Credit Suisse

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Safe Harbor

Except for the historical information contained herein, this presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Because these statements involve a number of risks and uncertainties, actual future results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to the difficulty of predicting FDA approvals, acceptance and demand for new pharmaceutical products, challenges relating to intellectual property protection, the impact of competitive products and pricing, the timely development and launch of new products and the risk factors listed from time to time in the Company's SEC reports, including the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and any subsequent SEC filings.

Strategically Focused – Commercializing the Pipeline

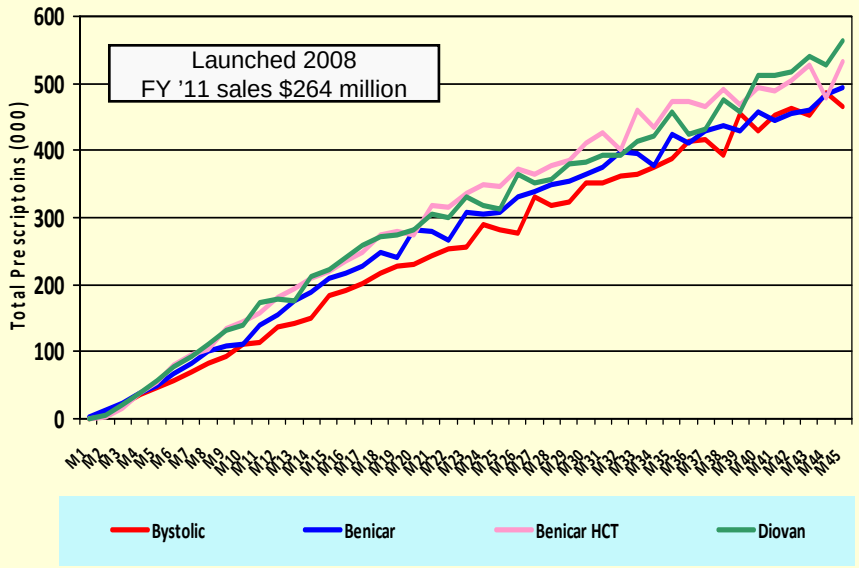
- Late stage development pipeline of nine products, the “Next Nine,” to deliver long-term sales and earnings performance beyond Lexapro and Namenda
- License or acquire promising new products from innovative companies worldwide at virtually every stage of development
- Conduct rigorous and aggressive scientific development programs for drug therapies across a wide range of therapeutic areas (CNS, Cardiovascular, GI, Anti-infective, Respiratory, Rheumatology, Endocrine)
- Execute focused marketing and sales initiatives to firmly establish our products in the marketplace
- Supporting growth of marketed products (Lexapro®, Namenda®, Bystolic®, Savella®, Teflaro®, Daliresp®, Viibryd®)

Licensing Partner of Choice

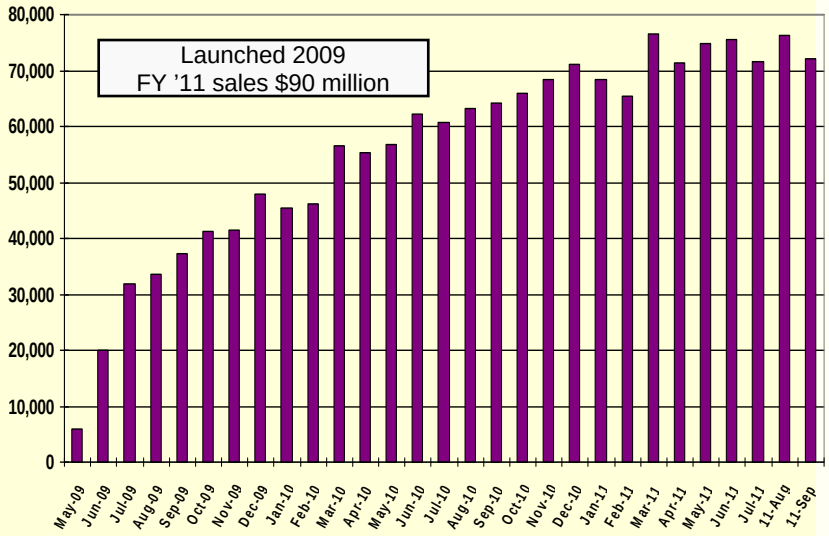
- Strong history and deep experience with all forms of licensing and partnering arrangements with 24 product licenses / acquisitions between 2004 – 2011:
  - Five products launched in four years
  - Three products launched in 2011
  - Ten products in development – six late-stage
  - One co-marketing agreement; two out-licensing agreements and five terminations
- Forest Research Institute - vertically integrated research and development organization with some 1,000 personnel
- Primary Care, Institutional and Specialty field forces of approximately 3,300 field personnel
- Track record of maximizing U.S. product potential; Lexapro®, Celexa®, Namenda®, Benicar®, Tiazac® and Aerobid®
- Financially strong and long term focused

