



**For Immediate Release:**  
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**Contact:**  
Dawn M. Robért, Investor Relations  
Galaxy Nutritional Foods Co.  
(407) 854-0433

**GALAXY NUTRITIONAL FOODS RETAINS  
RJ FALKNER & COMPANY AS INVESTOR RELATIONS  
COUNSEL**

ORLANDO, Florida (October 21, 2004) -- Galaxy Nutritional Foods, Inc. (AMEX: GXY), the leading producer of nutritious plant-based dairy alternatives for retail and foodservice markets, today announced that it has retained RJ Falkner & Company to develop and implement an investor relations program for the Company.

RJ Falkner & Company, Inc. is an investment research and financial communications firm that seeks out what it believes are undervalued small-cap companies with the potential to outperform the overall market on an intermediate- and long-term basis. Its research analysts work with the managements of such companies to broaden the companies' exposure within the investment community and expand the level of interest among brokers, money managers and high-net-worth individual investors. RJ Falkner & Company, Inc. has offices in Texas and Colorado. Its website address is [www.rjfalkner.com](http://www.rjfalkner.com).

“We selected RJ Falkner & Company as our investor relations firm because of the relationships that its research analysts have developed within the investment community during the past 35 years and because of its expertise in shareholder communications,” stated Michael E. Broll, Chief Executive Officer of Galaxy Nutritional Foods, Inc.

“We are excited to be selected to provide a full range of investor relations services to Galaxy Nutritional Foods,” commented R. Jerry Falkner, CFA, President of RJ Falkner & Company, Inc. “As the leading provider of nutritious dairy alternatives for grocery stores and restaurants, and in light of rising public interest in healthy diets throughout America, we believe Galaxy is well-positioned for significant growth in sales and profitability during the next several years.”

The agreement between Galaxy and RJ Falkner & Company is for assistance in investor relations, press release development, the preparation of independent analyses and research reports, and other related services of benefit to Galaxy Nutritional Foods, Inc. Any forecasts, projections and/or conclusions contained in the research reports published

by RJ Falkner & Company will be independently prepared by RJ Falkner & Company, unless otherwise stated, and will not be endorsed by the management of Galaxy Nutritional Foods, Inc.

**About Galaxy Nutritional Foods, Inc.**

Galaxy Nutritional Foods, Inc. is the leading producer of great tasting, health-promoting plant-based dairy and dairy-related alternatives for the retail and foodservice markets. Its low- and no-fat products have no cholesterol or lactose, are growth hormone- and antibiotic-free and have more calcium, vitamins and minerals than conventional dairy products. Galaxy's products are part of the nutritional or functional foods category, the fastest-growing segment of the retail food market. For more information, please visit the Company's website at <http://www.galaxyfoods.com>.

Galaxy Nutritional Foods, Inc. is headquartered in Orlando, Florida and its common stock is listed on The American Stock Exchange under the symbol "GXY".

*This press release includes statements that may constitute "forward-looking" statements, usually containing the words "believe," "estimate," "project," "intend," "expect" or similar expressions. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and the Company undertakes no obligation to update these statements for revisions or changes after the date of this release.*