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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): August 5, 2003

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 August 5, 2003.

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 August 5, 2003, Forrester Research, Inc. issued a press release announcing its financial results for the quarter ended June 30, 2003, 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 intangible assets - We exclude the non-cash effect of the amortization of acquisition-related intangibles from our pro forma results in order to present a consistent basis for quarterly comparisons.

Integration costs - We exclude the costs related to our acquisition of Giga, which are primarily related to orientation events and data migration, in order to present a consistent basis for quarterly comparisons.

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 present a consistent basis for quarterly comparisons of our results of operations.

Reorganization costs - We exclude restructuring charges from our first quarter 2002 proforma results because our failure to do so would present a misleading improvement in our pro forma results in the six months ended June 30,

2003 as compared to the same period in 2002.

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: August 5, 2003

Exhibit Index

Exhibit -----	Description -----	Page
99.1	Press Release dated August 5, 2003.	5

Forrester Research Announces Second-Quarter 2003 Financial Results;  
Integration Of Giga Information Group Is Ahead Of Schedule

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Aug. 5, 2003--Forrester Research, Inc. (Nasdaq: FORR) today announced financial results for the second quarter ended June 30, 2003, in line with its previous financial guidance.

Second-Quarter Financial Performance

- Total revenues were \$34.7 million, compared with \$25.4 million for the second quarter of last year.
- On a GAAP-reported basis, which reflects an effective tax rate of 31 percent, Forrester reported second-quarter net income of \$141,000, or \$0.01 per diluted share compared to net income of \$3.5 million, or \$0.15 per diluted share for the same period last year.
- On a pro forma basis, which excludes amortization of acquisition-related intangible assets of \$2.6 million, costs of \$740,000 related to the integration of Giga Information Group, Inc., and a net write-down of \$272,000 related to impairments of certain non-marketable securities, 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 second quarter of 2003. This compares with pro forma net income of \$3.1 million, or \$0.13 per diluted share for the same period last year, which excludes amortization of acquisition-related intangible assets of \$82,000 and impairments of certain non-marketable securities of \$486,000.

Six-Month Period Ended June 30, 2003 Financial Performance

- Total revenues were \$59.5 million, compared with \$51.5 million for the same period last year.
- On a GAAP-reported basis, which reflects an effective tax rate of 31 percent, Forrester reported net income of \$1.9 million, or \$0.08 per diluted share for the six months ended 2003, compared to net loss of \$2.6 million or (\$0.11) per diluted share for the same period last year.
- On a pro forma basis, which excludes amortization of acquisition-related intangible assets of \$3.5 million, costs of \$771,000 related to the integration of Giga Information Group, Inc., and a write-down of \$572,000 related to impairments of certain non-marketable securities, and which reflects a pro forma effective tax rate of 35 percent, net income was \$5.0 million, or \$0.22 per diluted share, for the six months ended 2003. This compares with pro forma net income of \$6.4 million, or \$0.27 per diluted share for the same period last year, which excludes a reorganization charge of \$9.1 million, amortization of acquisition-related intangible assets of \$164,000, and impairments of certain non-marketable securities of \$2.7 million.

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

"Our top priorities during the second quarter were to maintain high client satisfaction while ensuring the ongoing progress of integrating Giga Information Group, which we acquired in February," said George F. Colony, chairman of the board and chief executive officer. "The integration efforts are ahead of schedule and will strengthen Forrester's position in the marketplace. The sales teams recently have been integrated into one cohesive sales force, and this month the research staff -- already collaborating on research content -- will be united. Our conversations with clients continue to play a big role in developing and integrating the Forrester and Giga brands."

In addition to the accelerated integration, the Forrester Oval Program(TM)'s CIO Group and Councils gained momentum during the second quarter. The CIO Group, which provides CIOs with exclusive access to a peer network, client-directed research, benchmark data, best practices, and short projects, now has 93 members including new CIO clients from Liberty Mutual, Hitachi Metals, and Lafarge North America. Furthermore, the program's Application Development Council, Security & Risk Management Council, Enterprise Architecture Council, and the new Analyst Relations & Marketing Council added members, including Washington Mutual, Acapella, and Remedy, a BMC Software Company.

Financial Guidance

The integration of sales and research has resulted in a reduction in force of 30 employees, or approximately 5 percent of the company's work force. For the third quarter of 2003, the company expects to record a charge in the range of \$1.0 million to \$2.0 million related to the reorganization and work force reduction. On an annualized basis, associated savings are estimated to be approximately \$4.0 million to \$5.0 million. In addition, Forrester is currently in the process of evaluating its San Francisco office lease, and as a result, may record future lease-related charges.

