

Perrigo Company Responds to Lannett Announcement

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Perrigo Company (NASDAQ: PRGO) said today that Lannett Company, Inc. (AMEX: LCI) announced it has signed a supply agreement with Jerome Stevens Pharmaceuticals, Inc. (JSP) for the exclusive distribution rights in the United States to Lannett's current line of JSP products. In exchange for the exclusive distribution rights, Lannett will grant JSP four million shares of Lannett common stock.

Perrigo previously announced it had acquired an irrevocable option to purchase a controlling interest in Lannett, a manufacturer of generic pharmaceuticals.

David T. Gibbons, Perrigo Chairman, President and Chief Executive Officer, stated, "After obtaining the option, Perrigo learned of the ongoing negotiations between Lannett and JSP regarding the supply of various products. We slowed our ongoing due diligence of Lannett pending completion of those contractual negotiations. With a contract now in place, Perrigo will move forward with due diligence. It will include a review of the financial and strategic implications of the contract and the impact of the issuance of the four million shares of Lannett common stock on our option.

"Given the reduction in the percentage of Lannett common stock owned by the majority shareholders, we are discussing alternative terms with the majority shareholders while continuing to retain our option."

Perrigo Company is the nation's largest manufacturer of over-the-counter (non-prescription) pharmaceutical and nutritional products sold by supermarket, drug, and mass merchandise chains under their own labels. The Company's products include over-the-counter pharmaceuticals such as analgesics, cough and cold remedies, gastrointestinal, and feminine hygiene products, and nutritional products, such as vitamins, nutritional supplements and nutritional drinks. Visit Perrigo on the Internet (www.perrigo.com).

Note: Certain statements in this press release are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor created thereby. These statements relate to future events or the Company's future financial performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company or its industry to be materially different from those expressed or implied by any forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential" or other comparable terminology. Please see the "Cautionary Note Regarding Forward-Looking Statements" on pages 25 - 30 of the Company's Form 10-K for the year ended June 28, 2003 for a discussion of certain important factors that relate to forward-looking statements contained in this press release. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SOURCE: Perrigo Company

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