

**P R E S S   R E L E A S E**

Press Page

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**Orlando, FL**

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**GALAXY NUTRITIONAL FOODS REVISES FISCAL 2001 THIRD QUARTER NET SALES ESTIMATES**

*- Equipment Delay Requires Sales Force to Work Within Production Capacity Constraints -*

**ORLANDO, Florida (December 6, 2000)** – Galaxy Nutritional Foods Company (AMEX: GXY), a leading producer of delicious and nutritious health-promoting dairy and dairy related alternatives for the retail, foodservice and industrial markets, today announced that it is revising net sales expectations for the fiscal third quarter ending December 31, 2000 to approximately \$13.1 million from \$14.1 million. The revised net sales estimate relates to an unforeseen delay by the supplier of the Company's new cheese slicing equipment, which Galaxy expected to have installed in late calendar 2000. The installation of the equipment is now underway and Galaxy expects its increased capacity to be available in early calendar 2001. In the three months ended December 31, 1999, Galaxy reported net sales of \$10.1 million.

Keith Ewing, Galaxy's Chief Financial Officer, commented, "The manufacturing equipment that produces our most popular product, the Veggie line of individually wrapped cheese slices, is currently operating at full capacity. Due to the unexpected delay in the installation of the new machines we are experiencing production volume constraints. Under the circumstances, we are instructing our sales force to be conservative in generating new orders so that we do not disappoint our customers. We anticipate that the new equipment will be up and running in early 2001. Depending on when the new lines are up and running, we anticipate that net sales in the fourth quarter of this fiscal year will be between \$14.5 million and \$15.5 million."

**About Galaxy Nutritional Foods, Inc.**

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®, Soyimage®, Wholesome Valley™, and Lite Bakery®. For more information, please visit the

Company's web site at [www.galaxyfoods.com](http://www.galaxyfoods.com).

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.