

**CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS
OF FOREST LABORATORIES, INC.**

I. Audit Committee Purpose and Responsibility

The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are, subject to the limitations as to scope set forth below in this Charter, to:

- Appoint, compensate, retain (or terminate) and oversee the work of the Company's independent auditor;
- Monitor the integrity of the Company's financial reporting process and systems of internal controls regarding finance and accounting;
- Monitor the independence and performance of the Company's independent auditors and internal auditing department;
- Provide an avenue of communication among the independent auditors, management, the internal auditing department, and the Board of Directors; and
- Receive and investigate notices of financial improprieties.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as anyone in the organization. The Audit Committee has the authority to retain, at the Company's expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties.

The Audit Committee is a part of the Board. Its primary purpose is (i) to assist the Board in fulfilling its oversight responsibilities with respect to (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent auditors' qualifications and independence, and (4) the performance of the Company's internal audit function and independent auditors and (ii) to prepare a report in accordance with the rules of the Securities and Exchange Commission ("SEC") to be included in the Company's annual proxy statement. In addition, the Audit Committee provides an avenue for communication between internal audit, the independent accountants, financial management and the Board. The Audit Committee should have a clear understanding with the independent accountants that they must maintain an open and transparent relationship with the Audit Committee, and that the ultimate accountability of the independent accountants is to the Audit Committee and the independent auditors must report directly to the Audit Committee. The Audit Committee shall make reports to the Board concerning its activities at each regular meeting of the Board.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor or to assure compliance with laws and regulations and the Company's business conduct guidelines.

The Company shall provide the Audit Committee with appropriate funding, as determined by the Audit Committee, (i) to compensate the independent auditors engaged for purposes of rendering an audit report or related work or performing other audit, review or attest services, (ii) to compensate any advisors engaged by the Audit Committee and (iii) for ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

II. Audit Committee Composition and Meetings

Audit Committee members shall meet the independence and expertise requirements of the SEC and the New York Stock Exchange ("NYSE"). The Audit Committee shall be comprised of three or more directors as determined by the Board to have satisfied these requirements; provided that the Audit Committee may be comprised of less than three members to the extent permitted by the rules of the SEC and the NYSE. No member of the Audit Committee other than in his capacity as a member of the Board of Directors or a Committee shall (1) accept any consulting, advisory or other fee from the Company or (2) be an affiliated person of the Company or any subsidiary of the Company. All members of the Audit Committee shall be financially literate as determined by the Board, i.e., they shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements. At least one member of the Committee shall have accounting related financial management expertise. No Committee member shall serve on the audit committees of more than two other public companies.

Audit Committee members shall be appointed by the Board. If an Audit Committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee membership.

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Audit Committee Chair shall prepare or approve an agenda in advance of each meeting. The Committee shall meet periodically privately in executive session with management, the director of the internal auditing department, the independent auditors, and as a committee to discuss any matters that the Committee or each of these groups believes should be discussed. In addition, the Committee, or at least its Chair, shall communicate with management and the independent auditors quarterly to review the Company's financial statements and significant findings based upon the auditors limited review procedures.

III. Audit Committee Responsibilities and Duties

Review Procedures

1. Review and reassess the adequacy of this Charter at least annually. Submit the charter to the Board of Directors for approval and have the document published as required by SEC and NYSE rules and regulations.
2. Review with management and the external auditors the results of the audit, including any difficulties encountered. This review will include any restrictions on the scope of the independent auditors' activities or on access to requested information, and any significant disagreements with management.
3. Review the Company's annual audited financial statements prior to filing or distribution. Review shall include discussion with management and independent auditors of significant issues regarding accounting principles and estimates and the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations." Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
4. In consultation with the management, the independent auditors, and the internal auditors, consider the integrity of the Company's financial reporting processes and controls. Review significant findings prepared by the independent auditors and the internal auditing department together with management's responses.
5. Review with financial management and the independent auditors the Company's quarterly financial results prior to the release of earnings or the Company's quarterly financial statements prior to filing or distribution. Discuss any significant changes to the Company's accounting principles, estimates, operating procedures, and internal controls and any items required to be communicated by the independent auditors in accordance with generally accepted auditing standards. The Chair of the Committee may represent the entire Audit Committee for purposes of this review.
6. Review disclosures made by the CEO and CFO during the Forms 10-K and 10-Q certification process about significant deficiencies in the design and operation of internal controls or any fraud that involves management or other employees who have a significant role in the Company.

