

**LANNETT COMPANY, INC. AND SUBSIDIARIES**  
**CONSOLIDATED CONDENSED BALANCE SHEETS**

	(unaudited) September 30, 2007	June 30, 2007
	<u>                    </u>	<u>                    </u>
Assets:		
Current Assets:		
Cash	\$ 795,438	\$ 5,192,341
Trade accounts receivable, net	22,698,391	19,473,978
Inventories	12,993,852	14,518,484
Interest Receivable	38,671	36,260
Prepaid taxes	3,460,255	3,193,685
Deferred tax asset	1,408,652	1,258,930
Other current assets	601,360	611,512
<b>Total current assets</b>	<u>41,996,619</u>	<u>44,285,190</u>
Property and equipment, net	26,966,657	27,443,161
Investment securities-available-for-sale	3,345,558	3,320,632
Deferred tax asset	16,889,190	17,150,174
Intangible asset, net	11,700,335	12,046,502
Construction in progress	666,132	176,003
Other assets	222,439	234,438
<b>Total Assets</b>	<u><u>\$ 101,786,930</u></u>	<u><u>\$ 104,656,100</u></u>
Liabilities and Shareholders' Equity:		
Current liabilities	\$ 19,352,040	\$ 22,250,243
Long-term debt, less current portion	8,846,252	8,987,846
Deferred tax liabilities	3,282,547	3,202,835
Other long term liabilities	23,355	32,001
Shareholders' equity	70,282,736	70,183,175
<b>Total Liabilities and Shareholders' Equity</b>	<u><u>\$ 101,786,930</u></u>	<u><u>\$ 104,656,100</u></u>