# Statements of Operations (Unaudited)

	Tł	Three Months ended June 30,		
		2013		2012
Product sales	\$	1,123,169	\$	1,416,533
Cost of revenue		721,444		693,332
Gross profit		401,725		723,201
Operating expenses				
Research and development		21,669		93,024
Sales and marketing		470,021		451,177
General and administrative		399,231		577,616
Total operating expenses		890,921		1,121,817
Loss from operations		(489,196)		(398,616)
Other (income) expense, net				
Interest (income)		(2)		(2)
Interest expense		91,167		108,975
Interest expense – related party		3,593		11,650
Debt conversion cost		-		6,648,267
Other (income) expense		(516,657)		302
Total other (income) expense, net		(421,899)		6,769,192
Net loss	\$	(67,297)	\$	(7,167,808)
Deemed dividend on convertible preferred stock		(268,157)		
Net loss attributable to common stockholders		(335,454)		(7,167,808)
Net loss per share, basic and diluted	\$	(0.06)	\$	(1.24)
Weighted average number of common shares outstanding , basic and diluted		5,904,877		5,763,416

## AEROGROW INTERNATIONAL, INC. Condensed Balance Sheet

Current assets	A CCETTC	June 30, 2013		March 31, 2013 (Derived from Audited	
Cash   S	ASSETS		Unaudited)	_2	statements)
Restricted cash		Φ	2 201 447	ф	504 401
Accounts receivable, net of allowance for doubtful accounts of \$544 and \$1,100 at June 30, 2013 and March 31, 2013, respectively		\$		\$	
30, 2013 and March 31, 2013, respectively     68,083     173,096       Other receivables     106,531     168,511       Inventory     888,364     1,229,397       Prepaid expenses and other     313,259     204,927       Total current assets     4,521,255     2,342,716       Property and equipment, net of accumulated depreciation of \$2,905,650 and \$2,868,610 at     325,242     265,508       June 30, 2013 and March 31, 2013, respectively     1,825     195,403       Other assets     1     145,201     145,201       Deposits     1,825     195,403       Deposits     1,825     195,403       Deposits     1,820     145,201       Deferred debt issuance costs, net of accumulated amortization of \$2,262,760 and \$2,233,936 at June 30, 2013 and March 31,     142,228     23,052       Total assets     161,254     36,365       Total assets     161,254     36,365       Total assets     161,254     36,365       Total assets     \$383,96     \$18,347       Notes payable     \$383,96     \$18,347       Notes payable     \$383,96     \$18,347<			23,5/1		42,294
Other receivables     106,531     168,511       Inventory     888,364     1,229,397       Prepaid expenses and other     133,259     204,927       Total current assets     4,521,255     2,342,716       Property and equipment, net of accumulated depreciation of \$2,905,650 and \$2,868,610 at     251,342     265,508       Other assets     3,2013 and March 31, 2013, respectively     1,825     195,403       Deposits     145,201     145,201     165,201       Deposits     145,201     145,201     165,201       Deposits     145,201     145,201     165,201       Deposits     144,208     23,052     161,254     363,656       Deferred debt issuance costs, net of accumulated amortization     144,228     23,052     161,254     363,656     161,254     363,656     161,254     363,656     161,254     363,656     161,254     363,656     161,254     363,656     161,254     363,656     161,254     363,656     161,254     363,656     161,254     363,656     161,254     363,656     161,254     363,656     161,254     363,656			60.002		172.006
Inventory					
Prepaid expenses and other     133.259     204.927       Total current assets     4,51,255     2,342,716       Property and equipment, net of accumulated depreciation of \$2,905,650 and \$2,868,610 at June 30, 2013 and March 31, 2013, respectively     251,342     265,508       Other assets     Intangible assets, net of \$350 and \$134,837 of accumulated amortization of \$2,262,760 and \$2,253,936 at June 30, 2013 and March 31, 2013, respectively     1,825     195,403       Deposits     145,201     145,201     165,201       Deferred debt issuance costs, net of accumulated amortization of \$2,262,760 and \$2,253,936 at June 30, 2013 and March 31, 2013, respectively     14,228     23,052       Total other assets     161,254     363,656       Total sests     \$4,933,851     \$2,971,880       LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)       Current liabilities     \$383,960     \$518,347       Notes payable - related party     \$38,699     \$218,347       Notes payable - related party     \$38,699     \$2,893,899       Accounts payable     \$38,699     \$2,893,899       Accounts payable     \$30,678     339,242       Accured expenses     180,138     292,066       Customer					
Total current assets	·				
Property and equipment, net of accumulated depreciation of \$2,905,650 and \$2,868,610 at 1		_			
