



Forest Laboratories, Inc.

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Annual Report



orest Laboratories, Inc. develops, manufactures and

markets pharmaceutical products principally in the United States and Europe. Forest's primary therapeutic markets include central nervous system 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 products include Namenda® for the treatment of Alzheimer's disease; Lexapro®, a selective serotonin reuptake inhibitor (SSRI) for the treatment of depression and anxiety; Celexa®, also for depression; Benicar®*, an angiotensin receptor blocker (ARB) for the treatment of hypertension; and Aerobid®, a metered dose inhaler for treating asthma.

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

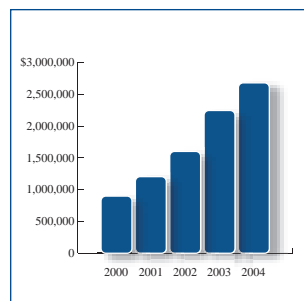
In the United Kingdom, Ireland and certain export markets, Forest products are marketed by the Company's subsidiaries, Forest Laboratories U.K. and Forest Tosara Ltd.

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

**Benicar is a registered trademark of Sankyo Pharma.*

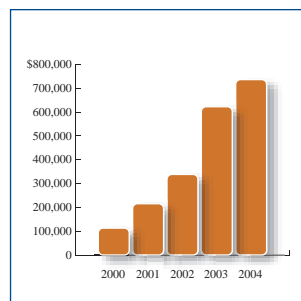
financial highlights

Net Revenues



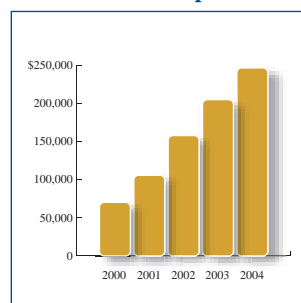
(In thousands)

Net Income



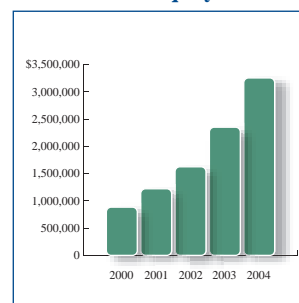
(In thousands)

Research & Development



(In thousands)

Stockholders' Equity



(In thousands)

Fiscal Years Ended March 31,

2004

2003

(In thousands, except per share data)

Net revenues	\$2,680,274	\$2,245,806
Income before income tax expense	936,822	820,569
Income tax expense	200,948	198,581
Net income	735,874	621,988
Net income per common and common equivalent share—diluted	\$1.95	\$1.66
Weighted average number of common and common equivalent shares outstanding—diluted	376,779	373,702