

Lifeway Foods, Inc.

For Immediate Release

Lifeway Foods Rings NASDAQ Closing Bell

Morton Grove, Illinois, January 3, 2005 -- Lifeway Foods, Inc. (Nasdaq: [LWAY - News](#)), the nation's leading kefir manufacturer, today announced that Julie Smolyansky, Lifeway's President and CEO, and Edward Smolyansky, CFO will preside over the closing bell ceremony of the NASDAQ stock market on January 4, 2006. The second trading day of the year, Lifeway will celebrate America's most popular New Years Resolution, a healthy and active start to a new year.

Toasting to 20 years of celebrating new years resolutions, Lifeway will commemorate the New Year and celebrate the company's 20-year anniversary of providing nutritious and delicious functional dairy foods to healthy eaters. Lifeway manufactures a variety of all-natural products including Kefir, a "yogurty," smoothie like beverage that contains 10 Live and Active probiotic cultures, which promote digestive health and help maintain a strong immune system. A great source of calcium, protein and vitamins, Lifeway Kefir is perfect for those looking to stay in shape this year, and many years to follow. Recent studies have also shown that the calcium in Lifeway Kefir may help establish healthy weight loss and even anti-aging expert, Dr. Perricone, considers Lifeway Kefir to be a SuperFood in his best selling books "The Perricone Promise" and "The Perricone Weight Loss Diet."

"A wonderful milestone for Lifeway Foods, we are thrilled to be celebrating 20 years of making kefir and other dairy products that are enjoyed for their great nutritional value and delicious taste," exclaimed Julie Smolyansky, Lifeway's President & CEO. Smolyansky also added, "Celebrating the New Year by ringing the NASDAQ closing bell is a fantastic way for Lifeway to start fresh in the new year - full of possibilities and growth opportunities."

Lifeway, named as Forbes' 38th best small business and Fortune Small Business' 47th Fastest Growing Small Business, is America's leading supplier of the cultured dairy product known as kefir. Kefir is a milk-based beverage that contains ten types of "friendly," active probiotic cultures. While most yogurts only contain two or three of these cultures, Lifeway kefir products offer more nutritional benefits. Lifeway now offers 13 different flavors of its Kefir beverage, Organic Kefir and SoyTreat (a soy based 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 also produces a variety of cheese products and recently introduced an organic line of pudding called "It's Pudding!"

For more information, contact 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.