

DRAFT #2

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LANNETT COMPANY ANNOUNCES STOCK REPURCHASE PROGRAM

Philadelphia, PA -- January 27, 2005 -- Lannett Company, Inc. (Amex: LCI) today announced that its board of directors has authorized a stock repurchase program. The program authorizes management, at its discretion, to repurchase up to \$5 million of the company's outstanding common stock from time to time. The repurchases may be made through open market or privately negotiated transactions.

"The repurchase program reflects the board's belief that, at current prices, Lannett shares represent an attractive long-term investment for the company and its shareholders," said Arthur Bedrosian, president of Lannett.

About Lannett Company:

Lannett Company, founded in 1942, develops, manufactures, packages, markets and distributes generic pharmaceutical products for a wide range of indications. For more information, visit Lannett Company's website at www.lannett.com.

This news release contains certain statements of a forward-looking nature relating to future events or future business performance. Any such statements including, but not limited to, Lannett's shares representing an attractive long-term investment, Lannett's estimated or anticipated future financial results, future inventory levels, future competition or pricing, future levels of operating expenses, product development efforts or performance, or other non-historical facts are forward-looking and reflect Lannett's current perspective of existing trends and information. These statements involve risks and uncertainties that cannot be predicted or quantified and, consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. For other risks and uncertainties, please refer to Lannett's most recent filings with the Securities and Exchange Commission, including but not limited to: Lannett's Annual Report and Form 10-K for the year ended June 30, 2004.

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