

**P R E S S R E L E A S E**

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GALAXY FOODS COMPANY ANNOUNCES 45% INCREASE IN NET SALES AND 242% INCREASE IN NET INCOME FOR FISCAL 1999

ORLANDO, FLORIDA (June 21, 1999) - Galaxy Foods Company (NASDAQ: GALX) today reported preliminary results for its fiscal year ended March 31, 1999. The Company reported net sales of \$29,790,025, which represents a 45% increase over sales of \$20,552,782 for the fiscal year ended March 31, 1998. In addition, the Company reported strong growth in gross profit percentages for the year. Gross margin as a percentage of net sales was 35% for the year ended March 31, 1999, as compared to 26% for the year ended March 31, 1998. Finally, the Company announced net income before taxes of \$1,351,367 and net income of \$1,291,367. The income figures represent growth of 258% and 242%, respectively over income of \$377,523 reported for fiscal 1998.

The large increase in sales, margins and profits is the result of the continued growth in brand loyalty for the Company's flagship brands of product in the retail market as well as the introduction of new and improved products for these lines during fiscal 1999. The Company has focused its efforts on the reduction of variable costs of production and sales to continue the current trend in margins and profits. The Company expects to file its form 10-K for the fiscal year ended March 31, 1999 on or about June 25, 1999.

Galaxy's President and CEO, Angelo Morini, commented, "We are very pleased with the results of our fiscal year ended March 31, 1999, particularly the strong growth in sales. We feel that consumers are becoming increasingly aware of the benefits of a diet rich in plant-based foods, such as our popular "Veggie" line of products. These trends should continue throughout the next several years as the benefits of soy-based foods become globally known. We are currently through the majority of our first quarter in fiscal 2000 and expect to release a record quarter for sales sometime during July 1999. The future looks very bright for Galaxy Foods and I am optimistic about the continuing upward trend in sales and profits for the Company."

Galaxy Foods Company is the leading producer of health-promoting dairy and dairy-related alternatives for the retail, foodservice and industrial markets. These plant-based products, which are low or no fat (no saturated fat), have no cholesterol and no lactose and contain more vitamins and minerals than conventional dairy products, are part of the nutraceutical or functional food category, the fastest growing segment of the retail food market. The Company also markets conventional dairy products for all three channels of distribution. Galaxy brand names include Veggie Slices, Veggie Milk, formägg, Soyco, Soyimage, Wholesome Valley, and Lite Bakery. For more information, contact Tracy Rushwin at (407) 855-5500, extension 105. You may also obtain more information from Galaxy's web site at www.galaxyfoods.com.
