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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): April 28, 2004

FORRESTER RESEARCH, INC.  
(Exact Name of Registrant Specified in Charter)

Delaware (State or Other Jurisdiction of Incorporation)	000-21433 (Commission File Number)	04-2797789 (I.R.S. Employer Identification No.)
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400 Technology Square, Cambridge, Massachusetts (Address of Principal Executive Offices)	02139 (Zip Code)
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Registrant's telephone number, including area code: (617) 613-6000

N/A

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(Former Name or Former Address, if Changed Since Last Report)

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Exhibit Index appears on Page 4

ITEM 7. Financial Statements and Exhibits.

(c) Exhibits

99.1 Press Release dated April 28, 2004.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The information contained in this current report on Form 8-K is furnished pursuant to Item 12 of Form 8-K "Results of Operations and Financial Condition". This information and the exhibits hereto are being furnished and shall not be deemed to be "filed" for the purposes of Section 18 of, or otherwise regarded as filed under, the Securities Exchange Act of 1934, as amended. The information contained in this report shall not be incorporated by reference into any filing of Forrester Research, Inc. with the SEC, whether made before or after the date hereof, regardless of any general incorporation language in such filings.

On April 28, 2004, Forrester Research, Inc. issued a press release announcing its financial results for the quarter ended March 31, 2004, the full text of which is attached hereto as Exhibit 99.1.

Forrester believes that pro forma financial results provide investors with consistent and comparable information to aid in the understanding of Forrester's ongoing business. Our pro forma presentation excludes the following:

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

Impairments of non-marketable securities - we have consistently excluded both one-time gains and one-time write-offs related to our investments in non-marketable securities from our pro forma results in order to keep quarter over quarter comparisons consistent.

Reorganization costs - we exclude reorganization costs in order to present a consistent basis for quarterly comparisons and to more consistently present our results of operations.

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

SIGNATURE

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/ WARREN HADLEY

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Name: Warren Hadley  
Title: Treasurer and Chief Financial Officer

Dated: April 28, 2004

Exhibit Index

Exhibit -----	Description -----	Page -----
99.1	Press Release dated April 28, 2004.	5

## Forrester Research Announces First-Quarter 2004 Financial Results

CAMBRIDGE, Mass.--(BUSINESS WIRE)--April 28, 2004--Forrester Research, Inc. (Nasdaq: FORR) today announced its first-quarter ended March 31, 2004 financial results, in line with its previous financial guidance.

## First-Quarter Financial Performance

- Total revenues were \$31.7 million, compared with \$24.5 million for the first quarter of last year.
- On a GAAP-reported basis, which reflects an effective tax rate of 33.5 percent, Forrester reported a first-quarter net loss of \$257,000 or \$0.01 per diluted share, compared with net income of \$1.8 million, or \$0.08 per diluted share, for the same period last year.
- On a pro forma basis, which excludes amortization of \$2.3 million of acquisition-related intangible assets, reorganization costs of \$2.0 million, and which reflects a pro forma effective tax rate of 35 percent, net income was \$2.5 million, or \$0.11 per diluted share, for the first quarter of 2004. This compares with pro forma net income of \$2.5 million, or \$0.11 per diluted share, for the same period in 2003, which excludes amortization of \$924,000 of acquisition-related intangible assets and impairments to certain non-marketable investments of \$300,000, and a pro forma effective tax rate of 35 percent.

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

"The first quarter showed continued stabilization in Forrester's business," said George F. Colony, chairman of the board and chief executive officer. "Our dollar retention rate improved to 83%, meeting our target range of 80% to 85% for the first time in three years. Also during the quarter, our clients began using WholeView 2(TM), our integrated research product. Our newly designed site offers Forrester's clients quick access to a unique and valuable database of research services combining the former WholeView and Giga Advisory. WholeView 2 now serves as the foundation for all of Forrester's products and services moving forward."

Forrester is providing financial guidance as follows:

## Second-Quarter 2004 (GAAP):

- Total revenues of approximately \$32.0 million to \$34.0 million.
- Operating margin of approximately (1) percent to 3 percent.
- Other income of approximately \$650,000 to \$750,000.
- An effective tax rate of 33.5 percent.
- Diluted earnings per share of approximately \$0.00 to \$0.04.

## Second-Quarter 2004 (Pro Forma):

Pro forma financial guidance for the second quarter of 2004 excludes amortization of acquisition-related intangible assets of approximately \$1.4 million, a reorganization charge of approximately \$1.5 million to \$2.0 million related to the relocation of Forrester's San Francisco office, and any gains or impairment charges related to non-marketable investments.