The company also announced today that as part of the integration, Forrester has combined its North American and Global operating groups. As a result, Emily Nagle Green, managing director of Forrester North America, has resigned to pursue other opportunities consistent with her long-term career goals. Neil Bradford, managing director of the Forrester Global operating group, has been named head of the expanded North American unit.

Forrester is providing third-quarter 2003 guidance as follows:

Third-Quarter 2003 (GAAP):

- Total revenues of approximately \$30.0 million to \$32.0 million.
- Operating margin of approximately (5) percent to 1 percent.
- Interest income of approximately \$700,000 to \$850,000.
- An effective tax rate of 31 percent.
- Diluted earnings per share of approximately (\$0.03) to \$0.01.

Third-Quarter 2003 (Pro Forma):

Pro forma financial guidance for the third quarter 2003 excludes amortization of acquisition-related intangible assets of approximately \$2.6 million, impairment charges related to non-marketable securities, and third-quarter reorganization and integration charges estimated at \$1.0 million to \$2.0 million.

- Pro forma operating margin of approximately 9 percent to 11 percent.
- Pro forma effective tax rate of 35 percent, which varies from our actual effective tax rate of 31 percent due to our tax-free interest income decreasing as a percentage of our pro forma pre-tax income.
- Pro forma diluted earnings per share of approximately \$0.10 to \$0.12.

Forrester is revising its full-year 2003 GAAP guidance and reaffirming full-year 2003 pro forma guidance as follows:

Full-Year 2003 (GAAP):

- Total revenues of approximately \$120.0 million to \$125.0 million.
- Operating margin of approximately (1) percent to 4 percent, which assumes any charges related to the San Francisco office lease are not incurred during 2003.
- Interest income of approximately \$3.8 million to \$4.2 million.
- An effective tax rate of 31 percent.
- Diluted earnings per share of approximately \$0.12 to \$0.20, which assumes any charges related to the San Francisco office lease are not incurred during 2003.

Full-Year 2003 (Pro Forma):

Pro forma financial guidance for the full-year 2003 excludes amortization of acquisition-related intangible assets of approximately \$8.7 million, impairment charges related to non-marketable securities, and reorganization and integration charges of approximately \$2.0 million to \$3.0 million, as well as charges related to terminating the San Francisco office lease.

- Pro forma operating margin of approximately 10 percent to 12 percent.
- Pro forma effective tax rate of 35 percent, which varies from our actual effective tax rate of 31 percent due to our tax-free interest income decreasing as a percentage of our pro forma pre-tax income.
- Pro forma diluted earnings per share of approximately \$0.47 to \$0.53.

Forrester Research enables companies to understand the impact of technology on business. Forrester's WholeView(TM) Research, Strategic

Services, and Events help clients understand how technology change affects their customers, strategy, and technology investment. In February 2003, Giga Information Group, Inc. became a wholly owned subsidiary of Forrester Research, Inc. Giga, through its Giga Advisory(R), Giga Consulting(TM), and Events, provides objective research, pragmatic advice, and personalized consulting to global IT professionals. 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 third quarter of and full-year 2003, statements about the potential success of WholeView and other product offerings, the anticipated cost savings related to the reorganization and work force reduction, Forrester's ability to successfully integrate Giga, 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 successfully integrate Giga into Forrester's operations, 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 related to the reorganization and work force reduction, and Forrester's dependence on renewals of its membership-based research services and on key personnel. Forrester Research 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  
(In thousands, except per share data)

	Three months ended June 30, 2003      2002 (Unaudited)		Six months ended June 30, 2003      2002 (Unaudited)	
Revenues				
Research services	\$26,611	\$18,008	\$45,432	\$37,818
Advisory services and other	8,113	7,425	14,089	13,671
Total revenues	34,724	25,433	59,521	51,489
Operating expenses				
Cost of services and fulfillment	14,330	8,873	23,855	17,854
Selling and marketing	11,768	8,254	19,835	16,726
General and administrative	3,781	3,375	7,058	6,701
Depreciation and amortization	1,839	1,988	3,532	4,054
Amortization of intangible assets	2,608	82	3,532	164
Integration costs	740	-	771	-
Reorganization costs	-	-	-	9,088
Total operating expenses	35,066	22,572	58,583	54,587
(Loss) income from operations	(342)	2,861	938	(3,098)
Other income, net Impairments of non- marketable investments	819 (272)	1,481 (486)	2,414 (572)	3,041 (2,734)

