



## Consolidated Statements of Income

For the Years Ended December 31, 1998, 1999, and 2000 (in thousands, except per share data)

	1998	1999	2000
Revenues:			
Core research	\$46,842	\$64,697	\$120,477
Advisory services and other	14,725	22,571	36,670
Total revenues	61,567	87,268	157,147
Operating expenses:			
Cost of services and fulfillment	22,038	27,715	45,470
Selling and marketing	20,896	31,131	57,957
General and administrative	6,688	9,865	18,632
Depreciation and amortization	2,763	4,003	7,944
Costs related to acquisition (Note 2)	—	694	—
Total operating expenses	52,385	73,408	130,003
Income from operations	9,182	13,860	27,144
Other income, net	2,957	3,710	6,893
Income before income tax provision	12,139	17,570	34,037
Income tax provision	4,592	6,589	12,423
Net income	\$ 7,547	\$10,981	\$ 21,614
Basic net income per common share	\$ 0.44	\$ 0.61	\$ 1.03
Diluted net income per common share	\$ 0.40	\$ 0.55	\$ 0.88
Basic weighted average common shares outstanding	17,041	18,028	20,989
Diluted weighted average common shares outstanding	18,744	20,067	24,526

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