

**LANNETT COMPANY, INC. AND SUBSIDIARIES**  
**CONSOLIDATED CONDENSED BALANCE SHEETS**

	(unaudited) March 31, 2007	June 30, 2006
	<u>                    </u>	<u>                    </u>
Assets:		
Current Assets:		
Cash	\$ 4,316,849	\$ 468,359
Trade accounts receivable, net	29,057,307	24,921,671
Inventories	13,058,531	11,476,503
Prepaid taxes	2,846,023	3,212,511
Other current assets	1,934,823	1,946,631
Deferred tax asset	1,461,172	1,461,172
<b>Total current assets</b>	<u>52,674,705</u>	<u>43,486,847</u>
Property and equipment, net	20,847,240	19,645,549
Investment securities-available-for-sale	3,780,094	5,621,609
Note Receivable	10,509,736	3,182,498
Deferred tax asset	16,169,695	18,070,674
Intangible asset, net	12,492,668	13,831,168
Construction in progress	746,700	1,955,508
Other assets	231,832	198,211
<b>Total Assets</b>	<u><u>\$ 117,452,670</u></u>	<u><u>\$ 105,992,064</u></u>
Liabilities and Shareholders' Equity:		
Current liabilities	\$ 28,084,652	\$ 20,040,608
Long-term debt, less current portion	7,193,145	7,649,806
Deferred income taxes and other liabilities	2,545,734	2,545,734
Shareholders' equity	79,629,139	75,755,916
<b>Total Liabilities and Shareholders' Equity</b>	<u><u>\$ 117,452,670</u></u>	<u><u>\$ 105,992,064</u></u>