Contacts: Robert Jaffe
Pondel Wilkinson Inc.
(310) 279-5980

LANNETT RECEIVES FDA APPROVAL FOR PHENTERMINE HCL CAPSULES, 37.5 MG

Philadelphia, PA – **July 20, 2011** – Lannett Company, Inc. (NYSE AMEX: LCI) today announced that it has received approval from the U.S. Food and Drug Administration (FDA) for its Abbreviated New Drug Application (ANDA) of Phentermine HCl Capsules, 37.5 mg. Phentermine HCl Capsules, 37.5 mg, is therapeutically equivalent to the reference listed drug, Adipex-P® Capsules, 37.5 mg, of Teva Pharmaceuticals USA. Sales of Phentermine HCl Capsules, 37.5 mg, at Average Wholesale Price (AWP) were approximately $8.8 million for the year ending May, 2011, according to Wolters Kluwer. Additional sales of this drug are made through bariatric centers. The company expects to commence shipping the product shortly.

"With approval of Phentermine HCl Capsules, 37.5 mg, we now offer a full portfolio, including 12 SKUs, of anti-obesity products," said Arthur P. Bedrosian, president and chief executive officer of Lannett. "This is our second drug approval within the last few days; we now have 15 ANDAs currently pending at the FDA and are optimistic that a number of them will be approved in the coming months."

Phentermine Hydrochloride (HCl) is indicated for the short-term management of obesity.

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 Phentermine HCl Capsules, 37.5 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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