

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

Press Page

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GALAXY NUTRITIONAL FOODS
POSTS THIRD QUARTER 2002 NET PROFIT

ORLANDO, Florida (February 14, 2002) - Galaxy Nutritional Foods (AMEX:GXY), a leading producer of nutritious plant-based dairy alternatives for the retail and foodservice markets, announced results for its third quarter ended December 31, 2001. The Company reported a net profit before preferred stock dividends of \$149,994 versus a loss of \$2,486,808 for the comparable quarter one year ago. After deducting preferred stock dividends from the Company's net income, the loss per common share for the quarter was \$(0.02) versus a loss of \$(0.27). Operating income for the quarter ended December 31, 2001 was \$985,938 compared to an operating loss of \$1,450,002 for the same period one year ago.

Net Sales for the quarter were \$10,400,300 compared to net sales of \$11,258,310, a decrease of 8%. For the nine months, net sales were \$33,596,411 compared to \$34,729,293 for the same period one year ago, a decrease of 3%. However, the Company's gross profit improved to 29% in the third quarter compared to 16% in the second quarter of fiscal 2002.

Earnings results were positively affected by several factors including a decrease in non-cash compensation related to stock loans and warrants, increased efficiencies of new production equipment, significant savings from manufacturing restructuring initiatives and strengthened internal controls. Management expects that revenues will steadily increase as these efficiency goals and control factors will enable the Company to reinforce its position as a leading producer of dairy alternatives.

Angelo S. Morini, Galaxy's Chairman, President and CEO, stated, "during the past year, there has been a sharp increase in the demand for our products. In anticipation of this growth, we invested millions of dollars in purchasing new, state of the art production equipment for an additional six production lines to meet this demand and much more. These new lines enable us to produce new products, increase the production capacity of existing products as well as improve quality. Unfortunately, the installation of the equipment was significantly delayed due to late shipments by equipment manufacturers and unanticipated internal problems with machine configurations. In the past few months, most of this new equipment has become fully operational."

"Since we were forced to operate for many months with limited production capacity during a time of increased demand", Morini continued, "we experienced excess overhead costs and downtime during the first six months of fiscal 2002, which resulted in increased costs and reduced cash flows. This also affected our purchasing ability and our sales growth, which was maintained near prior year levels. Had we had the six

new production lines ready to meet demand, we believe our sales growth and our earnings would have grown significantly. Naturally, we are very pleased to report a profit for the third quarter and expect that with the increased efficiencies and capacity of the new production equipment we are starting to generate, significant savings from manufacturing restructuring initiatives and strengthened internal controls, our recovery and growth will be strong," Morini concluded.

A conference call with management will be at 10:00 AM ET this morning. All shareholders and interested parties are invited to call toll free in the United States 1-888-209-1261. All international callers should dial 1-706-679-5328. The call will be simultaneously web-cast at the following event page URL: <http://www.videonewswire.com/event.asp?id+2853>.

Individuals who do not have access to call or listen on the Internet will be able to get a digitally recorded version by calling toll free, Feb 14. - Feb. 28, in the United States 1-800-642-1687 and using the Conference ID# 2994595 or international callers may dial 1-706-645-9291 with the same ID#. Transcripts will be available on our web-site: www.galaxyfoods.com.

About Galaxy Nutritional Foods™, Inc.

Galaxy Nutritional Foods™ is the leading producer of health-promoting plant-based dairy and dairy-related alternatives for the retail and foodservice markets. These phytonutrient- enriched products, made from nature's best grains - soy, rice and oats - are low and no fat (no saturated fat and no trans-fatty acids), have no cholesterol, no lactose, are growth hormone and antibiotic free and have more calcium, vitamins and minerals than conventional dairy products. Because they are made with plant proteins, they are more environmentally friendly and economically efficient than dairy products derived solely from animal proteins. Galaxy's products are part of the nutritional or functional foods category, the fastest growing segment of the retail food market. Galaxy brand names include: Galaxy Nutritional Foods™, Veggie™, Nature's Alternative™, Veggie Lite Bakery™, Veggie Café™, Soyco®, Soymage®, Wholesome Valley®, Lite Bakery®, and formägg®. For more information, please visit Galaxy's website at 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.

Interest expense	(876,472)	(283,981)	(2,201,982)	(897,620)
Other income (expense)	40,528	33,604	44,422	48,592
Total	<u>(835,944)</u>	<u>(250,377)</u>	<u>(2,157,560)</u>	<u>(849,028)</u>
Net Income (Loss) Before Income Tax Benefit	149,994	(1,700,379)	(7,108,700)	(1,254,574)
Income Tax Benefit	—	—	—	240,000
Income (Loss) Before Cumulative Effect Of Change in Accounting Policy	149,994	(1,700,379)	(7,108,700)	(1,014,574)
Cumulative Effect of Change in Accounting Policy	—	(786,429)	—	(786,429)
NET INCOME (LOSS)	149,994	(2,486,808)	(7,108,700)	(1,801,003)
Preferred Stock Dividends	331,647	—	1,533,538	—
Net Income (Loss) Available to Common Shareholders	\$ (181,653)	\$ (2,486,808)	\$ (8,642,238)	\$ (1,801,003)
Basic and Diluted Net Earnings (Loss) Per Common Share Before Cumulative Effect Of Change in Accounting Policy	\$ (0.02)	\$ (0.18)	\$ (0.84)	\$ (0.11)
Cumulative Effect of Change in Accounting Policy	0.00	(0.09)	0.00	(0.09)
Basic and Diluted Net Earnings (Loss) * Common Share	\$ (0.02)	\$ (0.27)	\$ (0.84)	\$ (0.20)
Weighted Average Shares Outstanding - Basic and Diluted	10,750,790	9,211,102	10,273,538	9,185,734