The "Next Nine" – Two Successful Launches

Bystolic® (nebivolol) tablets



Savella® milnacipran HCl
For the management of fibromyalgia



Launch Aligned TRx

Source: IMS NGPS NPA Monthly TRx Data

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The "Next Nine" – Launching Three New FDA Approvals

- Approved by the FDA on October 29, 2010
- Broad-spectrum bactericidal cephalosporin for CABP and ABSSSI, including MRSA infections
- Hospital IV antibiotic market value of ~$3.0 billion
- Positioned as 1st line empiric use antibiotic
  - $82.00 per day
  - Institutional sales force of ~250 reps

- Approved by the FDA on February 28, 2011
- First and only PDE4 as a treatment to reduce the risk of exacerbations in patients with severe COPD associated with chronic bronchitis and a history of exacerbations
- COPD market value of ~$5.0 billion
- Scientific launch 2Q '11, full launch 3Q '11
  - $5.75 per day
  - Primary care and specialty care sales forces of ~1200 reps

- Approved by the FDA on January 21, 2011
- Selective serotonin reuptake inhibitor and a 5-HT_{1A} receptor agonist for the treatment of MDD
- MDD market with over 200 million prescriptions annually and increasing
- Scientific launch 2Q '11, full launch 3Q '11
  - $3.95 per day
  - Primary care and specialty care sales forces of ~1200 reps

The "Next Nine" – Two NDA's Calendar 2011

Aclidinium

- Novel, long-acting inhaled anticholinergic bronchodilator for the treatment of Chronic Obstructive Pulmonary Disease (COPD)
- Administered using an investigational, novel, state-of-the-art dry powder inhaler
- NDA filed as planned - in mid-2011
- ~24 million patients in U.S. with COPD - market value of ~$5.5 billion
  - ~27 million scrips annually

Linaclotide

- First in class compound for the treatment of abdominal pain and constipation for constipation predominant Irritable Bowel Syndrome (IBS-C) and Chronic Constipation (CC)
  - An agonist of the guanylate cyclase type-C (GC-C) receptor – a unique MOA that acts locally in the gut
- Phase III development program completed for both indications
- NDA filed as planned - in mid-2011
- ~45 million patients in U.S. with abdominal pain and CC - market value of ~$6 billion
  - IBS-C ~11 million patients
  - CC ~ 34 million patients

The "Next Nine" – Two NDA's Calendar 2012 - Expected

Cariprazine

- D2/D3 dopamine system stabilizer in development for the treatment of schizophrenia, bipolar mania, bipolar depression and treatment resistant depression
- Initiated Phase III program (schizophrenia and mania) in early 2010
  - Study results expected in 1Q 2011
- Bipolar depression Phase II study results announced August 30, 2010; high dose showed evidence of clinically relevant treatment effect. Additional Phase II study planned
- Treatment resistant depression study results announced February 28, 2011; high dose showed evidence of clinically relevant treatment effect. Additional Phase II study planned

