.9 million, or \$0.38 per diluted share, for the same period last year. On a pro forma basis, net income was \$6.4 million, or \$0.28 per diluted share, for the fourth quarter of 2012, which reflects a pro forma effective tax rate of 39%. Pro forma net income excludes stock-based compensation of \$1.5 million, amortization of \$0.7 million of acquisition-related intangible assets, and acquisition-related costs of \$0.6 million related to M&A activity Forrester did not pursue. This compares with pro forma net income of \$9.2 million, or \$0.40 per diluted share, for the same period in 2011, which reflects a pro forma tax rate of 40%. Pro forma net income for the fourth quarter of 2011 excludes stock-based compensation of \$0.5 million, amortization of \$0.7 million of acquisition-related intangible assets, \$0.4 million of reorganization costs, and net investment gains of \$0.4 million.

“While our sales performance in 2012 will manifest itself in dampened revenue growth in 2013, we are aggressively taking action to correct what we believe were specific, one-time issues,” said George F. Colony, Forrester’s chairman and chief executive officer. “Our brand remains strong as evidenced by our stable client retention rates, and our market opportunity is large.”

“Today, stability is returning to our sales organization. A seasoned sales executive is instilling better process management and more discipline on the selling organization, which should result in improved productivity as we move through the year,” said Colony. “We are beginning to see some early, positive results in the form of lower sales attrition.”

“We are restructuring other parts of the company to streamline some support functions and get our costs more in line with projected revenue in 2013,” said Colony. “We are balancing our desire for near-term financial results with the proper level of investment to get us back on a growth trajectory in 2014.”

### Year Ended December 31, 2012 Financial Performance

- Total revenues were \$292.9 million, compared with \$283.6 million for the same period last year.
- On a GAAP basis, net income was \$26.0 million, or \$1.13 per diluted share, for 2012, compared with net income of \$23.0 million, or \$0.99 per diluted share, for 2011. Net income in 2012 includes a \$5.5 million deferred tax benefit resulting from the settlement of a tax audit at one of the company’s foreign subsidiaries.

- On a pro forma basis, net income was \$25.5 million, or \$1.11 per diluted share, for 2012, which reflects a pro forma effective tax rate of 39%. Pro forma net income excludes stock-based compensation of \$5.4 million, amortization of \$2.4 million of acquisition-related intangible assets, \$1.4 million of reorganization costs, acquisition-related costs of \$0.6 million, and net investment gains of \$0.3 million. This compares with pro forma net income of \$29.4 million, or \$1.27 per diluted share, for 2011, which reflects a pro forma tax rate of 40%. Pro forma net income for 2011 excludes stock-based compensation of \$3.6 million, amortization of \$2.6 million of acquisition-related intangible assets, \$3.9 million of duplicate lease costs, \$0.4 million of reorganization costs, \$1.0 million of acquisition and integration costs, and net investment gains of \$1.0 million.

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

### **Reorganization**

Forrester is announcing a reduction of approximately 30 jobs or an estimated 2.5% of its workforce worldwide to streamline its operations and to bring costs more in line with projected revenues for 2013. The company anticipates incurring approximately \$1.5 million to \$1.8 million of severance and related benefit costs in the first quarter of 2013 related to the reduction.

Forrester is providing first-quarter 2013 financial guidance as follows:

#### *First-Quarter 2013 (GAAP):*

- Total revenues of approximately \$66.0 million to \$69.0 million.
- Operating margin of approximately (1.0%) to 1.0%.
- Other income, net of approximately \$0.2 million.
- An effective tax rate of 39%.
- Weighted average diluted shares outstanding of approximately 22.8 million.
- Diluted earnings per share of approximately (\$0.02) to \$0.02.

#### *First-Quarter 2013 (Pro Forma):*

Pro forma financial guidance for the first quarter of 2013 excludes stock-based compensation expense of \$1.9 million to \$2.1 million, amortization of acquisition-related intangible assets of approximately \$0.6 million, reorganization costs of \$1.5 million to \$1.8 million, and any investment gains or losses.

- Pro forma operating margin of approximately 5.0% to 7.0%.
- Pro forma effective tax rate of 39%.
- Pro forma diluted earnings per share of approximately \$0.09 to \$0.13.

Our full-year 2013 guidance as follows:

#### *Full-Year 2013 (GAAP):*

- Total revenues of approximately \$290.0 million to \$298.0 million.
- Operating margin of approximately 6.0% to 7.0%.

- Other income, net of approximately \$0.8 million.
- An effective tax rate of 39%.
- Weighted average diluted shares outstanding of approximately 21.9 million.
- Diluted earnings per share of approximately \$0.52 to \$0.59.

*Full-Year 2013 (Pro Forma):*

Pro forma financial guidance for full-year 2013 excludes stock-based compensation expense of \$5.7 million to \$6.2 million, amortization of acquisition-related intangible assets of approximately \$2.3 million, reorganization costs of \$1.5 million to \$1.8 million, and any investment gains or losses.

- Pro forma operating margin of approximately 9.5% to 10.5%.
- Pro forma effective tax rate of 39%.
- Pro forma diluted earnings per share of approximately \$0.79 to \$0.86.

**About Forrester Research**

Forrester Research, Inc. (Nasdaq: FORR) is an independent research company that provides pragmatic and forward-thinking advice to global leaders in business and technology. Forrester works with professionals in 17 roles at major companies providing proprietary research, customer insight, consulting, events, and peer-to-peer executive programs. For more than 29 years, Forrester has been making IT, marketing, and technology industry leaders successful every day. For more information, visit [www.forrester.com](http://www.forrester.com).

