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Lifeway Opens Fourth Starfruit™ Café with Groupon Kickoff Promotion

CHICAGO, IL (May 20, 2010) – Lifeway Foods, makers of the nutritious probiotic beverage Kefir, officially cut the ribbon on its newest Starfruit™ Café today with a grand-opening Groupon kickoff promotion inviting customers to enjoy \$20 worth of frozen kefir treats for just \$10. The newest “kefir boutique,” the franchise’s fourth cafe, is located in the Merchandise Mart and offers ten unique flavors of frozen kefir and more than 20 toppings, allowing customers to create their own customized kefir parfaits and smoothie-style kefir drinks.

The Groupon promotion, which allows Groupon members to collectively buy into dramatic discount deals, saw a total of 7,678 \$20 Starfruit Cosmic Cards (gift cards) purchased at just \$10 apiece. The company expects many of those to be redeemed at the new Merchandise Mart store as area residents get their first taste of Starfruit™ treats at the newest local café.

Starfruit™ frozen treats are made with Lifeway Kefir, a substance that contains 10 live and active probiotic cultures that act as healthy bacteria. The new Starfruit™ Café will feature Lifeway’s new Green Kefir with Phytoboost™, a cultured milk smoothie with all of the immunity-boosting benefits of probiotic-rich Kefir and more. Available in Kiwi Passion Fruit and Pomegranate Acai Blueberry, Green Kefir with Phytoboost includes phytonutrients that deliver the disease-fighting antioxidant power of 10 green vegetables plus green tea extract in a single serving.

Signature smoothies include the Breakfast Blast to help start the day off right with a nutritious blend of almonds, granola, banana and whey protein swirled with frozen vanilla kefir. The Diva, another Starfruit™ Café favorite, starts with a frozen blend of pomegranate and vanilla kefir with blueberry, mango, banana and flaxseed.

As the fourth Starfruit™ location in the Chicagoland area, the new Merchandise Mart café will act as another direct-to-consumer channel for Lifeway’s flagship Kefir products. Starfruit™ Café currently has locations in the Loop at Block 37, Lincoln Park and Wicker Park, its first store.

Starfruit™ Café is located in Suite #238 at the Merchandise Mart, 222 Merchandise Plaza in Chicago. For more information, visit www.starfruitcafe.com, call 312-527-3674 or join the Starfruit™ and kefir conversation at twitter.com/starfruitcafe, facebook.com/starfruitcafe, twitter.com/lifeway_kefir and facebook.com/lifewaykefir.

About Lifeway Foods

Lifeway Foods, Inc. (LWAY), recently named one of Fortune Small Business' Fastest Growing Companies for the fourth consecutive year, is America's leading supplier of the cultured dairy product, known as Kefir, and 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. 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.

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