Lifeway Foods Launches Kefir in Ireland

#1 Selling Kefir from U.S. Makes Drinkable Debut in European Union

Morton Grove, IL—October 17, 2016: Lifeway Foods, Inc. (Nasdaq: LWAY) is ready to bring its top-selling line of kefir cultured milk smoothies to Ireland in four of the most popular flavors. The unique recipe and fermentation process that helped make Lifeway's drinkable kefir so successful in the US will soon be available throughout Ireland. The kefir will be made with local, GMO-free ingredients including milk from cows grass-fed on small family-run farms near Cork. The access to high quality ingredients led to Lifeway's decision to manufacture their European line in Ireland.

Lifeway Kefir will be making its debut in many popular retailers with promotions and product demonstrations running throughout November. The launch includes mango, blueberry, strawberry and original varieties sold in 500 ml bottles. Each serving has 10 live and active cultures, as little as 41 kcal, less than 1 gram of fat, and no gluten, additives, preservatives, or artificial sweeteners.

Lifeway's expanding footprint in Ireland taps into the ongoing rise of consumer demand for probiotic products. A recent <u>report</u> by Allied Market Research projects a surge in the global probiotics market to USD \$57.4 billion by 2022, with food and beverages accounting for 4/5th of the total. The report cited probiotic health benefits such as immune system enhancement and consumer interest in functional foods as major growth drivers. Other benefits attributed to probiotics in various studies include digestive health, improved lactose tolerance, weight control, and most recently mood elevation.

Lifeway's new distribution in Ireland demonstrates market traction among European consumers, strengthening the company's ability to pursue opportunities in other EU countries. Lifeway products are currently available throughout the United States and on a small, but growing basis in Canada, Latin America and the United Kingdom. The recent expansion into other markets is part of a broad strategy to establish international category leadership that reflects Lifeway's position in the United States.

"The appetite for healthy foods is growing globally, and we're strong advocates of empowering consumers with access to as many nutritious options as possible," said Julie Smolyansky, President and CEO of Lifeway Foods. "We're evaluating options to ramp up distribution of our drinkable kefir in Europe and are excited for the opportunity to offer health-conscious Irish consumers a first taste."

About Lifeway Foods, Inc.

Lifeway Foods, Inc. (LWAY), recently named one of Forbes' Best Small Companies, is America's leading supplier of the probiotic fermented beverage known as kefir. In addition to its line of drinkable kefir, the company also produces frozen kefir, specialty cheeses and a ProBugs line for kids. Lifeway's tart and tangy cultured dairy products are now sold across the United States, Canada, Latin America and the United Kingdom. Learn how Lifeway is good for more than just you at Lifewaykefir.com.

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Forward Looking Statements

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