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**CLASS ACTION LAWSUIT AGAINST LANNETT VOLUNTARILY DISMISSED
WITHOUT PREJUDICE**

Philadelphia, PA – September 30, 2014 – Lannett Company, Inc. (NYSE: LCI) today announced that the class action lawsuit filed against the company and certain officers in the United States District Court for the Eastern District of Pennsylvania, entitled *Schaefer v. Lannett Company, Inc., et al.*, has been voluntarily dismissed without prejudice by the plaintiff.

The complaint alleged that the defendants made a number of false and misleading statements involving pricing of the company's Digoxin product. The dismissal follows the company informing the plaintiff that it had reviewed the complaint and concluded that the claims asserted were without merit, frivolous and subject to sanctions pursuant to the Private Securities Litigation Reform Act and Rule 11 of the Federal Rules of Civil Litigation. The company is reviewing its options to determine whether there is a basis to seek reimbursement of the legal fees and costs incurred defending what it believes was a meritless case.

About Lannett Company, Inc.:

Lannett Company, founded in 1942, develops, manufactures, packages, markets and distributes generic pharmaceutical products for a wide range of medical 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 statement, including, but not limited to, the successful outcome of the Schaefer v. Lannett Company and similar litigation, and receiving reimbursement of legal fees, whether expressed or implied, is subject to market and other conditions, and 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 risk factors discussed in the Company's Form 10-K and other documents filed with the SEC from time to time, including the prospectus supplement related to the proposed offering to be filed with the SEC. 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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