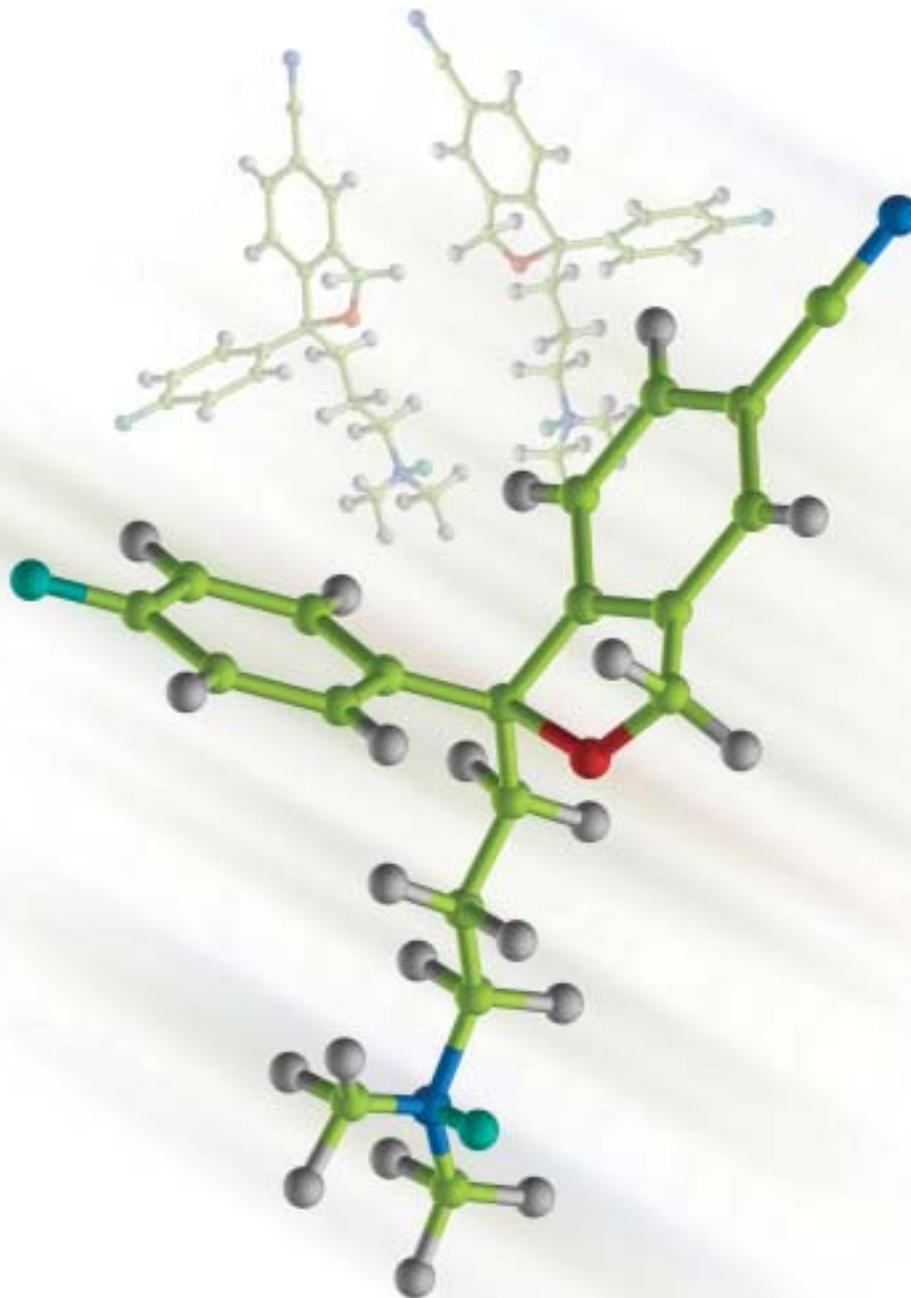


Forest 
Laboratories, Inc.