June 30, 2013 and March 31, 2013, respectively     251,342     265,508       Other assets     Intangible assets, net of \$350 and \$134,837 of accumulated amortization at June 30, 2013 and March 31, 2013, respectively     1,825     195,403       Deposits     145,201     145,201     145,201       Deferred debt issuance costs, net of accumulated amortization of \$2,262,760 and \$2,253,936 at June 30, 2013 and March 31, 2013, respectively     14,228     23,052       Total other assets     161,254     363,656       Total assets     \$4,933,851     \$2,971,880       LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)       Current liabilities       Notes payable     \$383,960     \$518,347       Notes payable - related party     83,649     122,026       Current portion – long term debt     1,109,012     899,399       Accounts payable     330,678     379,242       Accrued expenses     180,138     292,066       Customer deposits     156,248     156,292       Deferred rent     5,829     6,209       Total current liabilities     2,249,514     3,342,929       Commitments and contingencies     2,249,514     3,			4,521,255		2,342,716
Intangible assets, net of \$350 and \$134,837 of accumulated amortization at June 30, 2013 and March 31, 2013, respectively 20, 2015 and 145, 201 an			251,342		265,508
amortization at June 30, 2013 and March 31, 2013, respectively     1,825     195,403       Deposits     145,201     145,201     145,201       Deferred debt issuance costs, net of accumulated amortization of \$2,262,760 and \$2,253,936 at June 30, 2013 and March 31, 2013, respectively     14,228     23,052       Total other assets     161,254     363,656       Total assets     \$4,933,851     \$2,971,880       LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)       Current liabilities       Notes payable     \$383,960     \$18,347       Notes payable - related party     \$383,649     \$12,206       Current portion – long term debt     \$30,078     \$379,242       Accrued expenses     \$180,138     \$29,066       Customer deposits     \$156,248     \$156,929       Deferred rent     \$,829     \$6,209       Deferred rent     \$5,829     \$6,209       Committents and contingencies     \$2,495,514     \$3,44,218       Long term debt     \$2,249,514     \$3,42,929       Committents and contingencies     \$2,649,007 and 0 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     \$2,649     \$-<	Other assets				
Deposits	Intangible assets, net of \$350 and \$134,837 of accumulated				
Deferred debt issuance costs, net of accumulated amortization of \$2,262,760 and \$2,253,936 at June 30, 2013 and March 31, 2013, respectively     14,228     23,052       Total other assets     161,254     363,656       Total assets     \$4,933,851     \$2,971,880       LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)       Current liabilities       Notes payable     \$383,960     \$18,437       Notes payable related party     83,649     122,026       Current portion - long term debt     1,109,012     899,399       Accounts payable     330,678     379,242       Accrued expenses     180,138     292,066       Customer deposits     156,248     156,929       Deferred rent     5,829     6,209       Total current liabilities     2,249,514     2,374,218       Long term debt     2,249,514     3,542,929       Commitments and contingencies     5     6,209       Total liabilities     2,249,514     3,542,929       Commitments and contingencies     5     5       Stockholders' equity (deficit)     2,649     -       Preferred stock, \$0.01	amortization at June 30, 2013 and March 31, 2013, respectively		1,825		195,403
of \$2,262,760 and \$2,253,936 at June 30, 2013 and March 31, 2013, respectively     14,228     23,052       Total other assets     161,254     363,656       Total assets     \$ 4,933,851     \$ 2,971,880       LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)       Current liabilities       Notes payable     \$ 383,960     \$ 518,347       Notes payable – related party     83,649     122,026       Current portion – long term debt     1,109,012     899,399       Accounts payable     330,678     379,242       Accrued expenses     180,138     292,066       Customer deposits     156,248     156,929       Deferred rent     5,829     6,209       Total current liabilities     2,249,514     2,374,218       Long term debt     2,249,514     2,374,218       Long term debt     2,249,514     3,542,929       Commitments and contingencies     2,249,514     3,542,929       Cockholders' equity (deficit)     2,649,007 and 0 shares issued and outstanding at June 30, 2013     2,649     -       and March 31, 2013, respectively     2,649     -     - </td <td>Deposits</td> <td></td> <td>145,201</td> <td></td> <td>145,201</td>	Deposits		145,201		145,201
