

Lifeway Foods Reports Record 2nd Quarter 2007 Sales

Thursday July 5, 9:00 am ET

- Total consolidated sales for the 2nd quarter 2007 rose 53% to \$9,715,000 from \$6,367,000 in 2006.

- Lifeway Sales for 2nd Quarter 2007 Rose 30% to \$8,282,000 from 2006.

- Helios Brand Kefir line records 2nd quarter revenues of \$1,200,000.

- Pride of Main Street fluid milk line records 2nd Quarter revenues of approximately \$237,000.

MORTON GROVE, Ill., July 5 /PRNewswire-FirstCall/ -- Lifeway Foods, Inc., (Nasdaq: [LWAY](#) - [News](#)), makers of a nutritious, probiotic dairy beverage called kefir, announced today for the first quarter ended June 30, 2007, total consolidated sales increased 53% to approximately \$9,715,000 from \$6,367,000 during the same period a year ago. This increase in sales was driven by another strong sales increase of Lifeway's kefir line of 30% and the remainder coming from the sales of the Helios kefir line and Pride of Main Street's milk line. The Helios brand Kefir line, which had sales of approximately \$1.2 million in the second quarter 2007, grew about 10% from the same quarter in 2006. This was also the highest quarter for revenues for the Helios line in its history. Julie Smolyansky, Lifeway's CEO, commented, "The second quarter 2007 was another outstanding quarter for Lifeway Foods. Both of our main brands, the Lifeway and Helios kefir lines, had their best quarters in terms of revenues ever. In addition, Lifeway Kefir has hit the shelves in Mexico for the first time ever this week, in a variety of new, upscale supermarkets, through a distributor in Texas. While this is by no means our largest account, it is an important first step into an important market. Our Kids Kefir, Probugs(TM) also had its best quarterly revenue ever as well."

About Lifeway Foods

Lifeway, recently named Fortune Small Business' 97th Fastest Growing Small Business, and one of only 4 companies to ever be named to the list four 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.

