

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

Press Page

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**GALAXY NUTRITIONAL FOODS RECEIVES INITIAL ORDER
FROM SUMITOMO CORPORATION**

*- Galaxy Increases 2003 Sales Forecast for Japan Based On
Strong Reception at Food Ex Tokyo Expo -*

ORLANDO, Florida (March 25, 2002) - ORLANDO, Florida (March 22, 2002) - Galaxy Nutritional Foods (AMEX:GXY), a leading producer of nutritious plant-based dairy alternatives for the retail and foodservice markets, announced that it received an initial order from Sumitomo Corporation, one of Japan's leading trading houses. In addition, based on an overwhelming response last week from leading Japanese food retailers and distributors at the Food Ex Tokyo Expo, the largest food show in Asia and second largest food show in the world, the Company believes sales to this market will exceed its initial estimate of \$2 million for fiscal year 2003. The Company currently believes sales will now be in excess of \$6 million in the Japanese market in 2003.

At the show, Galaxy and Sumitomo worked in tandem to bring a new level of awareness to Galaxy's products in the Japanese market. Booth traffic was extremely heavy at the Galaxy booth as Japanese food retailers and distributors received information about distribution and sampled Veggie products in an effort to learn more about one of the most innovative and exciting new products to hit the food market in Japan.

"The overwhelming conclusion at the Tokyo Expo from interested retailers and distributors was that Galaxy's Veggie Brand Dairy Alternatives will be the only choice for Japanese consumers looking for the quality, selection, and taste desired in this market. With leading partners such as Sumitomo, we are confident we can quickly penetrate the Japanese market," commented Angelo Morini, Galaxy's chairman and president. "In addition, we continue to believe the opportunity in the Japanese market is substantial due to consumer demand for alternatives to dairy products that provide the benefits of phytonutrient rich (more nutritious) Veggie Brand Dairy Alternatives, including being lactose-free, saturated fat-free, cholesterol free and significantly lower in calories." The Food Ex Tokyo Expo is the premier annual event of the Asian Food Market with more than 90,000 attendees, including distributors and retailers from the region.

About Sumitomo Corporation

Sumitomo Corporation, one of Japan's leading trading houses, with consolidated company sales of 10 trillion yen, is an Integrated Business Enterprise with a solid platform in a diversified business sector. One of Sumitomo's business strategies has been to focus on developing a customer-focused direct business, where it has grown its expertise in retail to the extent it now operates a variety of businesses in this area. These are represented by operation of Summit, a supermarket chain launched in the early 1960s, and operations of Eddie Bauer and Coach brand stores. In addition, the company has been involved in developing a number of related businesses including drugstores, a mail order business, and coffee shop chain.

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.