

Forest Laboratories
annual report

2005



“ Pharmaceutical companies do more to benefit human health,
reduce pain, prolong life, and ultimately
create more longer lasting and intrinsic human
happiness than any other business. ”

- Howard Solomon



Forest 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, pulmonary disorders and pain management. Forest is currently developing additional compounds in these areas. Forest's principal products include Namenda® for the treatment of moderate to severe Alzheimer's disease; Lexapro®, an SSRI antidepressant for the treatment of depression and generalized anxiety disorder; Benicar®, an angiotensin receptor blocker (ARB) for the treatment of hypertension; Campral® for the maintenance of abstinence from alcohol in patients with alcohol dependence who are abstinent at treatment initiation; and Combunox™, an opioid and NSAID combination indicated for the short-term management of acute, moderate to severe pain.

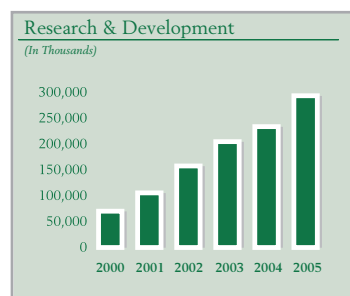
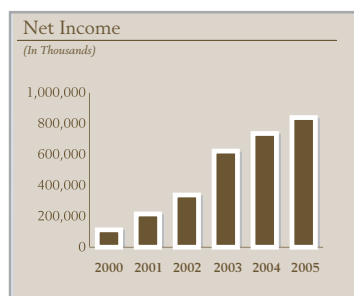
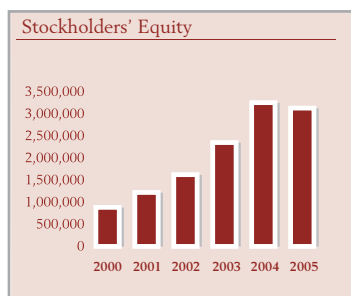
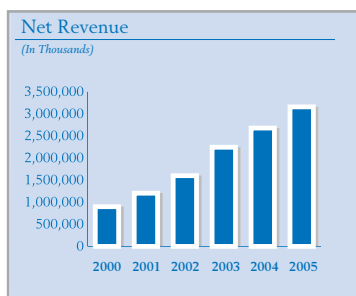
In the United States, Forest's branded pharmaceutical products are marketed directly by the Company's Forest Pharmaceuticals, Forest Therapeutics, Forest Healthcare, Forest Ethicare and Forest Specialty Sales salesforces. The Company's generic products are marketed directly by its Inwood Laboratories, 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 and Campral is a registered trademark under license from Merck Sante s.a.s., a subsidiary of Merck KGaA.

Financial Highlights



Fiscal Years Ended March 31,

2005

2004

(In thousands, except per share data)

Net revenues	\$3,159,639	\$2,680,274
Income before income tax expense	1,184,755	936,822
Income tax expense	345,950	200,948
Net income	838,805	735,874
Earnings per common and common equivalent shares—diluted	\$2.25	\$1.95
Weighted average number of common and common equivalent shares outstanding—diluted	372,090	376,779