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These include, but are not limited to, statements about anticipated growth, productivity improvements, restructuring activities, and Forrester's financial guidance for the first quarter of and full-year 2013. These statements are based on Forrester's current plans and expectations and involve risks and uncertainties that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements. Important factors that could cause actual future activities and results to differ include, among others, Forrester's ability to retain and enrich memberships for its research products and services, technology spending, Forrester's ability to respond to business and economic conditions and market trends, the risks and challenges inherent in international business activities, competition and industry consolidation, the ability to attract and retain professional staff, Forrester's dependence on key personnel, the possibility of network disruptions and security breaches, and possible variations in Forrester's quarterly operating results. Financial guidance regarding shares outstanding and per-share amounts is based on certain assumptions that are subject to change, including as a result of the number of shares repurchased by Forrester under its announced share repurchase program. Forrester undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. For further information, please refer to Forrester's reports and filings with the Securities and Exchange Commission.

The consolidated statements of income and the table of key financial data are attached.

Contact:

Michael Doyle  
Chief Financial Officer  
Forrester Research, Inc.  
+1 617.613.6000  
[mdoyle@forrester.com](mailto:mdoyle@forrester.com)

Jon Symons  
Vice President, Corporate Communications  
Forrester Research, Inc.  
+ 1 617.613.6104  
[press@forrester.com](mailto:press@forrester.com)

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

(Unaudited, In thousands, except per share data)

	Three months ended December 31,		Year ended December 31,	
	2012	2011	2012	2011
<b>Revenues:</b>				
Research services	\$51,866	\$50,518	\$202,998	\$191,648
Advisory services and other	23,200	24,132	89,932	91,968
<b>Total revenues</b>	<b>75,066</b>	<b>74,650</b>	<b>292,930</b>	<b>283,616</b>
<b>Operating expenses:</b>				
Cost of services and fulfillment	28,726	24,978	111,228	103,571
Selling and marketing	25,681	25,067	101,390	101,468
General and administrative	10,199	8,108	36,866	33,284
Depreciation	2,411	2,024	8,921	5,359
Amortization of intangible assets	666	664	2,445	2,562
Reorganization costs (credits)	(10)	375	1,421	375
<b>Total operating expenses</b>	<b>67,673</b>	<b>61,216</b>	<b>262,271</b>	<b>246,619</b>
<b>Income from operations</b>	<b>7,393</b>	<b>13,434</b>	<b>30,659</b>	<b>36,997</b>
Other income, net	404	357	1,300	630
Gains on investments, net	11	370	301	1,018
<b>Income before income taxes</b>	<b>7,808</b>	<b>14,161</b>	<b>32,260</b>	<b>38,645</b>
Income tax provision	3,107	5,264	6,236	15,635
<b>Net Income</b>	<b>\$ 4,701</b>	<b>\$ 8,897</b>	<b>\$ 26,024</b>	<b>\$ 23,010</b>
Diluted income per share	\$ 0.21	\$ 0.38	\$ 1.13	\$ 0.99
Diluted weighted average shares outstanding	22,652	23,118	22,929	23,164
Basic income per share	\$ 0.21	\$ 0.39	\$ 1.16	\$ 1.02
Basic weighted average shares outstanding	22,282	22,646	22,500	22,666
<b>Pro forma data (1):</b>				
Income from operations	\$ 7,393	\$13,434	\$ 30,659	\$ 36,997
Amortization of intangible assets	666	664	2,445	2,562
Duplicate lease costs	—	—	—	3,850
Reorganization costs (credits)	(10)	375	1,421	375
Acquisition-related and integration costs	569	—	569	986
Stock-based compensation included in the following expense categories:				
Cost of services and fulfillment	872	319	3,085	1,644
Selling and marketing	256	65	894	751
General and administrative	348	165	1,418	1,247
<b>Pro forma income from operations</b>	<b>10,094</b>	<b>15,022</b>	<b>40,491</b>	<b>48,412</b>
Other income, net	404	357	1,300	630
Pro forma income before income taxes	10,498	15,379	41,791	49,042
Pro forma income tax provision	4,094	6,151	16,298	19,617
<b>Pro forma net income</b>	<b>\$ 6,404</b>	<b>\$ 9,228</b>	<b>\$ 25,493</b>	<b>\$ 29,425</b>
Pro forma diluted income per share	\$ 0.28	\$ 0.40	\$ 1.11	\$ 1.27
Diluted weighted average shares outstanding	22,652	23,118	22,929	23,164

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

**Forrester Research, Inc.****Key Financial Data**

(Unaudited, dollars in thousands)

	December 31,	
	2012	2011
<b>Balance sheet data:</b>		
Cash, cash equivalents and marketable investments	\$242,656	\$227,603
Accounts receivable, net	\$ 74,623	\$ 81,378
Deferred revenue	\$150,479	\$147,887
<b>Cash flow data:</b>		
Net cash provided by operating activities	\$ 53,147	\$ 55,444
Cash used for acquisitions	\$ —	\$ (7,531)
Purchases of property and equipment	\$ (5,103)	\$ (39,776)
Repurchases of common stock	\$ (29,843)	\$ (18,405)
Dividends paid	\$ (12,588)	\$ —
<b>Metrics:</b>		
Agreement value	\$220,355	\$221,089
Client retention	77%	80%
Dollar retention	90%	90%
Enrichment	95%	101%
Number of clients	2,462	2,495
<b>Headcount:</b>		
Total headcount	1,236	1,208
Research staff	432	450
Sales staff	462	438