

Forest

Laboratories, Inc.



*An expanding product pipeline –
the foundation for future growth.*



2001

Annual Report

Year Ended March 31, 2001

Forest Laboratories develops, manufactures and markets ethical pharmaceutical products which require a physician's prescription as well as non-prescription pharmaceutical products. Forest products are marketed principally in the United States and Europe.

Forest's principal products, which are marketed directly by the Company, 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; Aerobid®, a metered dose inhaler for treating asthma; and Infasurf®, a lung surfactant to treat respiratory distress in infants.

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In the United States, Forest's branded pharmaceutical 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.

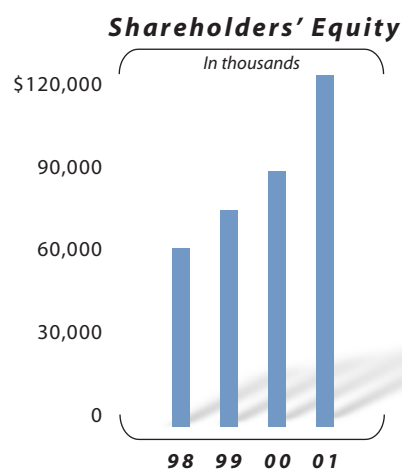
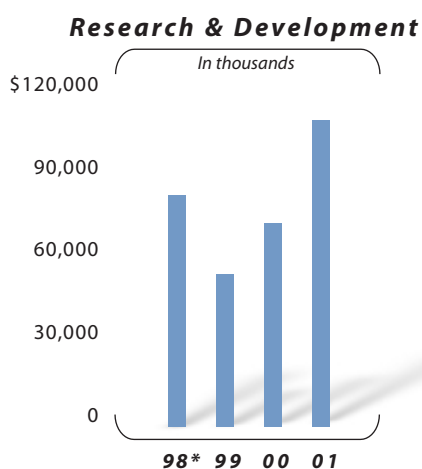
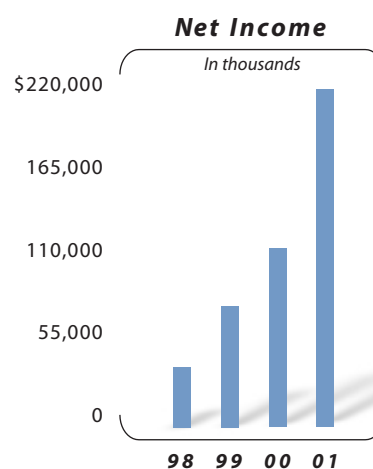
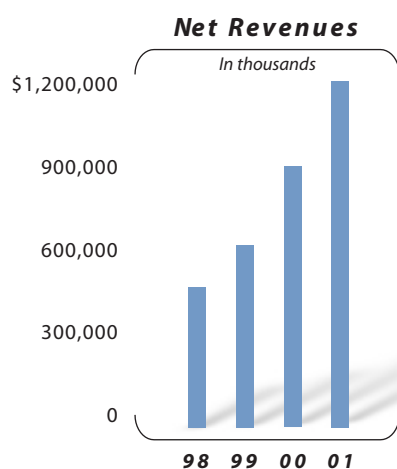
In the United Kingdom, Ireland and certain export markets, Forest products are marketed by the Company's subsidiaries, Pharmax Limited and the Tosara Group.

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

Fiscal Years Ended March 31,	2001	2000
<i>(In thousands, except per share data)</i>		
Net revenues	\$1,205,174	\$899,301
Income before income taxes	298,727	157,447
Income taxes	83,631	44,759
Net income	215,096	112,688
Earnings per common and common equivalent share – diluted	\$1.18	\$0.64
Weighted average number of common and common equivalent shares outstanding – diluted	182,984	175,890

Financial

Highlights



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