- Pro forma operating margin of approximately 10 percent to 12 percent.
- Pro forma effective tax rate of 35 percent, which varies from our estimated GAAP effective tax rate of 33.5 percent because of our tax-free interest income decreasing as a percentage of our pro forma pre-tax income.
- Pro forma diluted earnings per share of approximately \$0.11 to \$0.13.

## Full-Year 2004 (GAAP):

- Total revenues of approximately \$133.0 million to \$138.0 million.
- Operating margin of approximately 3 percent to 7 percent.
- Other income of approximately \$2.7 million to \$2.9 million.
- An effective tax rate of 33.5 percent.
- Diluted earnings per share of approximately \$0.22 to \$0.27.

Full-Year 2004 (Pro Forma):

Pro forma financial guidance for full-year 2004 excludes amortization of acquisition-related intangible assets of approximately \$6.5 million, any impairment gains or impairment charges related to non-marketable investments, and reorganization charges of approximately \$4.0 million to \$5.0 million.

- Pro forma operating margin of approximately 11 percent to 13 percent.
- Pro forma effective tax rate of 35 percent, which varies from our estimated GAAP effective tax rate of 33.5 percent because of our tax-free interest income decreasing as a percentage of our pro forma pre-tax income.
- Pro forma diluted earnings per share of approximately \$0.52 to \$0.57.

Forrester is an independent technology research company that provides pragmatic and forward-thinking advice about technology's impact on business. Business, marketing, and IT professionals worldwide collaborate with Forrester to align their technology investments with their business goals. Forrester offers products and services in four major areas: Research, Data, Consulting, and Community. Established in 1983, Forrester is headquartered in Cambridge, Mass. For additional 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, Forrester's financial and operating targets for the second quarter of and full-year 2004, statements about the potential success of WholeView 2 and other product offerings, the ability to achieve all of the anticipated benefits from the acquisition of Giga Information Group, the amount of the charge and any cost savings related to reductions in force and associated actions, and the ability of Forrester to achieve success as the economy improves. 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 anticipate business and economic conditions, market trends, competition, the ability to attract and retain professional staff, possible variations in Forrester's quarterly operating results, risks associated with Forrester's ability to offer new products and services, the actual amount of the charge and any cost savings related to reductions in force and associated actions, and Forrester's dependence on renewals of its membership-based research services and on key personnel. Forrester undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. For further information, please refer to Forrester's reports and filings with the Securities and Exchange Commission.

The consolidated statements of income, consolidated balance sheets, and consolidated statements of cash flows are attached.

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Forrester Research, Inc.  
Consolidated Statements Of Income

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(In thousands, except per share data)

	Three months ended	
	March 31,	
	2004	2003(2)
	-----	
	(Unaudited)	
Revenues		
Research services	\$22,989	\$18,506
Advisory services and other	8,740	5,976
	-----	-----
Total revenues	31,729	24,482
Operating expenses		
Cost of services and fulfillment	13,139	9,525
Selling and marketing	11,060	7,752
General and administrative	3,411	3,308
Depreciation	1,031	1,693
Amortization of intangible assets	2,344	924
Reorganization costs	1,957	-
	-----	-----
Total operating expenses	32,942	23,202
(Loss) income from operations	(1,213)	1,280
Other income, net	826	1,595
Impairments of non-marketable investments	-	(300)
	-----	-----
(Loss) income before income taxes	(387)	2,575
Income tax (benefit) provision	(130)	798
	-----	-----
Net (loss) income	\$(257)	\$1,777
	=====	=====
Diluted (loss) income per share	\$(0.01)	\$0.08
	=====	=====
Diluted weighted average shares outstanding	22,255	22,920
	=====	=====
Basic (loss) income per share	\$(0.01)	\$0.08
	=====	=====
Basic weighted average shares outstanding	22,255	22,739
	=====	=====
Pro forma data (1):		
(Loss) income from operations	\$(1,213)	\$1,280
Amortization of intangible assets	2,344	924
Reorganization costs	1,957	-
	-----	-----
Pro forma income from operations	3,088	2,204
Other income, net	826	1,595
	-----	-----
Pro forma income before income taxes	3,914	3,799
Pro forma income tax provision	1,370	1,330
	-----	-----
Pro forma net income	\$2,544	\$2,469
	=====	=====
Pro forma diluted earnings per share	\$0.11	\$0.11
	=====	=====
Diluted weighted average shares outstanding	22,771	22,920
	=====	=====

(1) Forrester believes that pro forma financial results provide investors with consistent and comparable information to aid in the understanding of Forrester's ongoing business. Our pro forma presentation excludes amortization of intangibles and other integration costs related to acquisitions, reorganization costs, and impairments of non-marketable investments, as well as their related tax effects. This does not purport to be prepared in accordance with Generally Accepted Accounting Principles.

