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LANNETT PROVIDES PRODUCT DEVELOPMENT UPDATE ON THALIDOMIDE CAPSULES

--Company Completes Key Step in Process to Submit Product Application--

Philadelphia, PA – October 8, 2013 – Lannett Company, Inc. (NYSE MKT: LCI) today announced that it has successfully completed a key step in its effort to submit to the U.S. Food and Drug Administration (FDA) an Abbreviated New Drug Application (ANDA) for Thalidomide Capsules. The company believes that it continues to be on track to submit its ANDA for Thalidomide Capsules by January 2014.

As part of its product development activities for Thalidomide Capsules, Lannett commenced bio-equivalency studies in fasting and fed conditions in healthy volunteers. The company reported that the results of the study in the fasting condition, the more difficult of the two conditions, met bio-equivalency requirements and, upon successful completion of the study in the fed condition, it will begin the process of assembling and filing its ANDA for submission and review by the FDA. There can be no assurance if or when the FDA will approve the company's Thalidomide Capsules application. Using an experienced outside consulting firm, Lannett also said it has prepared a Risk Evaluation and Mitigation Strategies (REMS), an FDA requirement to ensure that the benefits of its Thalidomide product outweigh the risks.

Sales of Thalidomide Capsules at Average Wholesale Price (AWP) were approximately $66 million for the second quarter 2013, according to Celgene's website. Distribution of Thalidomide is controlled by the FDA because of the drug's toxicity and risk of severe, life threatening human birth defects.

About Lannett Company, Inc.:
Lannett Company, founded in 1942, develops, manufactures, packages, markets and distributes generic pharmaceutical products for a wide range of medical 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 statement, including, but not limited to, successfully completing bio-equivalency studies, submitting an ANDA to the FDA by January 2014 and successfully commercializing Thalidomide Capsules, whether expressed or implied, is subject to market and other conditions, and 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 risk factors discussed in the Company's Form 10-K and other documents filed with the SEC from time to time, including the prospectus supplement related to the proposed offering to be filed with the SEC. 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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