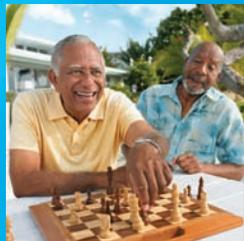


 **Forest Laboratories, Inc.**
Annual Report 2007



*“How Forest acquires products is easy enough to state,
but like everything else it all depends on execution,
just as research itself depends on creativity, persistence,
infinite attention to details and patience.”*

– Howard Solomon



Forest Laboratories, Inc.

Forest Laboratories 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; Benicar® HCT, an ARB and diuretic combination product also for hypertension; and Campral® for the maintenance of abstinence from alcohol in patients with alcohol dependence who are abstinent at treatment initiation.

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.

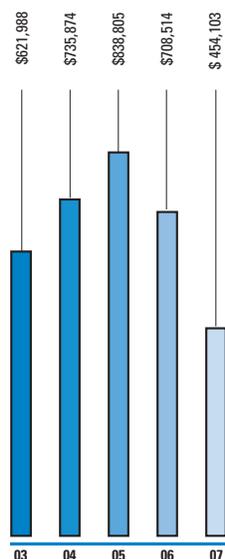
Forest Laboratories common stock is traded on the New York Stock Exchange, trading symbol — FRX.

* Benicar is a registered trademark of Daiichi Sankyo and Campral is a registered trademark under license from Merck Sante s.a.s., a subsidiary of Merck KGaA.

Financial Highlights

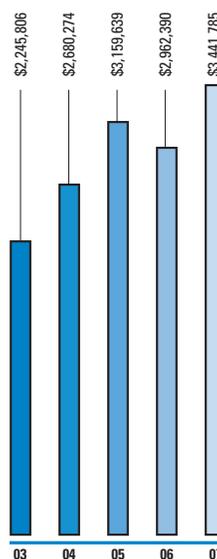
Net Income

(in thousands)



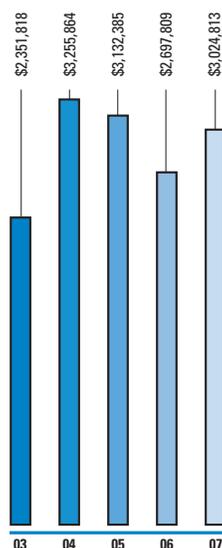
Net Revenue

(in thousands)



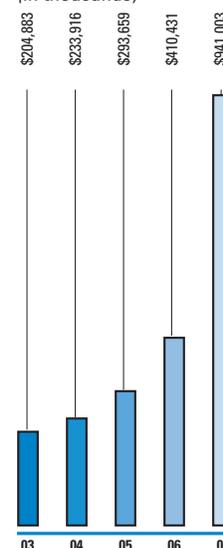
Stockholders' Equity

(in thousands)



Research & Development

(in thousands)



Fiscal Year Ended March 31,

2007

2006

(In thousands, except per share data)

Net revenues	\$3,441,785	\$2,962,390
Income before income tax expense	708,844	869,512
Income tax expense	254,741	160,998
Net income	454,103	708,514
Earnings per common and common equivalent share—diluted	\$1.41	\$2.08
Weighted average number of common and common equivalent shares outstanding—diluted	322,781	340,321