

**Lifeway Foods, Inc.**  
For Immediate Release

## **Lifeway Foods Launches Starfruit, New “Kefir Boutique” Cafe Selling Frozen Kefir & Kefir Smoothies**

**Morton Grove, IL, March 27, 2008** – Lifeway Foods, Inc. (NASDAQ: LWAY), the country’s leading manufacturer of kefir and a provider of other natural and organic dairy products, is opening its first “kefir boutique” cafe with the April launch of Starfruit in Chicago. The shop will offer several flavors of frozen kefir with over 20 toppings as well as customized kefir parfaits, and smoothie-style kefir drinks.

The new retail concept will debut at 1745 W. Division Street in the trendy Wicker Park neighborhood and serve as a prototype for possible future Starfruit locations. The expansion into retailing provides a new sales channel for Lifeway’s products, coincides with the resurgence in the frozen yogurt category and offers an opportunity for Lifeway to promote the health benefits of its kefir products beyond grocery shelves.

Those benefits include 10 live and active probiotic cultures that have been shown in various studies to enhance the immune system, fight fatigue, promote gastrointestinal health, aid in vitamin and mineral absorption, and ease lactose intolerance. Yogurt has a similar taste and texture to kefir but many of these frozen yogurt style shops do not use a real live and active product and contain only two or three of these cultures if any.

“Starfruit will capitalize on the renewed popularity of frozen yogurt shops while offering a healthier alternative with all the probiotic benefits of kefir,” said Julie Smolyansky, President and CEO of Lifeway Foods Inc. “We have been pioneering leaders in the field of probiotics and kefir. This leadership will translate into the quality of the Starfruit product line. This is a promising diversification that will leverage our leadership in the kefir market, familiarize a whole new group of consumers with kefir as well as teach existing customers new ways to consume kefir, and provide a potentially very lucrative new revenue stream. We anticipate the grand opening will be on April 15, when customers can take their mind off of their taxes by getting a free treat”

For more information visit [www.starfruitcafe.com](http://www.starfruitcafe.com) or call 877-281-3874.

### **About Lifeway Foods**

Lifeway is America’s leading supplier of the cultured dairy product known as kefir and the country’s only supplier of organic kefir. The company was recently named Fortune Small Business’ 94<sup>th</sup> Fastest Growing Small Business and is one of only 20 companies named to the list for three consecutive years, Lifeway’s kefir products include regular and organic kefir, a soy-based version called SoyTreat, a new Indian variety known as Lifeway Lassi, organic whole milk kefir, and a children’s line of organic kefir products called ProBugs™ packaged in a no-spill pouch. Lifeway also produces the La Fruta line of drinkable yogurt marketed in US Hispanic communities, a variety of cheese products and It’s Pudding! organic pudding.