Levomilnacipran

- Selective, balanced norepinephrine serotonin reuptake inhibitor in development for the treatment of depression
- Positive Phase III study reported on July 18, 2011
  - Statistically significant improvement in MADRS score achieved for levomilnacipran versus placebo for all dose groups studied (40mg, 80mg, 120mg)
- Phase III study reported on January 20, 2011
  - Overall difference in MADRS score observed for levomilnacipran versus placebo was not statistically significant
  - Levomilnacipran consistently demonstrated improvement relative to placebo over the course of the trial
- Two additional Phase III studies ongoing

Additional Development Programs

- **Cardiovascular**
- **Anti-Infective**
- **Respiratory**
- **Diabetes**
- **Pain Management**

Phase III Pipeline Programs: – Cardiovascular

Azimilide

- Asset purchase agreement with Blue Ash Therapeutics in April 2011
- Azimilide is a well-studied novel class III antiarrhythmic agent for patients with a history of life-threatening ventricular arrhythmias and who have an implantable cardioverter defibrillator (ICD)
- FDA issued an approvable letter for azimilide in 2006
- Forest will conduct the final registration trial required for approval in the US
  - A Special Protocol Assessment was previously established by FDA
  - Commencement of second Phase III clinical trial, SHIELD-2, began in November 2011

Apadenoson

- Acquired as part of the acquisition of Clinical Data, Inc. in February 2011
- Apadenoson is a coronary vasodilator in development as a pharmacological stress agent for radionuclide myocardial perfusion imaging (MPI)
  - MPI is a common diagnostic test used to assess blood flow to the heart during exercise (stress test)
- The first Phase III clinical trial, ASPECT-1, is ongoing
- Second Phase III clinical trial, ASPECT-2, began in June 2011

Phase I, II Pipeline Programs: – Anti-Infective

Ceftazidime-avibactam

- Combination of ceftazidime plus avibactam
- Ceftazidime - a third generation cephalosporin with broad activity against Gram-negative bacteria
- Combination extends ceftazidime spectrum of coverage for the most difficult to treat resistant gram negative pathogens including those caused by *Pseudomonas aeruginosa*
- Commencement of Phase III clinical program for cUTI and cIAI expected in 4Q 2011

Ceftaroline-avibactam

- Combination of ceftaroline plus avibactam
- Ceftaroline - a broad-spectrum cephalosporin with activity against both Gram-negative and Gram positive microorganisms and the only cephalosporin with MRSA activity
- Combination extends ceftaroline's broad spectrum coverage to include extended spectrum beta-lactamase (ESBL) producing Gram-negative pathogens
- Currently in Phase II clinical trials

Avibactam (formally NXL-104)

- Novel beta-lactamase inhibitor for the treatment of hospital infections
- Acquired rights to avibactam as part of AstraZeneca's acquisition of Novexel in 2009
  - full commercialization and co-development rights to the combination in the US and Canada
  - commercialization right to any other combinations involving avibactam

Phase I, II Pipeline Programs: – Respiratory

Aclidinium/Formoterol

- Aclidinium/formoterol – inhaled oral, twice-daily combination for COPD
  - Aclidinium - a long-acting muscarinic antagonist (LAMA), plus
  - Formoterol - a long-acting beta-agonist (LABA)
  - Administered using an investigational, novel, state-of-the-art dry powder inhaler
- Two Phase IIb dose ranging studies initiated in early 2010
  - Positive top-line results from both studies reported on January 4, 2011; both studies showed statistically significant (p=<0.001) differences for the fixed dose combination vs placebo
- Phase III program initiated in September 2011

LAS '977 (LABA)

- Licensed from Almirall in December 2009
- LAS 100977 – inhaled oral, once-daily long-acting beta2 agonist (LABA) for the treatment of asthma and COPD
  - Develop in combination with an undisclosed corticosteroid
  - Administered using an investigational, novel, state-of-the-art dry powder inhaler
- Early Phase II testing demonstrated fast onset and long-lasting efficacy with a very good tolerability profile
  - Additional Phase II studies in asthma and COPD began in August 2011
- Forest responsible for regulatory approval and commercialization in the US

