

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

Press Page

October 28, 1999
Orlando, FL

Contact: Tracy Rushwin
(407) 855-5500, extension 105

GALAXY FOODS ANNOUNCES SALES INCREASE OF 39% AND EARNINGS PER SHARE IMPROVEMENT OF 60% IN SECOND FISCAL QUARTER

ORLANDO, FLORIDA (October 28, 1999) - Galaxy Foods Company (AMEX: GXY) is pleased to report that sales for its second fiscal quarter ended September 30, 1999 rose 39% to \$10,521,630 compared to \$7,583,838 in the like period for the previous year. Driven by strength in gross margins, net income rose to \$784,720. Gross margins for the quarter increased to 36% as compared to 31% for the same quarter last year. This resulted in a spurt in earnings per share to \$0.08, a 60% improvement over last year's EPS of \$0.05.

Were it not for the effects of Hurricane Floyd, which adversely impacted this year's second quarter results, the Company's sales and earnings would have been greater than reported. Nevertheless, per share earnings of \$0.15 for the half exceeded the \$0.14 EPS recorded for the entire 1999 fiscal year.

The Company continues to increase sales, as mass-market acceptance of soy-based dairy alternatives has become a mega-trend in the retail industry. Consumers now understand the importance of a diet low in fat and high in nutritious foods from the plant kingdom. In addition to increasing sales, the Company has improved efficiencies through longer production runs, automated systems and savings on bulk rate material purchases. The Company expects to file its form 10-Q for the quarter ended September 30, 1999 on or about November 12, 1999.

Galaxy's President and CEO, Angelo Morini, commented, "We are excited about the continued growth in the Company's sales and bottom line profits. Our growth is the result of many years of hard work and a gradual process of educating the public about the benefits of dairy and meat alternatives. This month, the FDA released a health claim stating a diet rich in soy products can reduce the risk of heart disease. Our Veggie line of products is made from soy and helps consumers fill their daily requirement of soy protein. We are expanding our Veggie line to include such items as Veggie shreds and yogurts, not to mention the introduction of new flavors of our popular slices."

Galaxy Foods Company is a leading producer of health-promoting soy, oat, and rice based products plus 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.