

S&W SEED COMPANY
(A NEVADA CORPORATION)
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended	
	September 30,	
	2014	2013
Revenue	\$ 8,164,234	\$ 12,378,586
Cost of revenue	<u>6,850,442</u>	<u>10,071,006</u>
Gross profit	1,313,792	2,307,580
Operating expenses		
Selling, general and administrative expenses	1,788,425	1,594,203
Research and development expenses	223,359	233,639
Depreciation and amortization	<u>319,759</u>	<u>314,454</u>
Total operating expenses	<u>2,331,543</u>	<u>2,142,296</u>
Income (loss) from operations	(1,017,751)	165,284
Other expense		
Foreign currency (gain) loss	47,741	(33,985)
Interest expense, net	<u>246,650</u>	<u>136,998</u>
Income (loss) before income tax expense (benefit)	(1,312,142)	62,271
Income tax expense (benefit)	<u>(437,827)</u>	<u>21,062</u>
Net income (loss)	<u>\$ (874,315)</u>	<u>\$ 41,209</u>
Net income (loss) per common share:		
Basic	<u>\$ (0.08)</u>	<u>\$ 0.00</u>
Diluted	<u>\$ (0.08)</u>	<u>\$ 0.00</u>
Weighted average number of common shares outstanding:		
Basic	<u>11,625,115</u>	<u>11,563,452</u>
Diluted	<u>11,625,115</u>	<u>11,854,685</u>



TABLE A

S&W SEED COMPANY
(A NEVADA CORPORATION)
ITEMIZED RECONCILIATION BETWEEN NET INCOME (LOSS) AND NON-GAAP ADJUSTED EBITDA

	Three Months Ended	
	September 30,	
	2014	2013
Net income (loss)	\$ (874,315)	\$ 41,209
Depreciation and amortization	319,759	314,454
Non-cash stock based compensation	219,012	215,026
Foreign currency (gain) loss	47,741	(33,985)
Interest expense, net	246,650	136,998
Income tax expense (benefit)	(437,827)	21,062
Non-GAAP Adjusted EBITDA	<u>\$ (478,980)</u>	<u>\$ 694,764</u>



S&W SEED COMPANY
(A NEVADA CORPORATION)
CONSOLIDATED BALANCE SHEETS
(unaudited)

	<u>September 30,</u> <u>2014</u>	<u>June 30,</u> <u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,314,780	\$ 1,167,503
Accounts receivable, net	21,492,373	24,255,596
Inventories, net	29,050,403	28,485,584
Prepaid expenses and other current assets	384,131	230,907
Deferred tax asset	1,293,747	1,300,665
TOTAL CURRENT ASSETS	<u>54,535,434</u>	<u>55,440,255</u>
Property, plant and equipment, net of accumulated depreciation	10,400,311	10,356,809
Goodwill	4,678,818	4,939,462
Other intangibles, net	13,633,946	14,590,771
Crop production costs, net	2,671,114	1,952,100
Deferred tax asset - long term	1,960,042	1,666,488
Other asset - long term	359,507	354,524
TOTAL ASSETS	<u>\$ 88,239,172</u>	<u>\$ 89,300,409</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 13,439,282	\$ 15,026,669
Accounts payable - related parties	2,526,426	1,053,874
Accrued expenses and other current liabilities	462,697	818,730
Working capital lines of credit	17,334,726	15,888,640
Foreign exchange contract liability	65,768	-
Current portion of long-term debt	212,606	267,764
TOTAL CURRENT LIABILITIES	<u>34,041,505</u>	<u>33,055,677</u>
Non-compete payment obligation, less current portion	150,000	150,000
Other non-current liabilities	21,722	21,108
Deferred tax liability - non-current	98,892	106,758
Long-term debt, less current portion	4,437,098	4,452,631
TOTAL LIABILITIES	<u>38,749,217</u>	<u>37,786,174</u>
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, \$0.001 par value; 50,000,000 shares authorized; 11,674,447 issued and 11,649,447 outstanding at September 30, 2014; 11,665,093 issued and 11,640,093 outstanding at June 30, 2014	11,675	11,666
Treasury stock, at cost, 25,000 shares at September 30, 2014 and June 30, 2014	(134,196)	(134,196)
Additional paid-in capital	55,313,934	55,121,876
Retained earnings (deficit)	(2,690,659)	(1,816,344)
Other comprehensive income	(3,010,799)	(1,668,767)
TOTAL STOCKHOLDERS' EQUITY	<u>49,489,955</u>	<u>51,514,235</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 88,239,172</u>	<u>\$ 89,300,409</u>



S&W SEED COMPANY
(A NEVADA CORPORATION)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Three Months Ended	
	September 30,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (874,315)	\$ 41,209
Adjustments to reconcile net income (loss) from operating activities to net cash used in operating activities		
Stock-based compensation	219,012	215,026
Depreciation and amortization	319,759	314,454
Change in foreign exchange contracts	69,786	(525,726)
Amortization of debt discount	13,036	12,754
Changes in:		
Accounts receivable	2,077,130	(42,468)
Inventories	(1,624,020)	(2,079,229)
Prepaid expenses and other current assets	(147,782)	41,585
Crop production costs	(719,014)	(819,773)
Deferred tax asset	(293,554)	(92,110)
Accounts payable	(809,065)	(3,469,146)
Accounts payable - related parties	1,462,997	412,530
Accrued expenses and other current liabilities	(350,100)	(102,365)
Other non-current liabilities	2,302	(98,617)
Net cash used in operating activities	<u>(653,828)</u>	<u>(6,191,876)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(149,850)	(89,839)
Investment in Bioceres	(4,983)	-
Net cash used in investing activities	<u>(154,833)</u>	<u>(89,839)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Common stock repurchased	-	(21,785)
Taxes paid related to net share settlements of stock-based compensation awards	(26,945)	(141,458)
Borrowings and repayments on lines of credit, net	2,090,978	(115,974)
Repayments of long-term debt	(83,727)	(82,910)
Net cash provided by (used in) financing activities	<u>1,980,306</u>	<u>(362,127)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	<u>(24,368)</u>	<u>(2,963)</u>
NET INCREASE (DECREASE) IN CASH	1,147,277	(6,646,805)
CASH AND CASH EQUIVALENTS, beginning of the period	<u>1,167,503</u>	<u>11,781,074</u>
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 2,314,780</u>	<u>\$ 5,134,269</u>