



Valley of California. The company is the largest producer of non-dormant, alfalfa seed varieties in the world, with production operations in the San Joaquin and Imperial Valley's of California, as well as in Southern Australia. The company has worldwide sales and distribution through both a direct sales force as well as dealer-distributors. The company's proprietary varieties are designed to meet the shifting needs of farmers that require high performance in poor and highly saline soil conditions and have been verified over decades of university-sponsored trials. Additionally, the company is utilizing its research and breeding expertise to develop and produce U.S.-based stevia leaf. Stevia is an all-natural, zero calorie sweetener from the food and beverage industry. For more information, please visit www.swseedco.com.

Safe Harbor Statement

This release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended and such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. "Forward-looking statements" describe future expectations, plans, results, or strategies and are generally preceded by words such as "may," "future," "plan" or "planned," "will" or "should," "expected," "anticipates," "draft," "eventually" or "projected." You are cautioned that such statements are subject to a multitude of risks and uncertainties that could cause future circumstances, events, or results to differ materially from those projected in the forward-looking statements, including the risks that actual results may differ materially from those projected in the forward-looking statements as a result of various factors and other risks identified in the company's Annual Report on Form 10-K for the fiscal year ended June 30, 2013, and in other filings made by the company with the Securities and Exchange Commission.

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

	<u>December 31,</u> <u>2013</u>	<u>June 30,</u> <u>2013</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,589,409	\$ 11,781,074
Accounts receivable, net	11,869,036	12,700,106
Inventories, net	23,376,518	25,822,467
Prepaid expenses and other current assets	274,470	509,037
Deferred tax asset	1,141,039	954,874
TOTAL CURRENT ASSETS	<u>39,250,472</u>	<u>51,767,558</u>
Property, plant and equipment, net of accumulated depreciation	10,320,650	10,239,435
Goodwill	4,734,402	4,832,050
Other intangibles, net	14,486,444	15,240,835
Crop production costs, net	2,424,476	1,582,599
Deferred tax asset - long term	1,885,231	1,920,742
TOTAL ASSETS	<u>\$ 73,101,675</u>	<u>\$ 85,583,219</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 5,744,639	\$ 19,512,235
Accounts payable - related parties	950,653	893,929
Accrued expenses and other current liabilities	597,149	1,662,642
Working capital line of credit	10,861,456	6,755,998
Foreign exchange contract liability	-	663,043
Current portion of long-term debt	266,113	746,788
TOTAL CURRENT LIABILITIES	<u>18,420,010</u>	<u>30,234,635</u>
Non-compete payment obligation, less current portion	150,000	200,000
Other non-current liabilities	28,333	122,881
Deferred tax liability - non-current	291,151	299,682
Long-term debt, less current portion	4,482,813	4,668,958
TOTAL LIABILITIES	<u>23,372,307</u>	<u>35,526,156</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; 11,623,498 issued and 11,598,498 outstanding at December 31, 2013; 11,584,101 issued and outstanding at June 30, 2013	11,624	11,585
Treasury stock, at cost, 25,000 shares at December 31, 2013 and no shares at June 30, 2013	(134,196)	-
Additional paid-in capital	54,601,411	54,338,758
Retained earnings (deficit)	(2,038,103)	(2,189,444)
Accumulated other comprehensive loss	(2,711,368)	(2,103,836)
TOTAL STOCKHOLDERS' EQUITY	<u>49,729,368</u>	<u>50,057,063</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 73,101,675</u>	<u>\$ 85,583,219</u>



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

	Six Months Ended	
	December 31,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 151,341	\$ 235,365
Adjustments to reconcile net income from operating activities to net cash used in operating activities		
Stock-based compensation	437,495	189,961
Change in allowance for doubtful accounts	-	10,445
Inventory reserve	-	300,000
Depreciation and amortization	631,788	220,149
Change in foreign exchange contracts	(668,924)	-
Amortization of debt discount	25,579	-
Changes in:		
Accounts receivable	769,672	(11,962,940)
Inventories	2,207,989	2,804,918
Prepaid expenses and other current assets	237,656	(97,234)
Crop production costs	(841,877)	(1,949,711)
Deferred tax asset	(165,324)	163,536
Accounts payable	(13,853,616)	2,514,674
Accounts payable - related parties	59,820	1,978,743
Accrued expenses and other current liabilities	(1,114,622)	(199,294)
Other non-current liabilities	(94,549)	-
Net cash used in operating activities	<u>(12,217,572)</u>	<u>(5,791,388)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(244,858)	(6,396,184)
Acquisition of business	-	(3,000,000)
Acquisition of germ plasm	-	(57,500)
Net cash used in investing activities	<u>(244,858)</u>	<u>(9,453,684)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from sale of common stock in equity offerings	-	3,462,586
Common stock repurchased	(134,196)	-
Taxes paid related to net share settlements of stock-based compensation awards	(174,803)	-
Borrowings and repayments on line of credit, net	4,274,646	4,000,000
Borrowings of long-term debt	-	2,625,000
Repayments of long-term debt	(692,399)	(40,535)
Net cash provided by financing activities	<u>3,273,248</u>	<u>10,047,051</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	<u>(2,483)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(9,191,665)	(5,198,021)
CASH AND CASH EQUIVALENTS, beginning of the period	<u>11,781,074</u>	<u>8,235,495</u>
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 2,589,409</u>	<u>\$ 3,037,474</u>