Total other assets     161,254     363,656       Total assets     \$ 4,933,851     \$ 2,971,880       LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)       Current liabilities       Notes payable     \$ 383,960     \$ 518,347       Notes payable – related party     83,649     122,026       Current portion – long term debt     1,109,012     899,399       Accounts payable     330,678     379,242       Accrued expenses     180,138     292,066       Customer deposits     156,248     156,292       Deferred rent     5,829     6,209       Total current liabilities     2,249,514     2,374,218       Long term debt     2,249,514     2,374,218       Long term debt     2,249,514     3,542,929       Commitments and contingencies       Stockholders' equity (deficit)       Preferred stock, \$,001 par value, 20,000,000 shares authorized,       2,649,007 and 0 shares issued and outstanding at June 30, 2013     2,649        Common stock, \$,001 par value, 750,000,000 shares authorized,     5,904,877 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectiv	of \$2,262,760 and \$2,253,936 at June 30, 2013 and March 31,				
Total assets					
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)       Current liabilities       Notes payable     \$383,960     \$518,347       Notes payable - related party     83,649     122,026       Current portion - long term debt     1,109,012     899,399       Accounts payable     330,678     379,242       Accrued expenses     180,138     292,066       Customer deposits     156,248     156,229       Deferred rent     5,829     6,209       Total current liabilities     2,249,514     2,374,218       Long term debt     -     1,168,711       Total liabilities     2,249,514     3,542,929       Commitments and contingencies     Stockholders' equity (deficit)       Preferred stock, \$.001 par value, 20,000,000 shares authorized,     2,649,007 and 0 shares issued and outstanding at June 30, 2013     2,649        2,649,007 and 5,904,877 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     2,649        Common stock, \$.001 par value, 750,000,000 shares authorized,     5,904,877 and 5,904,877 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     5,905     5,905       Additional	Total other assets		161,254		363,656
Current liabilities     \$ 383,960     \$ 518,347       Notes payable – related party     83,649     122,026       Current portion – long term debt     1,109,012     899,399       Accounts payable     330,678     379,242       Accrued expenses     180,138     292,066       Customer deposits     156,248     156,299       Deferred rent     5,829     6,209       Total current liabilities     2,249,514     2,374,218       Long term debt     -     1,168,711       Total liabilities     2,249,514     3,542,929       Commitments and contingencies     Stockholders' equity (deficit)       Preferred stock, \$.001 par value, 20,000,000 shares authorized,     2,649,007 and 0 shares issued and outstanding at June 30, 2013     2,649,007 and 0 shares issued and outstanding at June 30, 2013     2,649        Common stock, \$.001 par value, 750,000,000 shares authorized,     5,904,877 and 5,904,877 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     5,905     5,905       Additional paid-in capital     79,015,408     75,427,217       Accumulated deficit     (76,033,625)     (76,004,171)       Total stockholders' equity (defic	Total assets	\$	4,933,851	\$	2,971,880
Current liabilities     \$ 383,960     \$ 518,347       Notes payable – related party     83,649     122,026       Current portion – long term debt     1,109,012     899,399       Accounts payable     330,678     379,242       Accrued expenses     180,138     292,066       Customer deposits     156,248     156,299       Deferred rent     5,829     6,209       Total current liabilities     2,249,514     2,374,218       Long term debt     -     1,168,711       Total liabilities     2,249,514     3,542,929       Commitments and contingencies     Stockholders' equity (deficit)       Preferred stock, \$.001 par value, 20,000,000 shares authorized,     2,649,007 and 0 shares issued and outstanding at June 30, 2013     2,649,007 and 0 shares issued and outstanding at June 30, 2013     2,649        Common stock, \$.001 par value, 750,000,000 shares authorized,     5,904,877 and 5,904,877 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     5,905     5,905       Additional paid-in capital     79,015,408     75,427,217       Accumulated deficit     (76,033,625)     (76,004,171)       Total stockholders' equity (defic	LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)				
Notes payable – related party     83,649     122,026       Current portion – long term debt     1,109,012     899,399       Accounts payable     330,678     379,242       Accrued expenses     180,138     292,066       Customer deposits     156,248     156,929       Deferred rent     5,829     6,209       Total current liabilities     2,249,514     2,374,218       Long term debt     -     1,168,711       Total liabilities     2,249,514     3,542,929       Commitments and contingencies     5     5       Stockholders' equity (deficit)     2,649,007 and 0 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     2,649     -       Common stock, \$.001 par value, 750,000,000 shares authorized, 5,904,877 and 5,904,877 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     5,905     5,905       Additional paid-in capital     79,015,408     75,427,217       Accumulated deficit     (76,339,625)     (76,004,171)       Total stockholders' equity (deficit)     2,684,337     (571,049)					
