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## Forrester Research Inc. Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

**(Operator Instructions)** And the first question comes from the line of Laura Lederman William Blair.

#### Laura Lederman – William Blair & Company

I like that new last name. I like [Lieberman]. Anyway –

#### George Colony

Someday you'll get it right, Laura.

#### Laura Lederman – William Blair & Company

Thanks for taking my question. A few thoughts, one is if you look at your guidance, what is assumed for wallet retention, dollar retention at the high and the low end? I'm trying to understand the assumptions behind the guidance. And, also, can you give us a sense of cash flow and kind of how that will look in 2009, as well? And then I just have a few more.

#### Mike Doyle

Yes, I think Laura, the general assumption here is that for client and dollar retention, I think we dipped in Q4. I think we'll be able to sustain reasonably in those ranges that we're in right now.

Again, that's assuming the 2009 plays out as Q4 2008, and as it relates to cash flow, clearly we have a wide range on our revenue and earnings target. So, what we're looking at is cash flow, operating cash flow, probably in the range of \$20 to \$30 million. I know that's broad, we'll try and refine that as the year progresses, and that compares to the roughly \$43 million in cash operating cash flow this year.

#### Laura Lederman – William Blair & Company

Can you just talk a little bit about how the respective businesses are holding up – core research versus the boards, versus consulting, versus events, versus data – just a sense of what's behind the two revenue lines and how each of the businesses is holding up?

#### Charles Rutstein

Sure Laura, so I'll give you a high level commentary. As you might expect, the events business has been softer than it has been historically. That's largely tied to people's travel budgets being down. The overall syndicated business, which includes the research, the core research product itself, as well as the leadership boards product, as well as some of the data products, as you saw in the results, are growing faster than the company overall.

That is they're making up a larger portion of the bookings and therefore, the revenue. So, we're seeing strength there. I think that derives from two places, number one, from, as George mentioned, the increasing relevance of that content, and two, from the sales incentives that we have in place.

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