2002 Annual Report
Year Ended March 31, 2002



The cover represents the molecular structure of citalopram (Celexa) and escitalopram (Lexapro). Citalopram is a drug that is comprised of two mirror image stereoisomers. Studies have shown that the antidepressant effect of the drug is due to the S-stereoisomer with no therapeutic activity due to the R-stereoisomer which in fact, inhibits the therapeutic activity of the S-stereoisomer. The isolated S-stereoisomer, or escitalopram, is therefore more potent and more selective than citalopram itself.

Forest Laboratories develops, manufactures and markets pharmaceutical products principally in the United States and Europe. Forest's primary therapeutic markets include central nervous system (CNS) disorders, hypertension and pulmonary disorders. Forest is currently developing additional compounds in these areas as well as in pain management and gastrointestinal disorders. Forest's principal marketed products include Celexa™, a selective serotonin reuptake inhibitor (SSRI) for the treatment of depression; Tiazac®, a once-daily calcium channel blocker for treating hypertension and angina; Benicar™, an angiotensin receptor blocker (ARB) for the treatment of hypertension; Aerobid®, a metered dose inhaler for treating asthma; and Infasurf®, a lung surfactant to treat respiratory distress in infants.

In the United States, Forest's branded pharmaceutical products are marketed directly by the Company's Forest Pharmaceuticals, Forest Therapeutics, Forest Healthcare 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 by the Company's subsidiaries, Forest Laboratories U.K. and Forest Tosara Ltd.

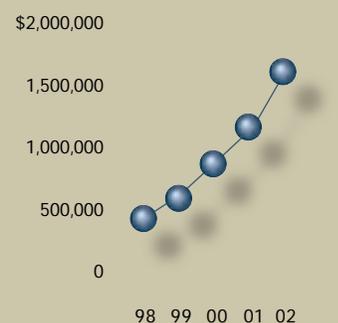
Forest Laboratories common stock is traded on the New York Stock Exchange, trading symbol – FRX.

*Benicar is a registered trademark of Sankyo Pharma.

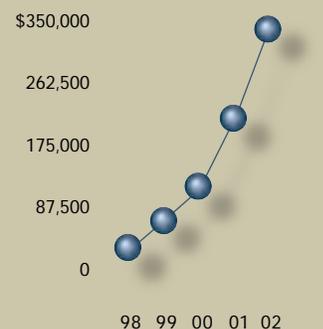
Financial Highlights

Fiscal Years Ended March 31,	2002	2001
(In thousands, except per share data)		
Net revenues	\$1,601,824	\$1,205,174
Income before income taxes	470,178	298,727
Income taxes	132,224	83,631
Net income	337,954	215,096
Earnings per common and common equivalent share – diluted	\$1.82	\$1.18
Weighted average number of common and common equivalent shares outstanding – diluted	185,242	182,984

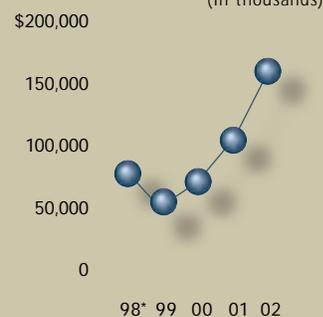
Net Revenues
(In thousands)



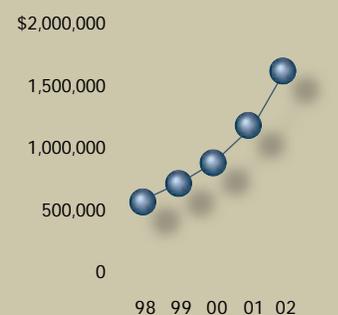
Net Income
(In thousands)



Research and
Development
(In thousands)



Shareholders' Equity
(In thousands)



* Includes \$32,250 paid in connection with a licensing agreement for certain products in early stages of development.