Notes payable – related party     83,649     122,026       Current portion – long term debt     1,109,012     899,399       Accounts payable     330,678     379,242       Accrued expenses     180,138     292,066       Customer deposits     156,248     156,929       Deferred rent     5,829     6,209       Total current liabilities     2,249,514     2,374,218       Long term debt     -     1,168,711       Total liabilities     2,249,514     3,542,929       Commitments and contingencies     5     5       Stockholders' equity (deficit)     2,649,007 and 0 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     2,649     -       Common stock, \$.001 par value, 750,000,000 shares authorized, 5,904,877 and 5,904,877 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     5,905     5,905       Additional paid-in capital     79,015,408     75,427,217       Accumulated deficit     (76,339,625)     (76,004,171)       Total stockholders' equity (deficit)     2,684,337     (571,049)		\$	383,960	\$	518.347
Current portion – long term debt     1,109,012     899,399       Accounts payable     330,678     379,242       Accrued expenses     180,138     292,066       Customer deposits     156,248     156,929       Deferred rent     5,829     6,209       Total current liabilities     2,249,514     2,374,218       Long term debt      1,168,711       Total liabilities     2,249,514     3,542,929       Commitments and contingencies     Stockholders' equity (deficit)       Preferred stock, \$.001 par value, 20,000,000 shares authorized,     2,649,007 and 0 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     2,649        Common stock, \$.001 par value, 750,000,000 shares authorized,     5,904,877 and 5,904,877 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     5,905     5,905       Additional paid-in capital     79,015,408     75,427,217       Accumulated deficit     (76,339,625)     (76,004,171)       Total stockholders' equity (deficit)     2,684,337     (571,049)					
Accounts payable   330,678   379,242     Accrued expenses   180,138   292,066     Customer deposits   156,248   156,929     Deferred rent   5,829   6,209     Total current liabilities   2,249,514   2,374,218     Long term debt    1,168,711     Total liabilities   2,249,514   3,542,929     Commitments and contingencies   5     Stockholders' equity (deficit)       Preferred stock, \$.001 par value, 20,000,000 shares authorized,   2,649,007 and 0 shares issued and outstanding at June 30, 2013      and March 31, 2013, respectively   2,649      Common stock, \$.001 par value, 750,000,000 shares authorized,   5,904,877 and 5,904,877 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively   5,905   5,905     Additional paid-in capital   79,015,408   75,427,217     Accumulated deficit   (76,339,625)   (76,004,171)     Total stockholders' equity (deficit)   2,684,337   (571,049)					
Accrued expenses     180,138     292,066       Customer deposits     156,248     156,929       Deferred rent     5,829     6,209       Total current liabilities     2,249,514     2,374,218       Long term debt      1,168,711       Total liabilities     2,249,514     3,542,929       Commitments and contingencies         Stockholders' equity (deficit)         Preferred stock, \$.001 par value, 20,000,000 shares authorized, 2,649,007 and 0 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     2,649        Common stock, \$.001 par value, 750,000,000 shares authorized, 5,904,877 and 5,904,877 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     5,905     5,905       Additional paid-in capital     79,015,408     75,427,217       Accumulated deficit     (76,339,625)     (76,004,171)       Total stockholders' equity (deficit)     2,684,337     (571,049)					
Customer deposits     156,248     156,929       Deferred rent     5,829     6,209       Total current liabilities     2,249,514     2,374,218       Long term debt      1,168,711       Total liabilities     2,249,514     3,542,929       Commitments and contingencies     5       Stockholders' equity (deficit)        Preferred stock, \$.001 par value, 20,000,000 shares authorized, 2,649,007 and 0 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     2,649        Common stock, \$.001 par value, 750,000,000 shares authorized, 5,904,877 and 5,904,877 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     5,905     5,905       Additional paid-in capital     79,015,408     75,427,217       Accumulated deficit     (76,339,625)     (76,004,171)       Total stockholders' equity (deficit)     2,684,337     (571,049)					
