



Contact: Robert Jaffe
PondelWilkinson Inc.
(310) 279-5980

**LANNETT REPORTS FISCAL 2012 FOURTH-QUARTER,
FULL-YEAR FINANCIAL RESULTS**

Philadelphia, PA – September 6, 2012 – Lannett Company, Inc. (NYSE MKT: LCI) today reported financial results for the fiscal 2012 fourth quarter and full year ended June 30, 2012.

For the fourth quarter of fiscal 2012, net sales rose 40% to \$35.7 million from \$25.5 million for the same quarter last year. Gross profit more than tripled to \$12.0 million from \$3.8 million for the fiscal 2011 fourth quarter. As a percentage of net sales, gross margin was 34% compared with 15% for the fiscal fourth quarter of last year. Research and development (R&D) expenses were \$4.0 million compared with \$3.0 million in the fiscal 2011 fourth quarter. Selling, general and administrative (SG&A) expenses were \$5.4 million, compared with \$4.2 million in the same quarter of the prior year. Operating income was \$2.6 million compared to an operating loss of \$3.4 million for the fourth quarter of fiscal 2011. Net income attributable to Lannett Company was \$1.4 million, or \$0.05 per diluted share, versus a net loss attributable to Lannett Company of \$1.9 million, or \$0.07 per share, for the comparable quarter of fiscal 2011.

“Our solid operating results in the 2012 fourth quarter were in line with expectations and continue to demonstrate the positive momentum we have generated over the last few quarters,” said Arthur Bedrosian, president and chief executive officer of Lannett. “The key drivers for the quarter were strong sales of key higher margin products, including recently approved drugs and several of our pain management products, as well as improved manufacturing efficiencies. Looking ahead, we have a healthy pipeline, with a number of drug applications pending at the FDA. We expect to increase our development activities to add breadth and diversity to our product portfolio.”

For the fiscal 2012 full year, net sales increased to \$123.0 million from \$106.8 million for the prior year. Gross profit rose to \$38.9 million from \$23.3 million for fiscal 2011. As a percentage of net sales, gross margin was 32% compared with 22% for the prior year. R&D expenses were \$11.8 million compared with \$8.6 million for fiscal 2011. SG&A expenses were \$20.2 million compared with \$15.9 million for the prior year. Operating income was \$6.9 million compared to an operating loss of \$1.2 million for fiscal 2011. Net income attributable to Lannett Company was \$3.9 million, or \$0.14 per diluted share, compared to net loss attributable to Lannett Company of \$277,000, or \$0.01 per share, for the prior year.

Conference Call Information and Forward-Looking Statements

Later today, the company will host a conference call at 4:30 p.m. ET to review its results of operations for the fiscal 2012 fourth quarter and full year ended June 30, 2012. The conference call will be available to interested parties by dialing 800-447-0521 from the U.S. or Canada, or 847-413-3238 from international locations, passcode 33207873. The conference call will also be available through a live audio Internet broadcast at www.lannett.com. A playback of the call will be archived and accessible at this site for at least three months.

Discussion during the conference call may include forward-looking statements regarding such topics as, but not limited to, the company's financial status and performance and regulatory and operational developments, and any comments the company may make about its future plans or prospects in response to questions from participants on the conference call.

About Lannett Company, Inc.:

Lannett Company, founded in 1942 and celebrating its 70th anniversary, 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, the expected product approvals, the successful commercialization of recently approved products and product applications pending at the FDA, 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.

###

FINANCIAL TABLES FOLLOW