Income (loss) before income taxes	205	3,856	2,780	(2,791)
Income tax provision (benefit)	64	309	862	(223)
Net income (loss)	\$141	\$3,547	\$1,918	\$(2,568)
Diluted earnings (loss) per share	\$0.01	\$0.15	\$0.08	\$(0.11)
Diluted weighted average shares outstanding	22,718	23,989	22,819	23,250
Basic earnings (loss) per share	\$0.01	\$0.15	\$0.08	\$(0.11)
Basic weighted average shares outstanding	22,515	23,354	22,627	23,250
Pro forma data (1):				
(Loss) income from operations	(342)	2,861	938	(3,098)
Amortization of intangible assets	2,608	82	3,532	164
Integration costs	740	-	771	-
Reorganization costs	-	-	-	9,088
Pro forma income from operations	3,006	2,943	5,241	6,154
Other income, net	819	1,481	2,414	3,041
Pro forma income before income taxes	3,825	4,424	7,655	9,195
Pro forma income tax provision	1,339	1,327	2,679	2,758
Pro forma net income	\$2,486	\$3,097	\$4,976	\$6,437
Pro forma diluted earnings per share	\$0.11	\$0.13	\$0.22	\$0.27
Diluted weighted average shares outstanding	22,718	23,989	22,819	23,920

(1) The pro forma data 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.

Forrester Research, Inc.  
Consolidated Balance Sheets  
(In thousands)

	June 30, 2003	December 31, 2002
<b>Assets</b>		
Cash and cash equivalents	\$13,881	\$11,479
Marketable securities	121,749	183,152
Accounts receivable, net	18,028	17,791
Deferred commissions	4,784	3,524
Prepaid expenses and other current assets	7,733	5,902
Total current assets	166,175	221,848
Property and equipment, net	10,427	10,674
Goodwill, net	56,126	13,244
Intangibles assets, net	16,712	760
Deferred income taxes	35,367	21,630
Non-marketable investments and other assets	12,176	10,117
Total assets	\$296,983	\$278,273
<b>Liabilities and stockholders' equity</b>		
Accounts payable	\$2,956	\$1,601
Accrued expenses	24,272	20,681
Deferred revenue	59,487	42,123
Total liabilities	86,715	64,405
Preferred stock	-	-
Common stock	242	240
Additional paid-in capital	169,651	167,935
Retained earnings	66,672	64,754



Treasury stock, at cost	(27,380)	(20,085)
Accumulated other comprehensive income	1,083	1,024
Total stockholders' equity	210,268	213,868
Total liabilities and stockholders' equity	\$296,983	\$278,273

Forrester Research, Inc.  
Consolidated Statements Of Cash Flows  
(In thousands)

	Six months ended	
	June 30,	
	2003	2002
Cash flows from operations:		
Net income (loss)	\$1,918	\$(2,568)
Adjustments to reconcile net income (loss) to net cash provided by operating activities-		
Depreciation	3,532	4,054
Amortization of intangible assets	3,532	164
Write-downs of non-marketable investments	572	2,734
Loss on disposal of property and equipment	-	92
Realized gain on sale of securities	(509)	-
Tax benefit from stock options	155	1,996
Deferred income taxes	793	(2,222)
Non-cash reorganization costs	-	2,772
Increase in provision for doubtful accounts	-	196
Accretion of premiums on marketable securities	413	376
Changes in assets and liabilities, net of acquisition -		
Accounts receivable	10,534	12,176
Deferred commissions	(1,260)	1,023
Prepaid expenses and other	1,758	(932)
Accounts payable	(207)	(433)
Accrued expenses	(7,649)	(2,911)
Deferred revenue	(8,710)	(14,206)
Net cash provided by operating activities	4,872	2,311
Cash flows from investing activities:		
Acquisition of Giga Information Group, Inc., net of cash acquired	(56,066)	-
Purchases of property and equipment	(1,017)	(966)
Purchase of non-marketable investments	(2,150)	(2,625)
Decrease in other assets	75	259
Purchase of marketable securities	(126,158)	(92,995)
Proceeds from sales and maturities of marketable securities	188,766	94,017
Net cash provided by (used in) investing activities	3,450	(2,310)
Cash flows from financing activities:		
Proceeds from issuance of common stock under employee stock option plans and employee stock purchase plan	1,457	7,912
Acquisition of treasury shares	(5,295)	(7,920)
Structured stock repurchase	(1,892)	-
Net cash used in financing activities	(5,730)	(8)
Effect of exchange rate changes on cash and cash equivalents	(190)	(37)
Net increase (decrease) in cash and cash equivalents	2,402	(44)
Cash and cash equivalents, beginning of period	11,479	17,747
Cash and cash equivalents, end of period	\$13,881	\$17,703

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