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LANNETT COMPANY RECEIVES FDA APPROVAL FOR URSODIOL 300 MG CAPSULES

Philadelphia, PA – December 16, 2008 – Lannett Company, Inc. (AMEX: LCI), a manufacturer of generic pharmaceuticals, today announced that it has received approval from the U.S. Food and Drug Administration (FDA) of its Abbreviated New Drug Application (ANDA) for Ursodiol 300 mg Capsules, the generic equivalent of Actigall[®] marketed by Watson Pharmaceuticals. According to Wolters Kluwer, combined sales of generic and brand Ursodiol were \$128.2 million for the 12 months ending October 2008.

Ursodiol is indicated for patients with radiolucent noncalcified gallbladder stones, and for the prevention of gallstone formation in obese patients experiencing rapid weight loss.

“The approval of Ursodiol expands our product offering and adds to the significant number of product approvals Lannett has received thus far in 2008,” said Arthur Bedrosian, president and chief executive officer of Lannett. “We continue to build a robust, diversified pipeline and remain optimistic that our growth strategy will continue to pay dividends. Our accomplishments this year are the result of the hard work and dedication of our employees.”

Lannett Company:

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 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 commercialize Ursodiol Capsules, 300 mg, 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, 2008 and its other filings with the U.S. Securities and Exchange Commission. Forward looking statements speak only as of the 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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