Independent Auditors

7. Appoint, compensate, retain (or terminate) and oversee the independent auditors. Although the Audit Committee has the sole authority to appoint the independent auditors, the Audit Committee shall continue its practice of recommending that the Board of Directors ask the stockholders, at their annual meeting, to approve the Audit Committee's selection of the independent auditors.
8. At least annually, obtain and review a report from the independent auditors describing:

- the firm's internal accounting control procedures;
- any material issues raised by the most recent internal accounting control review, or peer review, of the firm, or by inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
- (to access the auditor's independence) all relationships between the independent auditors and the Company.

9. In the context of the Audit Committee's evaluation of the independent auditors:

- take into account the opinions of management and the internal auditor;
- engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impair the objectivity and independence of the independent auditors;
- evaluate the lead partner;
- consider whether a rotation of the independent auditors is appropriate;
- confirm that no audit partner who provides services to the Company earns or receives compensation from the independent auditors based on the audit partner procuring engagements with the Company for services or products other than audit, review or attest services; and
- present its conclusions with respect to the external auditor to the full Board.

10. In addition to approving the engagement of the independent auditors to audit the Company's consolidated financial statements, approve all use of the Company's independent auditors for non-audit services, other than prohibited non-audit services as specified in Section 10A(g) of the Securities Exchange Act of 1934, as amended. Audit and non-audit services must be approved either (a) explicitly in advance or (b) pursuant to a pre-approval policy established by the Audit Committee that is detailed as to the services that may be pre-approved, do not permit delegation of approval authority to the Corporation's management, and require management to inform the Audit Committee of each service approved and performed under the policy. Notwithstanding the foregoing, non-audit services need not be approved in advance if (i) the aggregate amount of all such non-audit services are not more than 5% of all amounts paid to the independent auditors during the fiscal year, (ii) such services were not recognized to be non-audit services at the time of the engagement and (iii) such services are promptly brought to the attention of the Audit Committee and approved prior to the completion of the audit. The Audit Committee may delegate pre-approval authority to one or more members of the Audit

Committee, but all such decisions must be presented to the full Audit Committee at its next regularly scheduled meeting.

11. Prior to releasing the year-end earnings, discuss the results of the audit with the independent auditors. In this regard, the Audit Committee shall obtain and discuss with the independent auditors reports and analyses from the independent auditors concerning: (a) all critical accounting policies and practices to be used by the Company, (b) significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of the use of the alternative disclosures and treatments, and the treatment preferred by the independent auditors, and (c) any other material written communications between the independent auditors and management. In addition, the Audit Committee shall discuss certain matters required to be communicated to audit committees in accordance with generally accepted auditing standards.

12. Ensure that the lead audit partner assigned by the Company's independent auditors to the Company, as well as the reviewing or concurring audit partner and the other audit engagement team partners shall be rotated in accordance with the rules and regulations of the SEC.

13. Establish clear hiring policies for employees and former employees of the independent auditors.

Internal Audit Department and Legal Compliance

14. Review, based upon periodic meetings with members of the internal audit department, the budget, audit plans, activities, organizational structure, and qualifications of the internal audit department, as needed.

15. Review, based upon periodic meetings with members of the internal audit department, the appointment, performance, and replacement of the senior internal audit executive.

16. Review significant reports prepared by the internal audit department together with management's responses and follow-up to these reports.

17. Evaluate any current or prospective employee who serves or would serve in a financial oversight role for compliance with the SEC rules for the Qualification of Accountants.

Other Audit Committee Responsibilities

18. Report to the Board at each regular Board meeting about Committee activities and issues that arise with respect to quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors, and the performance of the internal audit function.

19. Annually prepare a report to stockholders as and to the extent required by rules of the SEC. The report should be included in the Company's annual proxy statements to the extent required by applicable rules of the SEC.
20. Discuss with management the Company's major policy with respect to risk assessment and risk management.
21. Establish procedures for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters.
22. Evaluate the Committee's and individual members' performance at least annually.
23. Perform any other activities consistent with this Charter, the Company's by-laws, and governing law, as the Audit Committee or the Board deems necessary or appropriate.
24. Maintain minutes of meetings and periodically report to the Board of Directors on significant results of the foregoing activities. Distribute copies of minutes to each Board member.