

Lifeway Foods, Inc. For Immediate Release

- **Lifeway Foods Announces Stock Repurchase**
- **2006 4th Qtr and Full Year Sales Results To Be Released January 8, 2006**

MORTON GROVE, IL December 15, 2006- Lifeway Foods, Inc. (Nasdaq: LWAY) announced today that its board of directors has authorized a stock repurchase program of up to 75,000 shares. Under such a program, Lifeway Foods may repurchase up to 75,000 shares of the Company's Common Stock through the open market within a period of one year from the date of the first purchase. The Company will use its available cash resources to fund the stock repurchase program.

Edward Smolyansky, CFO commented, "We have recently completed the repurchase program announced back in March 2006, and I am very pleased that our board of directors has approved this stock repurchase program. Given the current market conditions and our strong operating cash flow and cash reserves, we believe that repurchasing Lifeway stock is a prudent investment which demonstrates our commitment to growth and to enhancing long term shareholder value."

About Lifeway Foods

Lifeway, recently named Fortune Small Business' 94th Fastest Growing Small Business, and one of only 20 companies to ever be named to the list three straight years in a row, is America's leading supplier of the cultured dairy product known as kefir, and now America's only supplier of Organic 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 Julie Smolyansky at Lifeway Foods, Inc. at (847) 967-1010 or e-mail at info@lifeway.net and visit <http://www.lifeway.net>.

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.