(2) Results for the three months ended March 31, 2003 reflect a \$315,000 reclassification related to the fair value assessment of deferred revenue with regard to our purchase of Giga Information Group, Inc., which reduces research services revenues and reduces selling and marketing expenses in order to be consistent with the presentation for the year ended December 31, 2003.

Forrester Research, Inc.  
Consolidated Balance Sheets

(In thousands)

	March 31, 2004	Dec. 31, 2003
	----- (Unaudited)	
<b>Assets:</b>		
Cash and cash equivalents	\$38,431	\$22,385
Marketable securities	89,331	104,348
Accounts receivable, net	25,342	40,013
Deferred commissions	5,799	5,999
Prepaid expenses and other current assets	8,277	7,079
	-----	
Total current assets	167,180	179,824
Property and equipment, net	7,769	8,266
Goodwill, net	56,858	57,006
Intangible assets, net	11,112	13,456
Deferred income taxes	40,097	40,159
Non-marketable investments and other assets	13,050	12,264
	-----	
Total assets	\$296,066	\$310,975
	=====	
<b>Liabilities and stockholders' equity:</b>		
Accounts payable	\$2,013	\$2,566
Accrued expenses	25,535	31,457
Deferred revenue	67,233	68,630
	-----	
Total liabilities	94,781	102,653
Preferred stock	-	-
Common stock	244	243
Additional paid-in capital	174,000	172,523
Retained earnings	66,688	66,945
Treasury stock, at cost	(38,487)	(30,300)
Accumulated other comprehensive loss	(1,160)	(1,089)
	-----	
Total stockholders' equity	201,285	208,322
	-----	
Total liabilities and stockholders' equity	\$296,066	\$310,975
	=====	

Forrester Research, Inc.  
Consolidated Statements Of Cash Flows

(In thousands)

	Three months ended March 31,	
	2004	2003
	----- (Unaudited)	
<b>Cash flows from operations:</b>		
Net (loss) income	\$(257)	\$1,777
Adjustments to reconcile net (loss) income to net cash provided by operating activities -		
Depreciation	1,031	1,693
Amortization of intangible assets	2,344	924
Write-down of non-marketable investment	-	300
Tax benefit from stock options	90	81
Deferred income taxes	(1)	728
Realized gain on sale of marketable securities	-	(509)
Amortization of premiums on marketable securities	173	207
Changes in assets and liabilities, net of acquisition -		
Accounts receivable	15,586	5,803
Deferred commissions	200	192
Prepaid expenses and other current assets	(872)	(169)
Accounts payable	(658)	(807)

Accrued expenses	(5,862)	(5,657)
Deferred revenue	(2,295)	(925)
	-----	-----
Net cash provided by operating activities	9,479	3,638
Cash flows from investing activities:		
Acquisition of Giga Information Group, Inc., net of cash acquired	-	(51,549)
Purchases of property and equipment	(530)	(69)
Purchases of non-marketable investments	(963)	(1,250)
Decrease in other assets	269	123
Purchase of marketable securities	(34,060)	(77,884)
Proceeds from sales and maturities of marketable securities	49,150	144,196
	-----	-----
Net cash provided by investing activities	13,866	13,567
Cash flows from financing activities:		
Proceeds from exercises of employee stock options	512	523
Acquisition of treasury shares	(6,187)	(3,245)
Structured stock repurchases	(1,500)	(2,000)
	-----	-----
Net cash used in financing activities	(7,175)	(4,722)
Effect of exchange rate changes on cash and cash equivalents	(124)	(46)
	-----	-----
Net increase in cash and cash equivalents	16,046	12,437
Cash and cash equivalents, beginning of period	22,385	11,479
	-----	-----
Cash and cash equivalents, end of period	\$38,431	\$23,916
	=====	=====

CONTACT: Forrester Research, Inc.  
Kimberly Maxwell, 617-613-6234  
Director, Investor Relations  
kmaxwell@forrester.com  
or  
Forrester Research, Inc.  
Karyl Levinson, 617-613-6262  
Director, Corporate Communications  
press@forrester.com