



Contacts: Robert Jaffe/Evan Pondel
PondelWilkinson Inc.
(310) 279-5980

LANNETT COMPANY ANNOUNCES POSITIVE FDA INSPECTION RESULTS

Philadelphia, PA – July 27, 2009 – Lannett Company, Inc. (NYSE Amex: LCI), a manufacturer of generic pharmaceuticals, today announced that the U.S. Food and Drug Administration (FDA) has completed its cGMP compliance inspection of Lannett’s wholly owned subsidiary Cody Laboratories, Inc. (Cody), a manufacturer/supplier of bulk active pharmaceutical ingredients (API) and finished dosage form products. The two-week long FDA inspection resulted in two minor 483 observations, neither of which prevents Cody from continuing to manufacture products.

“In light of the serious cGMP violations of other prescription drug manufacturers, we are pleased to come through the FDA’s thorough inspection with only two minor observations,” said Arthur Bedrosian, president and CEO of Lannett. “The positive inspection results are testament to the continued efforts of our employees, who are dedicated to maintaining a high level of quality and integrity in the products we manufacture. Completing the inspection is a key step in clearing the way for FDA approval of our pending application for Hydromorphone Tablets as well as future product applications.”

About Lannett Company, Inc.

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, the company’s future performance benefiting from the FDA inspection, FDA approval of Hydromorphone Tablets as well as future product applications, whether expressed or implied, are subject to risks and uncertainties which can cause actual results to differ materially from those currently anticipated due to a number of factors which include, but are not limited to, the difficulty in predicting the timing or outcome of FDA or other regulatory approvals or actions, the ability to successfully commercialize products upon approval, 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, and other risk factors discussed in the company’s Form 10-K and other documents filed with the Securities and Exchange Commission from time to time. These forward-looking statements represent the company’s judgment as of the date of this news release. The company disclaims any intent or obligation to update these forward-looking statements.

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