



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

LANNETT PROVIDES UPDATE ON MORPHINE SULFATE NEW DRUG APPLICATION

Philadelphia, PA – February 1, 2011 – Lannett Company, Inc. (AMEX:LCI), a manufacturer of generic pharmaceuticals, today announced that it recently met with the U.S. Food and Drug Administration (FDA) to discuss the status of the company’s New Drug Application (NDA) for Morphine Sulfate Oral Solution as well as other pending product applications. At the meeting, the FDA informed the company that it intends to conduct a Pre-approval Inspection (PAI) of Lannett’s manufacturing facility as part of its review of the Morphine Sulfate NDA.

The company said its manufacturing facilities were previously inspected by the FDA in January and February 2010, and it responded to the observations within seven days. The FDA conducted a follow-up inspection in September, resulting in zero observations at Lannett’s plants in Philadelphia and a total of two minor 483 observations at its pain management products facility in Wyoming.

Arthur Bedrosian, president and chief executive officer of Lannett, said, “The FDA indicated to us that it will approve our Morphine Sulfate NDA and certain other pending product applications, subject to our manufacturing facility passing the PAI, which we expect to occur shortly.”

About Lannett Company, Inc.:

Lannett Company, a specialty pharmaceutical company founded in 1942, develops, manufactures, packages, markets and distributes generic pharmaceutical products for a wide range of indications. For more information, visit Lannett 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, Lannett’s expectations regarding the completion, timing and outcome of the FDA inspection, 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, risks and uncertainties associated with market conditions, 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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