

FOREST LABORATORIES INC  
Form DEFA14A  
August 10, 2011

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934  
(Amendment No. )**

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(Name of Registrant as Specified In Its Charter)

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**ISS Recommends Forest Shareholders Vote For Company's Entire Slate of Ten Board Nominees  
Forest Urges Shareholders to Vote For All of Forest's Director  
Nominees on the White Proxy Card**

NEW YORK, August 10, 2011 Forest Laboratories, Inc. (NYSE: FRX) ( Forest ) commented on today's report by leading proxy advisory service Institutional Shareholder Services (ISS), recommending that shareholders vote the WHITE proxy card to elect all ten of Forest's director nominees at the Company's Annual Meeting of Shareholders, which will be held on August 18, 2011.

Kenneth Goodman, Forest's Presiding Independent Director, said, "We are very pleased that ISS has recommended in favor of all of the Company's highly qualified director nominees. We believe this positive recommendation reflects the Company's strong track record of developing new products, the high caliber of our director candidates, including our three new, independent nominees, and the balance of valuable experience and new perspectives we have assembled on our slate. ISS squarely rejects the notion that Icahn's nominees will improve the Forest board, and we strongly recommend all shareholders vote on the white proxy card to support the Company's nominees.

In recommending that shareholders support the Company's entire slate of director nominees, ISS stated:

Because the dissident has not demonstrated a compelling case that change at the board level is needed, we have not recommended shareholders vote for any of the dissident nominees. (ISS Proxy Report, August 10, 2011, Page 24)

Based on the company's pipeline, its demonstrable success in bringing newer products to market and shepherding others through regulatory approval, and analysts' assessment of and financial projections for those replacement products, however, we find little evidence to support the dissident's contention that the board has made major strategic missteps in planning for the upcoming patent cliffs. (ISS Proxy Report, August 10, 2011, Page 5)

...[M]anagement has clearly taken action to offset the looming Lexapro and Namenda patent cliffs through the launch of five new products since 2008, and the planned launch of four additional products in over the next several years. (ISS Proxy Report, August 10, 2011, Page 4)

In the past three years the company has launched five new drugs as part of its Next Nine strategy to replace the revenue from products going off patent. It has another two in the new drug application ( NDA ) phase acclidinium and linaclotide. Some analysts project linaclotide as the most promising drug in the pipeline, with FY2016 sales as high as \$750 million. (ISS Proxy Report, August 10, 2011, Page 3)

The Company also commented today on the recent reports of Egan-Jones Proxy Services, which joined ISS in recommending that shareholders vote FOR ALL of the Company's director nominees, and Glass Lewis & Co., which recommended that shareholders reject three of Icahn's four nominees, thereby supporting the election of nine of the Company's ten nominees.

Mr. Goodman continued: "We are gratified that Egan-Jones, like ISS, has recommended in favor of our entire slate. However, we respectfully disagree with Glass Lewis's recommendation for Richard

Mulligan, whom we believe is clearly less qualified than the Company's nominees and has an obvious conflict of interest due to his service on the board of Biogen Idec, which actively competes with Forest for new product licensing and acquisition opportunities in the areas of cardiovascular health, neurology, and infectious diseases.

Howard Solomon, Chairman and Chief Executive Officer of Forest, added: Forest is strong and performing well and has developed one of the deepest and most promising product portfolios in the industry, including a total of nine new products which have been launched or are expected to be launched by 2013. This is a time of tremendous opportunity for Forest, and the Board and senior management team are confident that we are on the right course to deliver a highly attractive return and enduring value for our shareholders.

Forest urges shareholders to vote the WHITE card they have received from Forest and to vote FOR ALL ten of Forest's nominees to its Board of Directors. Shareholders can vote by telephone, Internet or by signing, dating and returning the Company's WHITE proxy card. Forest urges shareholders NOT to sign any gold proxy card sent to them by the Icahn Group. Even a withhold vote for Icahn's nominees on a gold proxy card will cancel any previous proxy submitted by shareholders that voted FOR ALL the Company's nominees.

If shareholders have any questions or require assistance with voting their WHITE proxy card, they can contact MacKenzie Partners, Inc., toll-free, at (800) 322-2885. Shareholders can find additional information about the Forest Annual meeting at <http://www.frx2011annualmeeting.com/>.

### **Forward Looking Information**

Except for the historical information contained herein, this document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve a number of risks and uncertainties, including the difficulty of predicting FDA approvals, the acceptance and demand for new pharmaceutical products, the impact of competitive products and pricing, the timely development and launch of new products, changes in laws and regulations affecting the healthcare industry and the risk factors listed from time to time in Forest Laboratories' Annual Reports on Form 10-K (including the Annual Report on form 10-K for the fiscal year ended March 31, 2011), Quarterly Reports on Form 10-Q, and any subsequent SEC filings.

### **Important Additional Information**

Forest Laboratories, its directors, director nominees and certain of its executive officers may be deemed to be participants in the solicitation of proxies from Forest shareholders in connection with the matters to be considered at Forest Laboratories' 2011 Annual Meeting. On July 18, 2011, Forest Laboratories filed its definitive proxy statement (as it may be amended, the Proxy Statement) with the U.S. Securities and Exchange Commission (the SEC) in connection with such solicitation of proxies from Forest shareholders. **FOREST SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE PROXY STATEMENT AND ACCOMPANYING PROXY CARD AS THEY CONTAIN IMPORTANT INFORMATION.** Detailed information regarding the identity of participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the Proxy Statement, including Appendix B thereto. Shareholders can obtain the Proxy Statement, any amendments or supplements to the Proxy Statement and other documents filed by Forest Laboratories with the SEC for no charge at the SEC's website at [www.sec.gov](http://www.sec.gov). Copies are also available at no charge at Forest Laboratories' website at [www.frx.com](http://www.frx.com) or by writing to Forest Laboratories at 909 Third Avenue, New York, New York 10022.

This document contains quotes and excerpts from certain previously published material. Consent of the author and publication has not been obtained to use the material as proxy soliciting material.

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*If you have any questions, require assistance with voting your WHITE proxy card,  
or need additional copies of the proxy materials, please contact:*

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