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LANNETT RECEIVES PATENT APPROVAL FOR METHOD OF MANUFACTURING CERTAIN MORPHINE DERIVATIVES

-- Patented Process Significantly Enhances Manufacturing Efficiencies --

Philadelphia, PA – October 8, 2008 – Lannett Company, Inc. (AMEX:LCI), a manufacturer of generic pharmaceuticals, today announced that its wholly owned subsidiary, Cody Laboratories (Cody), a manufacturer/supplier of bulk active pharmaceutical ingredients (API), has received approval from the United States Patent and Trademark Office for its patent (US 7,399,859 B1) regarding a method for the preparation of Hydromorphone and Hydrocodone.

“Our patented method for preparing Hydromorphone and Hydrocodone will greatly enhance our ability to manufacture these products quickly and efficiently,” said Arthur Bedrosian, president and chief executive officer of Lannett. “Importantly, with minimal incremental investment, the faster manufacturing time appreciably expands our manufacturing capacity, allowing us to maximize our production assets. The approval of this patent is a testament to the hard work of our colleagues at Cody, and we are excited to reap the rewards from this new method of manufacturing these widely prescribed pharmaceuticals. As we enter the pain management market, we take seriously our responsibilities with regard to the secure manufacture and distribution of prescription narcotics.”

Hydromorphone is a centrally-acting analgesic drug of the opioid class and a derivative of Morphine. Hydrocodone is an opioid derived pain management product and the most prescribed generic drug in the United States.

Lannett Company:

Lannett Company, founded in 1942, develops, manufactures, packages, markets and distributes generic pharmaceutical products for a wide range of indications. Through its wholly owned subsidiary, Cody Laboratories, the company develops and markets active pharmaceutical ingredients (APIs), with a core competency in controlled substances. 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 manufacture and market hydromorphone and hydrocodone, 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 t he 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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