



Lifeway Foods Announces Retail Expansion

Morton Grove, IL — May 18, 2011—Lifeway Foods, Inc., (Nasdaq: LWAY), a leading supplier of kefir cultured dairy products, today announced an agreement nearly tripling distribution of its kefir line in Target stores. Availability in Target will increase from 170 to 453 locations, along with the addition of three flavors of 8-oz. Lifeway Kefir four-packs to Target's offerings. The new offerings were available to consumers beginning the first week of May.

The distribution expansion covers multiple flavors and sizes of Lifeway Kefir, a probiotic drink similar to drinkable yogurt that is high in calcium and protein and low in fat and calories, as well as Lifeway ProBugs, children's line of Organic Kefir with a no-spill pouch and kid-friendly flavors like Goo Berry Pie. The company plans increased marketing and advertising support.

"The broader availability of Lifeway Kefir speaks to its growing popularity among consumers and the recognition of the need to offer healthy alternatives," said Julie Smolyansky, Lifeway's President and Chief Executive Officer. "This is a strong indication that distribution of our kefir products will continue to expand to new and existing customers.

Lifeway's line of kefir products provides a low-fat, low-calorie, high-protein food option that allows consumers to feel fuller longer. All Lifeway products are made from non-GMO, non-hormone milk from grass-fed cows. The plain varieties have no-added-sugar, while the flavored kefir beverages are made with cane juice and less sugar than most other cultured dairy products.

About Lifeway Foods

Lifeway Foods, Inc. (LWAY), recently named one of Fortune Small Business' Fastest Growing Companies for the fifth consecutive year, is America's leading supplier of the cultured dairy products known as kefir and organic kefir. Lifeway Kefir is a dairy beverage that contains 10 exclusive live and active probiotic cultures plus ProBoost™. In addition to its line of Kefir products, the company produces a variety of Frozen Kefir and probiotic cheese products. Lifeway also sells frozen kefir, kefir smoothies and kefir parfaits through its Starfruit™ retail stores. For more information, visit <http://www.lifewaykefir.com> or follow Lifeway Foods on Facebook (www.facebook.com/lifewaykefir); Twitter (<http://twitter.com/lifewaykefir>); Pinterest (<http://pinterest.com/lifewaykefir>); Flickr (http://www.flickr.com/photos/Lifeway_Kefir) or YouTube (<http://www.youtube.com/user/lifewaykefir>).

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