



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

LANNETT REPORTS FISCAL 2008 THIRD-QUARTER FINANCIAL RESULTS

Philadelphia, PA – May 15, 2008 – Lannett Company, Inc. (AMEX: LCI) today reported financial results for the fiscal 2008 third quarter and nine months ended March 31, 2008.

For the third quarter of fiscal 2008, net sales were \$16.6 million compared with \$20.3 million for the same period of the prior year. Net loss was reduced to \$1.3 million, or \$0.05 per share, from a net loss of \$6.6 million, or \$0.27 per share, for the third quarter of fiscal 2007, which included a \$7.8 million write-down of debt associated with the acquisition in April 2007 of a bulk raw materials supplier.

For the first nine months of fiscal 2008, net sales were \$51.7 million compared with \$65.2 million for the same period of the prior year. Net loss was \$2.0 million, or \$0.08 per share, versus a net loss of \$4.4 million, or \$0.18 per share, which includes the \$7.8 million write-down.

“We continue to ramp up our product offering with recent approvals from the FDA including Rifampin Capsules and Dipyridamole Tablets, as well as make positive strides integrating our bulk raw materials supplier,” said Arthur Bedrosian, president chief executive officer of Lannett. “Our focus remains on reducing our costs of operations to coincide with the delays in FDA product approvals.

“We are gratified that we received two ANDAs in the third quarter, with plans to launch them during the current quarter. We continue to develop new product alliances to enhance our product offerings and prepare to act upon market opportunities,” Bedrosian added.

For the third quarter of fiscal 2008, gross profit was \$3.9 million, compared with \$5.2 million for the same period in the prior year. Research and development expenses decreased to \$1.5 million from \$2.3 million in the comparable prior year period. SG&A expenses increased to \$4.2 million, from \$2.6 million, in the same period last year.

For the first nine months of fiscal 2008, gross profit was \$13.4 million, compared with \$17.3 million for the same period in the prior year. Research and development expenses decreased to \$3.7 million from \$5.6 million in the comparable prior year period. SG&A expenses increased to \$12.5 million, compared with \$7.7 million, in the same period last year.

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 the 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, pending ANDAs and products in various stages of development, 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.

###

FINANCIAL TABLES FOLLOW