

**P R E S S   R E L E A S E**

Press Page

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**ORLANDO, FLORIDA** (August 4, 2000) - Galaxy Foods Company (AMEX:GXY)

## **Galaxy Foods Company Expands Working Capital Facility With FINOVA Capital Corporation to \$13 Million to Fund Sales Growth**

Galaxy Foods Company (AMEX: GXY), a leading producer of nutritional, health-promoting dairy and dairy related alternatives for the retail, foodservice and industrial markets, today announced that it has expanded its existing credit facility with FINOVA Capital Corporation to \$13 million under a three-year working capital facility agreement, floating at 10 basis points below the prime interest rate.

Galaxy Foods will also reduce the interest rate on its existing \$3.9 million subordinated debt facility with FINOVA Mezzanine Capital, Inc. from 13.5% to 11.5%, saving the Company approximately \$80,000 in debt service on this facility annually. Galaxy Foods expects the new facility to fund its working capital needs to support its growth up to \$100 million in sales.

Frank Monzo, V.P. & Portfolio Manager of FINOVA's Corporate Finance division, said: "Galaxy is an industry leader in the healthy food sector with an impressive, growing product line, unique proprietary manufacturing methods and a management team focused on quality and growth. FINOVA is pleased to support the Company's next phase of growth with this facility."

Keith A. Ewing, Chief Financial Officer of Galaxy Foods, stated, "In line with our business plan, Galaxy is implementing programs to eliminate production capacity constraints, expand brand recognition, and enhance product distribution. Our agreement with FINOVA will allow Galaxy to continue to grow and develop our business at terms that are favorable to the Company."

### **About Galaxy Foods**

Galaxy Foods Company is a leading producer of health-promoting dairy and dairy related alternatives for the retail, foodservice and industrial markets. The Company's plant-based products are low or no fat (no saturated fat), have no cholesterol and no lactose and contain more vitamins and minerals than conventional dairy products. Galaxy products, available at health food stores and grocers, are part of the nutritional or functional food category, the fastest growing segment of the retail food market. Galaxy brand names include Veggie Milk™, Veggie Slices™, formägg®, Soyco®, Soymage®, Wholesome Valley™, and Lite Bakery®. For more information, please visit the Company's Web site at [www.galaxyfoods.com](http://www.galaxyfoods.com).

### **About FINOVA**

The FINOVA Group Inc. (NYSE:FNV), through its principal operating subsidiary, FINOVA Capital Corporation, is one of the largest and most successful financial services companies in the U.S. primarily

focused on providing a broad range of capital solutions to midsize business. Headquartered in Scottsdale, AZ, with business development offices throughout the U.S. and in London, U.K., and Toronto, Canada, FINOVA offers a variety of financing accommodations through 18 business units, each with specific industry or product expertise.

This press release contains ``forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties, or other factors which may cause actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on those forward-looking statements which speak only as of the date hereof. The company undertakes no obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect unanticipated events or developments.