

Lifeway Foods Brings Kefir to Canada, Debuting in 1,000+ Stores Nationwide

Second International Expansion in 14 Months for Leading Probiotic Beverage Manufacturer

MORTON GROVE, Ill., July 29, 2014 -- Lifeway Foods, Inc. (NASDAQ: [LWAY](#)) today announced an expansion of its flagship line of probiotic kefir into Canada, where the smoothie-like cultured dairy beverage debuts this week in more than 1,000 stores across the country. Lifeway's entry into the Canadian market marks the company's second international expansion in 14 months, following the 2013 introduction of its frozen kefir products in the UK.

Effective immediately, Lifeway Kefir will be carried in mass market chains, drugstores and health food stores throughout Canada in 946 mL bottles and available in plain, strawberry, blueberry and peach flavors. Each serving is rich in protein and calcium, low in fat, both gluten and GMO-free, and produced with milk from cows that are not treated with antibiotics or artificial growth hormones. Lifeway's exclusive formula also contains 12 live and active probiotic cultures, delivering a higher probiotic count than most yogurts.

These features as well as a diversified family of kefir-based products have made Lifeway the largest kefir manufacturer in the U.S. with a commanding market share and a 20%+ annual growth rate.

"The probiotics market has been experiencing steady global growth, with the largest increase coming from the probiotics foods and beverages segment. As the U.S. category leader in the kefir space with over 92% market share, we have benefited from that growth and are now in a position to build our presence in the global marketplace," said Lifeway Foods CEO Julie Smolyansky. "Entering the UK and now Canada are the first steps in a plan to duplicate our success in the U.S. in other markets around the world."

According to the latest analysis by Transparency Market Research, global sales of probiotic products will jump from \$11.6 billion in 2012 to \$15.9 billion in 2019 as rising health consciousness, increasing interest in functional foods, an aging population and new probiotic product introductions in all categories continue to alter eating habits. Probiotic dairy products accounted for almost 80% of all probiotic foodstuffs in 2011 and are expected to continue to command the highest market share, creating substantial growth potential for Lifeway kefir products.

About Lifeway Foods, Inc.

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. Lifeway Kefir is a dairy beverage that contains 12 exclusive live and active probiotic cultures. 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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Forward Looking Statements

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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