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LANNETT ANNOUNCES POSITIVE RESULTS OF FACILITIES INSPECTION

Philadelphia, PA – March 22, 2011 – Lannett Company, Inc. (NYSE AMEX: LCI) today said that the U.S. Food and Drug Administration (FDA) recently completed an inspection of the company’s manufacturing facility in Philadelphia, Pennsylvania and Cody, Wyoming. The inspections concluded with “minor” observations, seven at the company’s facilities in Philadelphia and five at Lannett’s wholly owned subsidiary, Cody Laboratories (Cody), a manufacturer/supplier of pain management pharmaceutical products.

“While we are dedicated to manufacturing excellence, our quality assurance and quality control teams view inspections of our facilities as an opportunity to improve our processes and enhance regulatory compliance,” said Arthur Bedrosian, president and chief executive officer of Lannett. “All of the observations have been corrected or will be shortly. We believe the positive inspection clears the way for a number of our product applications currently pending at the FDA, including a New Drug Application for Morphine Sulfate Oral Solution, to be approved for marketing.”

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, 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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