

LANNETT COMPANY, INC.

FOR MARCH 29, 2004 RELEASE

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LANNETT[®] COMPANY, INC CLARIFIES POTENTIAL TRANSACTIONS

PHILADELPHIA, PA – March 29, 2004 – LANNETT[®] COMPANY, INC. (AMEX: LCI), today, has issued a statement to clarify matters, based upon shareholder inquiries regarding the potential transaction between its majority shareholder and Perrigo Company, Inc (Perrigo).

On February 4, 2004, William Farber, Lannett's Chairman of the Board of Directors and majority shareholder, granted an irrevocable stock option to Perrigo to purchase all of the shares he and his wife own or have the right to acquire, under stock options granted by the Company, at a price of \$14.56 per share plus contingent additional consideration. Perrigo has the right to exercise its option, and buy the stock, any time between now and August 6, 2004. Perrigo has stated that if it acquires the shares owned by Mr. and Mrs. Farber, it will make a tender offer (to the extent permitted by law), or alternatively use its commercially reasonable efforts to enter into a merger agreement or other business combination with the Company, within ninety (90) days after the date it acquires the shares owned by Mr. and Mrs. Farber, for the remainder of the outstanding shares of common stock of the Company at a total price per share no less than \$17.84 per share.

At this time, Perrigo has not exercised its option to acquire the shares owned by Mr. and Mrs. Farber. In addition, Perrigo has not extended an offer to acquire the shares owned by the minority shareholders. Lannett's Board of Directors has created a Special Committee, consisting of all of the independent members of Lannett's Board of Directors. The Special Committee was created to the look

after the best interests of the shareholders of the Company, and to evaluate any offer made to Lannett's independent shareholders by Perrigo to acquire such shares. There has been no change in Lannett's strategic plans as a result of the potential transactions. Lannett continues to aggressively seek new opportunities in the generic drug market, invest in research and development (R&D) projects and expand its operating infrastructure. Lannett's management remains committed to maximize the value of its business. As such, Lannett has continued to execute its business plans, including the purchase and renovation of its new facility, the implementation of its new Enterprise Resource Planning (ERP) system, the search for new products and distribution agreements with outside parties, and the internal R&D efforts to increase the number of applications made to the U.S. Food and Drug Administration for new generic products. Lannett's management appreciates the support that it has received from its shareholders, and remains committed to maximizing the value of the Company.

Lannett's common stock trades on the American Stock Exchange under the symbol "LCI". For more information, please call Investor Relations at 215-333-9000.

This press release contains certain statements of a forward-looking nature relating to future events or future business performance. Any such statements that refer to 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, or other non-historical facts are forward-looking and reflect Lannett's current perspective of existing trends and information. These statements involve risks and uncertainties that cannot be predicted or quantified and, consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others, the uncertainty that actual results may differ materially from the preliminary results described in this press release, rates of sale of customer inventories, the success of Lannett's product development activities and the timeliness with which regulatory authorizations and product roll-out may be achieved, market acceptance of Lannett's products and the impact of competitive products and pricing, the availability on commercially reasonable terms of raw materials and other third party sourced products, successful compliance with extensive, costly, complex and evolving governmental regulations and restrictions, exposure to product liability and other lawsuits and contingencies, and other risks and uncertainties detailed in Lannett's most recent filings with the Securities and Exchange Commission, including but not limited to: Lannett's Annual Report and Form 10-KSB for the year ended June 30, 2003.

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