

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

Press Page

July 15, 1999
Orlando, FL

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GALAXY FOODS EXPANDS SHIPPING & WAREHOUSE CAPABILITIES

ORLANDO, FLORIDA (July 15, 1999) - Galaxy Foods Company (NASDAQ: GALX), makers of healthy cheese and dairy-related products, today signed a five year lease for a new shipping and warehousing facility, formerly leased by Ameriserve, one of the largest foodservice distributors in the nation. This 58,000 square foot facility, ideally situated three blocks from Galaxy's headquarters, will be used for the storage of Galaxy's raw materials and finished goods and serve as distribution center for all Galaxy customer shipments. Additionally, Galaxy is relocating its accounting and purchasing operations into the 3,300 square feet of administrative office space at this site.

The warehouse consists of 35,000 square feet of refrigerated storage space and 20,000 square feet of dry storage space. Galaxy previously utilized a 25,000 square foot off-site dry warehouse facility used solely for the storage of raw materials. With the rapidly increasing expansion of production and inventory, Galaxy plans to consolidate raw material and finished goods inventory into this new warehouse. The union of these inventory items will enable Galaxy's plant management to review line layouts and easily accommodate production increases. In addition, Galaxy's centralized shipping and receiving operation will have a 16 loading dock capacity as opposed to the 3 loading docks currently used. Presently, there is no need to hire additional personnel for the new warehouse, which will be managed and operated by current Galaxy employees.

Angelo S. Morini, Galaxy's president and CEO stated, " The addition of this warehouse and distribution center will be much more cost effective for Galaxy; enabling us to plan properly for anticipated rapid growth while streamlining our operations. It also affords us a better opportunity to evaluate our current production capabilities and outline the path for our future".

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, Soymage, 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.