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**LANNETT RECEIVES FDA APPROVAL FOR
LOXAPINE CAPSULES, 5 MG, 10 MG, 25 MG AND 50 MG**

Philadelphia, PA – September 27, 2011 – Lannett Company, Inc. (NYSE AMEX: LCI) today announced it has received approval from the U.S. Food and Drug Administration (FDA) for its Abbreviated New Drug Application (ANDA) of Loxapine Capsules, 5 mg, 10 mg, 25 mg and 50 mg, which are therapeutically equivalent to the reference listed drug, Loxitane[®] Capsules, 5 mg, 10 mg, 25 mg and 50 mg from Watson Pharmaceuticals. Retail pharmacy sales of Loxapine Capsules at Average Wholesale Price (AWP) were approximately \$22.3 million for the 12-month period ending June, 2011, according to Wolters Kluwer. Lannett expects to commence shipping the product in the next few weeks.

“We have now received five product approvals from the FDA over the last three months,” said Arthur P. Bedrosian, president and chief executive officer of Lannett. “Loxapine Capsules is an important addition to our product line-up.”

Loxapine is prescribed as an anti-psychotic.

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 successful commercialization of LOXAPINE CAPSULES, XX MG, 25 mg, 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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