



FOREST LABORATORIES, INC.

Making a
meaningful
difference
in the lives
of patients



1999 ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31, 1999



FOREST LABORATORIES, INC.

Forest Laboratories develops, manufactures and sells both branded and generic forms of ethical products which require a physician's prescription, as well as non-prescription pharmaceutical products sold over-the-counter, which are used for the treatment of a wide range of illnesses.

Forest products are marketed principally in the United States and western and eastern Europe. Marketing is conducted by Forest and through independent distributors.

In the United States, Forest's ethical specialty products are marketed directly by the Company's Forest Pharmaceuticals, Forest Therapeutics and Forest Specialty Sales salesforces. The Company's generic products are marketed directly by its Inwood Laboratories, Inc. subsidiary.

In the United Kingdom, Ireland and certain export markets, Forest products are marketed directly by the Company's subsidiaries, Pharmax Limited and the Tosara Group. Pharmax is a U.K. manufacturer and marketer of a range of specialty pharmaceuticals, including products manufactured by Forest and Tosara.

Forest Laboratories common stock is traded on the American Stock Exchange, trading symbol: FRX.

FINANCIAL HIGHLIGHTS

FISCAL YEAR ENDED MARCH 31,

	1999	1998
<i>(In thousands, except per share data)</i>		
Net revenues	\$623,988	\$474,704
Income before income taxes	110,803	54,772
Income taxes	33,630	18,075
Net income	77,173	36,697
Earnings per common and common equivalent share - diluted	\$0.90	\$0.44
Weighted average number of common and common equivalent shares outstanding - diluted	85,956	83,425