



Lifeway Foods Announces Preliminary First Quarter Sales Results

First Quarter of 2013 Net Sales Increase 27% to \$24.7 million

Morton Grove, IL — April 17, 2013 — Lifeway Foods, Inc., (Nasdaq: LWAY), a leading supplier of cultured dairy products known as kefir and organic kefir, today announced preliminary sales results for the first quarter ended March 31, 2013.

First quarter of 2013 gross sales increased approximately 27% to \$27.4 million compared to \$21.6 million in the same period last year. Total consolidated net sales increased approximately 27% to \$24.7 million during the three-month period ended March 31, 2013 from \$19.4 million during the same three-month period in 2012. The record sales increase was due to new retail distribution expansion, product additions and increased sales to existing retail customers.

“We are extremely pleased with our ability to start 2013 off strong with a record sales performance in the first quarter,” said Julie Smolyansky, CEO of Lifeway Foods, Inc. “Our team has done an excellent job increasing distribution of Lifeway’s kefir products and building our brand awareness with consumers seeking high-protein and low-fat foods with the benefit of probiotic cultures.”

Lifeway will report full first quarter of 2013 financial results on Wednesday, May 15, 2013 after market close. The Company will host a conference call to discuss these results with additional comments and details at 4:30 p.m. ET. The call will be broadcast live over the Internet hosted at the Investor Relations section of Lifeway Foods’ website at www.lifeway.net, and will be archived online through May 29, 2013. In addition, listeners may dial 877-407-3982 in North America, and international listeners may dial 201-493-6780. Participants from the Company will be Julie Smolyansky, President and Chief Executive Officer, and Edward Smolyansky, Chief Financial Officer and Chief Operating Officer.

About Lifeway Foods

Lifeway Foods, Inc. (Nasdaq: LWAY), recently named one of Fortune Small Business' Fastest Growing Companies for the fifth consecutive year, is America's leading supplier of the cultured dairy products known as kefir and organic kefir. Lifeway Kefir is a dairy beverage that contains 10 exclusive live and active probiotic cultures plus ProBoost™. In addition to its line of Kefir products, the company produces a variety of Frozen Kefir and probiotic cheese products. Lifeway also sells frozen kefir, kefir smoothies and kefir parfaits through its Starfruit™ retail stores.

Find Lifeway Foods, Inc. on Facebook: www.facebook.com/lifewaykefir

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Forward Looking Statements

This news release contains forward-looking statements. Investors are cautioned that actual results may differ materially from such forward-looking statements. Forward-looking statements involve risks and uncertainties including, but not limited to, competitive pressures and other important factors detailed in the Company's reports filed with the Securities and Exchange Commission.

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