

LANNETT COMPANY, INC.
FOR OCTOBER 27, 2004 RELEASE

***LANNETT COMPANY, INC. ANNOUNCES THE SIGNING OF A SUPPLY
AGREEMENT WITH ORION PHARMA***

PHILADELPHIA, PA – October 27, 2004 – LANNETT COMPANY, INC. (AMEX: LCI) is proud to announce the signing of an agreement with Orion Pharma (Orion), Finland's leading drug company, for the exclusive supply of three drug products.

Under the terms of the agreement, Orion will supply Lannett with the finished products and all laboratory documentation; and Lannett will coordinate the completion of the clinical biostudies necessary to submit Abbreviated New Drug Applications (ANDAs) to the Food and Drug Administration (FDA). Once approved, Lannett has the exclusive contractual right to market and distribute the products in the United States. Since Lannett and Orion have no control over the FDA review process, they are unable to anticipate whether or when they will be able to begin commercially shipping the products.

Arthur Bedrosian, Lannett's President, said "We are delighted to work with Orion on these projects. We have pursued opportunities with foreign and domestic manufacturers in order to expand the line of products we offer to our customers. This strategy complements our internal drug development and manufacturing by allowing us to expand our research & development initiatives to increase the number of ANDAs to be submitted to the FDA. Of course, we expect these plans to increase our future revenues and income."

Established in 1917, Orion (www.orion.fi) has evolved into the leading pharmaceutical company in Finland. With several different business divisions, Orion has increased its world-wide presence in the pharmaceutical industry with subsidiaries in 15 countries. Orion Corporation, the parent company of Orion Pharma, is listed on the Helsinki Stock Exchange.

On another positive note, Lannett was ranked third by Forbes Magazine as one of the 200 Best Small Companies in the country. The competition is based on companies' sales and income

performances over the previous five-year period, with an emphasis on the prior twelve months. “We are thrilled to be recognized by Forbes as one of the best small companies. We hope to build on our recent success as we continue to compete in the rapidly-growing generic drug industry,” said Bedrosian.

This release contains 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 develop and commercialize additional pharmaceutical products, the introduction of competitive generic 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 launched, 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, 2004 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.

Lannett Company’s common stock trades on the American Stock Exchange under the symbol “LCI.” For more information, please call Investor Relations at 215/333-9000.