

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Our internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the Board; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting as of March 31, 2007. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. Based on our assessment and those criteria, management believes that we maintained effective internal control over financial reporting as of March 31, 2007.

Our independent registered public accounting firm has issued an attestation report on management's assessment of our internal control over financial reporting which is included herein.

Howard Solomon
Chairman and
Chief Executive Officer

Francis I. Perier, Jr.
Senior Vice President-Finance and
Chief Financial Officer

May 30, 2007

Reports of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Forest Laboratories, Inc.
New York, New York

We have audited management's assessment, included in the accompanying Management's Report on Internal Control over Financial Reporting, that Forest Laboratories, Inc. and Subsidiaries maintained effective internal control over financial reporting as of March 31, 2007, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that Forest Laboratories, Inc. and Subsidiaries maintained effective internal control over financial reporting as of March 31, 2007, is fairly stated, in all material respects, based on criteria established in Internal Control-Integrated Framework issued by the COSO. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2007, based on criteria established in Internal Control-Integrated Framework issued by the COSO.

Reports of Independent Registered Public Accounting Firm (continued)

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Forest Laboratories, Inc. and Subsidiaries as of March 31, 2007 and March 31, 2006 and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended March 31, 2007, and our report dated May 25, 2007 expressed an unqualified opinion thereon.

BDO Seidman, LLP

New York, New York
May 25, 2007

Board of Directors and Stockholders
Forest Laboratories, Inc.
New York, New York

We have audited the accompanying consolidated balance sheets of Forest Laboratories, Inc. and Subsidiaries as of March 31, 2007 and 2006, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended March 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Forest Laboratories, Inc. and Subsidiaries at March 31, 2007 and 2006, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2007 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the consolidated financial statements, in 2007 Forest Laboratories, Inc. and Subsidiaries changed its method of accounting for stock-based compensation in accordance with Statement of Financial Accounting Standards No. 123(R), "Share-Based Payment".

We also have audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Forest Laboratories, Inc. and Subsidiaries' internal control over financial reporting as of March 31, 2007, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated May 25, 2007 expressed an unqualified opinion thereon.

BDO Seidman, LLP

New York, New York
May 25, 2007

Stock Market Information

Form 10-K

The Company's annual report on Form 10-K to the Securities and Exchange Commission for fiscal 2007 is available to stockholders upon written request to:

Corporate Secretary
Forest Laboratories, Inc.
909 Third Avenue
New York, NY 10022-4731.

NYSE Certification

The most recent certifications by our Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 are filed as exhibits to our Form 10-K for the year ended March 31, 2007. We have also filed with the New York Stock Exchange the Annual CEO Certification as required by Section 303A.12(a) of the New York Stock Exchange Listed Company Manual for the fiscal year ended March 31, 2006.

Annual Meeting

The fiscal 2007 annual meeting of stockholders of Forest Laboratories, Inc. will be held in New York City at 277 Park Avenue, 17th floor, on Monday August 13, 2007 at 10:00 a.m.

Stock Market Data

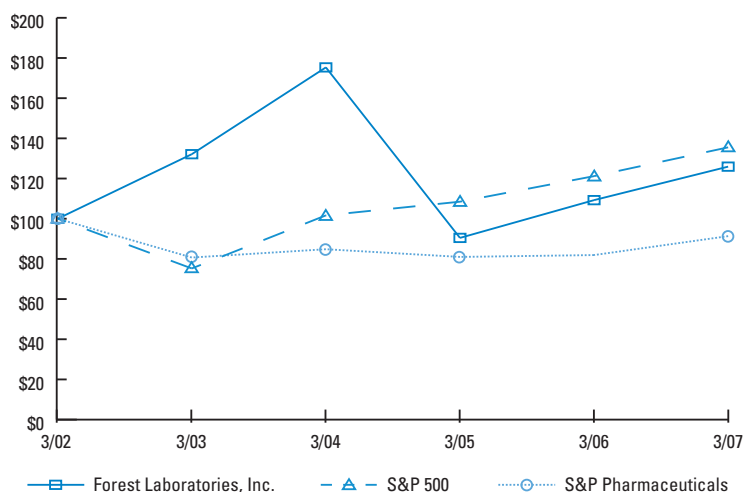
The common stock of Forest Laboratories, Inc. is traded on the New York Stock Exchange, trading symbol: FRX. The table below shows, for the eight fiscal quarters indicated, the high and low sales price of the Company's stock as reported by the New York Stock Exchange.

