

Lifeway Foods Reports Record 1st Quarter 2010 Revenues

- **Total consolidated sales for the 1st quarter 2010 rose 16% to \$15,995,000 from \$13,736,000 in 2009.**

Morton Grove, IL—April 7, 2010 - (Nasdaq: LWAY), Lifeway Foods makers of a nutritious, probiotic dairy beverage called kefir, announced today for the first quarter ended March 31, 2010, total consolidated sales increased 16 % to approximately \$15,995,000 from \$13,736,000 during the same period a year ago.

Edward Smolyansky, CFO commented, "We are extremely pleased with our first quarter 2010 revenue results. We continue to grow our SKU's offerings at our existing customers while at the same time adding new grocery and retail accounts and opening up new revenue channels such as convenience stores. As is our historical norm, the first two weeks of the year we shipped approximately half of what we averaged for the remaining 11 weeks of the quarter, and for those remaining 11 weeks, we averaged \$1.350 million in revenue. This increase in weekly shipments is extremely encouraging as we look to continue our growth in 2010."

About Lifeway Foods

Lifeway Foods, Inc., recently named one of Fortune Small Business' Fastest Growing Companies for the 4th consecutive year, is America's leading supplier of the cultured dairy product known as Kefir, and America's sole supplier of Organic Kefir. Lifeway Kefir is a dairy beverage that contains 10 exclusive live and active probiotic cultures. While most regular yogurt contains only two or three of these "friendly" cultures, Lifeway Kefir products offer even more nutritional benefits. Lifeway produces 12 different flavors of its drinkable Kefir and Organic Kefir beverage, and recently introduced a series of innovative new products such as a children's line of Organic Kefir products called ProBugs (TM) with a no-spill pouch and kid-friendly flavors like Orange Creamy Crawler, Goo Berry Pie, and Sublime Slime Lime. In addition to its line of Kefir products, the company produces a variety of probiotic cheese products, and a line of products marketed in US Hispanic communities called La Fruta Drinkable Yogurt (yogurt drinks distinct from Kefir). Lifeway also sells frozen kefir and kefir smoothies through its Starfruit retail stores.

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.