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LANNETT COMPANY COMMENTS ON LITIGATION WITH KV PHARMACEUTICALS

Philadelphia, PA – July 25, 2008 – Lannett Company, Inc. (AMEX:LCI), a manufacturer of generic pharmaceuticals, today said that on June 6, 2008 it initiated a lawsuit against KV Pharmaceuticals, Inc. and its subsidiaries Drugtech Corporation and Ther-Rx Corporation in the U.S. District Court for the District of Delaware. Lannett seeks a declaratory judgment of patent invalidity, patent non-infringement and patent unenforceability for inequitable conduct with respect to seven patents owned by or licensed to KV or its subsidiaries and pertaining to the PrimaCare ONE® prenatal vitamin product, marketed by Ther-Rx, unfair competition, deceptive trade practices and antitrust violations. KV has filed a counterclaim against Lannett asserting, among other things, patent infringement, trademark infringement, false advertising and unfair competition.

“Patent suits are unfortunately part of the nature of our industry,” said Arthur Bedrosian, president and chief executive officer of Lannett. “We initiated the suit against KV Pharmaceuticals and its subsidiaries because one of the most valuable contributions that a generic drug company can make toward lowering health care costs is to identify and unseat those brand drugs that rely upon questionable tactics and claims of patent protection for their exclusivity. We stand behind our products and position, fully convinced we will prevail in court.”

At a hearing on June 25, 2008, KV requested, but failed to receive, a temporary restraining order against Lannett’s continued sale of its prenatal vitamin product. Nor was Lannett required, as KV had requested, to recall any of its shipped product. The court ordered, and Lannett has complied with a ruling to provide its distributors with new labels adequate to cover the Ther-Rx trademark appearing on those bottles of Lannett’s prenatal vitamin product existing in the distributors’ inventory. Lannett’s label had included Ther-Rx’s PrimaCare ONE® trademark, along with an invitation to compare Lannett’s product with PrimaCare ONE®.

Bedrosian went on to say that, with slight modifications to the label, Lannett will continue to market its prenatal vitamin product.

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 forward-looking statements, which express the current beliefs and expectations of management. Such statements are based on current expectations and involve a number of known and unknown risks and uncertainties that could cause Lannett's future results, performance or achievements to differ significantly from the results, performance or achievements expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include Lannett's ability to successfully commercialize its prenatal vitamin product, actions by the court in the litigation with KV Pharmaceuticals and its subsidiaries, successfully develop products, the impact of competition from brand name companies that sell their own generic products or successfully extend the exclusivity period of their branded products, the availability of product liability coverage in the current insurance market, the impact of pharmaceutical industry regulation and pending legislation that could affect the pharmaceutical industry, the difficulty of predicting U.S. Food and Drug Administration and other regulatory authority approvals, acceptance and demand for new pharmaceutical products and new therapies, uncertainties regarding market acceptance of innovative products newly launches, currently being sold or in development, the impact of restructuring of clients, reliance on strategic alliances, exposure to product liability claims, dependence on patent and other protections for innovative products, fluctuations in currency, exchange and interest rates, operating results and other factors that are discussed in Lannett's Annual Report on Form 10K for its fiscal year ended June 30, 2007 and its other filings with the U.S. Securities and Exchange Commission. Forward-looking statements speak only as of the date on which they are made, and the Company undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

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