Phase I, II Pipeline Programs: – Diabetes and Pain Management

GK1-399

- Licensed from TransTech Pharma in June 2010
- GK1-399 – oral glucokinase activator (GKA)
  - a novel class of glucose-lowering agents for the treatment of Type II diabetes
  - is functionally liver selective
- Early Phase I testing suggest that pharmacological enhancement of glucokinase activity may lower blood glucose in diabetic patients
- Forest responsible for development and commercialization costs - global rights excluding the Middle East and North Africa

GRT6005

- Licensed from Gruenenthal in December 2010
- GRT6005 – a novel first in class analgesic with potent agonist activity on ORL-1 and the mu opioid receptor for the treatment of moderate to severe chronic pain
- Completed proof-of-concept studies in nociceptive and neuropathic pain
  - further Phase II studies planned prior to initiation of Phase III studies
- Forest will have exclusive rights in the US and Canada with an option to co-promote in Europe; Grunenthal will have an option to co-promote in the US and Canada
- Development costs will be shared

Pipeline Snapshot

Compound	Target Indication	Phase
Aclidinium	COPD	NDA filed
Linaclotide	CC/IBS-C	NDA filed
Cariprazine	Schizophrenia/Bipolar Mania	Phase III – NDA projected '12
Levomilnacipran (F2695)	Major Depressive Disorder	Phase III – NDA projected '12
Aclidinium/Formoterol	COPD	Phase III
Apadenoson	Coronary Vasodilator	Phase III
Azimilide	Antiarrhythmic	Phase III

Proof of Concept

Cariprazine	MDD Adjunctive/Bipolar Depression	Phase II
Ceftazidime-avibactam	Infectious Disease	Phase II
LAS '977 (LABA)	Asthma/COPD	Phase II
GRT6005/06	Pain Management	Phase II
Ceftaroline-avibactam	Infectious Disease	Phase II
GK1-399	Diabetes	Phase I

Product Development Milestones

Accomplished – 2011

Linaclotide – NDA Filed
Occurred 3Q 2011

F2695 – second Phase III data
Occurred 3Q 2011

Ceftazidime-avibactam – Phase II data
Occurred 2Q 2011

Aclidinium – NDA filed
Occurred 2Q 2011

VIIBRYD (vilazodone) – Acquired from CLDA
Occurred 1Q 2011

DALIRESP (roflumilast) – NDA approved
Occurred 1Q 2011

Cariprazine – Phase II MDD adj. data
Occurred 1Q 2011

F2695 – first Phase III data
Occurred 1Q 2011

Aclidinium ATTAIN – Phase III data
Occurred 1Q 2011

Aclidinium/Formoterol – Phase II data
Occurred 1Q 2011

Expected – 2011/2012

Cariprazine – Four Phase III studies – 4Q 2011, 1Q 2012

F2695 – Two additional Phase III studies – 1Q 2012, 2Q 2012

Aclidinium PDUFA – 2Q 2012

Linaclotide PDUFA – 2Q 2012

Summary of Accomplishments and Pending Actions

- **Five NDA approvals from five different FDA divisions in 38 months**
  - Bystolic — December 2007 — Cardio/Renal
  - Savella — April 2009 — Anesthesiology/Rheumatology
  - Namenda XR — June 2010 — Neurology
  - Teflaro — October 2010 — Anti-infectives
  - Daliresp — February 2011 — Pulmonology/Allergy

- **Two Completed launches**
  - Bystolic 2008
  - Savella 2009
- **Three new product launches in calendar 2011**
  - Teflaro March 2011
  - Daliresp August 2011
  - Viibryd August 2011

- **Two NDA filings in calendar 2011**
  - Aclidinium
  - Linaclotide
- **Two NDA filings in calendar 2012**
  - Cariprazine
  - Levomilnacipran

Thank You