

Lifeway Foods Reports Record 3rd Quarter 2009 Revenues

- **Total sales for the 3rd quarter 2009 rose 37% to \$15,375,000, up from \$11,240,000 in 2008**

Morton Grove, IL—October 5, 2009- (Nasdaq: LWAY), Lifeway Foods makers of the nutritious, probiotic dairy beverage called Kefir, announced today for the third quarter ended September 30, 2009, total consolidated sales increased 37% to \$15,375,000 from \$11,240,000 during the same period a year ago. The company's existing lines grew 17% to approximately \$13,175,000 and the recently acquired Freshmade Dairy recorded revenues of approximately \$2,200,000 during the third quarter 2009.

Julie Smolyansky, CEO, commented "We are extremely pleased at the record results of our third quarter 2009. We are particularly encouraged that the growth of our existing brands was almost entirely same store, organic growth. The awareness of our Kefir continues to grow everyday, and we are confident our 3rd quarter momentum will continue into the 4th quarter as we will be rolling out several new products, and expanding into new distribution channels such as convenience stores. In particular, next week we will begin shipments of our special holiday inspired Kefir, Cranberry Crème Brule to retailers throughout the nation. This special holiday flavor, which will only be available for a limited time, marks the first time Lifeway has ever introduced a limited production run flavor for the holiday season."

About Lifeway Foods

Lifeway, recently named Fortune Small Business' 49th Fastest Growing Small Business, is America's leading supplier of the cultured dairy product known as kefir. Lifeway Kefir is a dairy beverage that contains Lifeway's exclusive 10 Live and Active probiotic cultures. While most regular yogurt only contains two or three of these "friendly" cultures, Lifeway kefir products offer more nutritional benefits. Lifeway offers 12 different flavors of its Kefir beverage, Organic Kefir and SoyTreat (a soy based kefir). Lifeway recently introduced a series of innovative new products such as pomegranate kefir, Greek-style kefir, a children's line of organic kefir products called ProBugs (TM) in a no-spill pouch in kid-friendly flavors like Orange Creamy Crawler and Sublime Slime Lime, and a line of organic whole milk kefir. Lifeway also produces a line of products marketed in US Hispanic communities, called La Fruta, Drinkable Yogurt (yogurt drinks distinct from kefir). In addition to its line of Kefir products, the company produces a variety of cheese products and recently introduced a line of organic pudding called It's Pudding!

For more information, contact Lifeway Foods, Inc. at (877) 281-3874 or e-mail at info@lifeway.net and visit <http://www.lifeway.net>.

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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.