



## **Lifeway Foods, Inc. Declares Annual Dividend**

MORTON GROVE, IL, May 3, 2012 -- Lifeway Foods, Inc., (Nasdaq: LWAY), a leading supplier of cultured dairy products known as kefir and organic kefir, today announcement that its Board of Directors declared an annual cash dividend of \$0.07 per common share. The dividend is payable on June 29, 2012 to shareholders of record as of the close of business on May 30, 2012. As of March 31, 2012, there were 16,390,417 common shares outstanding.

“Our business continues to grow at double-digit levels and going forward we will consistently make investments to support our future growth opportunities,” said Julie Smolyansky, Chief Executive Officer of Lifeway Foods. “We believe this dividend reflects our confidence in the strength of our business model, strength of operating cash flows and our commitment to enhancing value for shareholders.”

### **About Lifeway Foods, Inc.**

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. For more information, visit <http://www.lifewaykefir.com> or follow Lifeway Foods on Facebook ([www.facebook.com/lifewaykefir](http://www.facebook.com/lifewaykefir)); Twitter (<http://twitter.com/lifewaykefir>); Pinterest (<http://pinterest.com/lifewaykefir>); Flickr ([http://www.flickr.com/photos/Lifeway\\_Kefir](http://www.flickr.com/photos/Lifeway_Kefir)) or YouTube (<http://www.youtube.com/user/lifewaykefir>).

### **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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