



**Lifeway Foods Pays Tribute to Its Founder, Michael Smolyansky**  
***Russian Immigrant Built Multimillion-Dollar Health Food Company***  
***Company Achieves Milestone of \$2.0 Million in Weekly Sales***

**MORTON GROVE, IL – June 9, 2012** – Lifeway Foods, Inc., (NASDAQ: LWAY), a leading supplier of cultured dairy products kefir and organic kefir, pays tribute today to Company founder Michael Smolyansky. Mr. Smolyansky started the multimillion-dollar health food Company based on kefir, a favorite childhood drink.

“It is with bittersweet memories and a heavy heart that I recall the last decade of my life and the history of Lifeway Foods,” said Julie Smolyansky, President and CEO of Lifeway Foods Inc. “Ten years ago, on June 9, 2002, I experienced one of the most tragic days of my life when my father, Lifeway Foods founder Michael Smolyansky, passed away unexpectedly. Michael loved life – in particular, life in America. This country opened its arms to my family in 1976 when we immigrated from what was then the Soviet Union. In return, my father embraced all this country had to offer. He dearly believed in its values – values not offered in his homeland – such as freedom of speech, freedom of the press, civil liberties, capitalism and the possibility of achieving the American Dream.”

An engineer with extensive dairy operations experience in his native Kiev, Mr. Smolyansky and his wife, Mrs. Ludmila Smolyansky, arrived in the U.S. with less than \$100. They were one of 48 Soviet Jewish families allowed to relocate to Chicago following the Helsinki Accords.

“Once he settled in Chicago, he opened his heart and door to thousands of new Russian immigrants as the Cold War ended,” said Julie Smolyansky. “He became an expert in explaining the ways of American life and offering support and advice to anyone who asked. To this day, complete strangers still thank me with tears in their eyes for the help my father offered them in a strange foreign land. He was generous with his time and money, supporting causes that resonated with him such as Jewish Vocational Services and the Anti-Defamation League.”

Michael Smolyansky was first hired as a draftsman at a Chicago engineering firm but also pursued other creative ventures to generate income for his family. He soon spotted an opportunity in the local influx of immigrants who were homesick for their native countries. Mr. Smolyansky saved enough money to open a Russian delicatessen, which he built into a distribution network specializing in Eastern European foods. Years later, at a food show in Germany, Mr. Smolyansky was re-introduced to kefir, a creamy drink from his childhood. At the time, Kefir was not available in the U.S., so he decided to make it himself and sell it through his food distribution network.

“An engineer by trade, my father especially loved to construct and create,” said Julie Smolyansky. “He built Lifeway Foods from the ground up and took it public in 1988 – the first immigrant from the Soviet Union to ever do so. He spent hours in the local public library researching the stock market – at that point, he was still unfamiliar with terms like IPO. He grew Lifeway Foods from a local niche product producer

to a leading national supplier.”

Four years after the company began a phase of rapid growth, Michael Smolyansky passed away. His tradition of entrepreneurship lived on in his children and family.

“It is with great honor and humility that the Lifeway Foods team, including myself and my brother, CFO Edward Smolyansky, carry on my father’s mission,” said Julie Smolyansky.

“My father instilled the love of education and exploration in me,” said Edward Smolyansky, recalling how his father inspired him. “While he had formal schooling in mechanical engineering, he was also a self-made man, and he ventured out of his comfort zone time and time again, from leaving his native country to risking it all for his own entrepreneurial aspirations or even going public on NASDAQ. He simply knew how to get the information he needed to navigate life or business. He also taught me to look around the corner, to keep exploring and discovering new ideas and places. These are some of the key teachings I recall when I think about my father.”

“My father inspired me to succeed,” said Julie Smolyansky. “Acknowledging the glass ceiling that still existed, he made a massive effort to point out strong female role models to me: everyone from my own mother, Ludmila Smolyansky, who opened her own small business in the 1970s, to Congresswomen like Jan Shakowsky and other female CEOs.

“He was passionate about current events, news and politics. I would have loved to have been able to spend just one night talking to my dad about the historic events that have transpired since his departure: the advent of iPhones, iPads, Facebook and Twitter, the inauguration of America's first black President, the removal of dictators and terrorists around the world, and the endorsement of marriage equality by the leader of the free world. These are moments I am sure my father would have loved to have seen.

“More than anything, I know that he would have been delighted by the arrival of his two granddaughters, Leah and Misha. Michael's legacy will remain with us through my little girls as well as through his now-famous Lifeway Kefir, available in tens of thousands of stores nationwide.

“The last four years of the recession have been difficult for many people. Now that the recovery process is underway, I know my father would have been inspired and excited to see America rebuild in a time of growth and transformation. I believe he would have been especially proud to see Lifeway Foods surpass \$2 million in weekly sales, a milestone for our company. We expect 2012 to be another record year of sales and profitability. If there is any doubt that the American Dream exists, Michael Smolyansky is an example that it absolutely does. Rest in Peace, Dad,” concludes Julie Smolyansky.

Lifeway Foods’ continues to thrive, launching new product lines, expanding into new markets and forming new partnerships. The ongoing success of the company is a fitting tribute to Michael Smolyansky, a man who lived the American Dream.

Learn more about Lifeway Foods at <http://www.lifeway.net/>.

### **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.

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