Quarterly Stock Market Prices

	High	Low
April – June 2005	40.76	32.46
July – September 2005	45.21	37.85
October – December 2005	42.44	34.54
January – March 2006	48.51	39.60
April – June 2006	45.01	36.18
July – September 2006	51.53	38.17
October – December 2006	54.70	46.34
January – March 2007	57.97	50.00

As of May 25, 2007 there were 1,407 stockholders of record of the Company's common stock.

Comparison of 5 Year Cumulative Total Return* Among Forest Laboratories, Inc., The S&P 500 Index And The S&P Pharmaceuticals Index



* \$100 invested on 3/31/02 in stock or index-including reinvestment of dividends. Fiscal year ending March 31.

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www.researchdatagroup.com/S&P.htm

Officers

Corporate

Howard Solomon
Chairman &
Chief Executive Officer

Lawrence S. Olanoff, M.D., Ph.D.
President &
Chief Operating Officer

Raymond Stafford
Executive Vice President -
Global Marketing

Ivan Gergel, M.D.
Senior Vice President -
Scientific Affairs

Elaine Hochberg
Senior Vice President -
Marketing

Francis I. Perier, Jr.
Senior Vice President -
Finance &
Chief Financial Officer

Bernard J. McGovern
Vice President -
Human Resources

Richard S. Overton
Vice President -
Operations & Facilities

Charles E. Triano
Vice President -
Investor Relations

Kevin Walsh
Vice President -
Information Systems &
Operations

Rita Weinberger
Vice President -
Controller

Herschel S. Weinstein
Vice President -
General Counsel

William J. Candee III
Secretary

Subsidiary—Divisions

Michael F. Baker
Executive Vice President -
Trade Sales & Development
Forest Pharmaceuticals

Sebastian P. Assenza, Ph.D.
Senior Vice President -
Pharmaceutical Research &
Development
Forest Research Institute

Gerard J. Azzari
Senior Vice President - Sales
Forest Pharmaceuticals

John Castellana, Ph.D.
Senior Vice President -
Clinical
Operations & Biometrics
Forest Research Institute

C. Douglas Glidewell
Senior Vice President -
Finance
Forest Pharmaceuticals

Terrill J. Howell
Senior Vice President -
Operations
Forest Pharmaceuticals

Jerome Lynch
Senior Vice President - Sales
Forest Pharmaceuticals

William J. Meury
Senior Vice President -
Marketing
Forest Pharmaceuticals

Neil Shusterman, M.D.
Senior Vice President -
Clinical Development
Forest Research Institute

Nancy Barnett
Vice President -
Marketing Services
Forest Pharmaceuticals

Mark A. Devlin
Vice President -
Sales Operations
Forest Pharmaceuticals

Edward Gill
Vice President -
Drug Safety & Surveillance
Forest Research Institute

Stephen Graham
Vice President -
Informatics Business
Operations
Forest Pharmaceuticals

Robert Jackson
Vice President -
Project Management &
Operations
Forest Research Institute

Raymond Kozikowski
Vice President -
Sales & Marketing Informatics
Forest Pharmaceuticals

Donald W. MacDonald
Vice President -
Managed Health Care
Operations
Forest Pharmaceuticals

Shashank Mahashabde, Ph.D.
Vice President -
Developmental Pharmaceuticals
& Clinical Packaging
Forest Research Institute

Thomas Nee
Vice President -
New Products
Forest Pharmaceuticals

Charles Ryan
Vice President & Chief-
Intellectual Property Counsel
Forest Research Institute

David F. Solomon
Vice President -
Business Development
& Planning
Forest Pharmaceuticals

Srinivas Vangala
Vice President -
Research Informatics
Forest Research Institute

Raymond Stafford
Chief Executive Officer
Forest Laboratories Europe

Kimberley Thacker
Vice President -
Medical Affairs
Forest Research Institute

Directors

Nesli Basgoz, M.D.
Associate Chief for
Clinical Affairs
Massachusetts General Hospital

William J. Candee III
Attorney in Private Practice

George S. Cohan
President
The Cohan Company
(Consultants)

Dan L. Goldwasser
Shareholder
Vedder, Price, Kaufman &
Kammholz, P.C.
(Attorneys at Law)

Kenneth E. Goodman
Private Investor &
Former President &
Chief Operating Officer
of Forest Laboratories, Inc.

Lawrence S. Olanoff, M.D., Ph.D.
Lester B. Salans, M.D.
Clinical Professor,
Mount Sinai Hospital &
Industry Consultant

Howard Solomon

Auditors

BDO Seidman, LLP
New York, New York

Transfer Agent

Address stockholder inquiries to:
Mellon Investor Services, LLC
85 Challenger Road
Ridgefield Park, NJ 07660
Telephone: 1-800-313-9450



Mixed Sources
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