Deferred rent     5,829     6,209       Total current liabilities     2,249,514     2,374,218       Long term debt      1,168,711       Total liabilities     2,249,514     3,542,929       Commitments and contingencies     5       Stockholders' equity (deficit)        Preferred stock, \$.001 par value, 20,000,000 shares authorized, 2,649,007 and 0 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     2,649        Common stock, \$.001 par value, 750,000,000 shares authorized, 5,904,877 and 5,904,877 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively     5,905     5,905       Additional paid-in capital Accumulated deficit     79,015,408     75,427,217       Accumulated deficit     (76,339,625)     (76,004,171)       Total stockholders' equity (deficit)     2,684,337     (571,049)					
Total current liabilities     2,249,514     2,374,218       Long term debt	•				
Long term debt   -   1,168,711     Total liabilities   2,249,514   3,542,929     Commitments and contingencies   Stockholders' equity (deficit)     Preferred stock, \$.001 par value, 20,000,000 shares authorized,     2,649,007 and 0 shares issued and outstanding at June 30, 2013   2,649   -     Common stock, \$.001 par value, 750,000,000 shares authorized,   5,904,877 and 5,904,877 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively   5,905   5,905     Additional paid-in capital   79,015,408   75,427,217   Accumulated deficit   (76,339,625)   (76,004,171)     Total stockholders' equity (deficit)   2,684,337   (571,049)		_			
Total liabilities   2,249,514   3,542,929     Commitments and contingencies   Stockholders' equity (deficit)     Preferred stock, \$.001 par value, 20,000,000 shares authorized, 2,649,007 and 0 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively   2,649      Common stock, \$.001 par value, 750,000,000 shares authorized, 5,904,877 and 5,904,877 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively   5,905   5,905     Additional paid-in capital   79,015,408   75,427,217     Accumulated deficit   (76,339,625)   (76,004,171)     Total stockholders' equity (deficit)   2,684,337   (571,049)			2,217,511		
Commitments and contingencies   Stockholders' equity (deficit)     Preferred stock, \$.001 par value, 20,000,000 shares authorized,   2,649,007 and 0 shares issued and outstanding at June 30, 2013     and March 31, 2013, respectively   2,649     Common stock, \$.001 par value, 750,000,000 shares authorized,   5,904,877 and 5,904,877 shares issued and outstanding at     June 30, 2013 and March 31, 2013, respectively   5,905     Additional paid-in capital   79,015,408   75,427,217     Accumulated deficit   (76,339,625)   (76,004,171)     Total stockholders' equity (deficit)   2,684,337   (571,049)			2 240 514	_	
Stockholders' equity (deficit)     Preferred stock, \$.001 par value, 20,000,000 shares authorized,   2,649,007 and 0 shares issued and outstanding at June 30, 2013     and March 31, 2013, respectively   2,649     Common stock, \$.001 par value, 750,000,000 shares authorized,   5,904,877 and 5,904,877 shares issued and outstanding at     June 30, 2013 and March 31, 2013, respectively   5,905     Additional paid-in capital   79,015,408   75,427,217     Accumulated deficit   (76,339,625)   (76,004,171)     Total stockholders' equity (deficit)   2,684,337   (571,049)			2,249,314		3,342,929
Preferred stock, \$.001 par value, 20,000,000 shares authorized,   2,649,007 and 0 shares issued and outstanding at June 30, 2013     and March 31, 2013, respectively   2,649     Common stock, \$.001 par value, 750,000,000 shares authorized,   5,904,877 and 5,904,877 shares issued and outstanding at     June 30, 2013 and March 31, 2013, respectively   5,905     Additional paid-in capital   79,015,408   75,427,217     Accumulated deficit   (76,339,625)   (76,004,171)     Total stockholders' equity (deficit)   2,684,337   (571,049)					
2,649,007 and 0 shares issued and outstanding at June 30, 2013   2,649      and March 31, 2013, respectively   2,649      Common stock, \$.001 par value, 750,000,000 shares authorized,   5,904,877 and 5,904,877 shares issued and outstanding at   5,905   5,905     June 30, 2013 and March 31, 2013, respectively   5,905   5,905     Additional paid-in capital   79,015,408   75,427,217     Accumulated deficit   (76,339,625)   (76,004,171)     Total stockholders' equity (deficit)   2,684,337   (571,049)					
and March 31, 2013, respectively   2,649      Common stock, \$.001 par value, 750,000,000 shares authorized,   5,904,877 and 5,904,877 shares issued and outstanding at   5,905   5,905     June 30, 2013 and March 31, 2013, respectively   5,905   5,905     Additional paid-in capital   79,015,408   75,427,217     Accumulated deficit   (76,339,625)   (76,004,171)     Total stockholders' equity (deficit)   2,684,337   (571,049)					
5,904,877 and 5,904,877 shares issued and outstanding at June 30, 2013 and March 31, 2013, respectively   5,905   5,905     Additional paid-in capital   79,015,408   75,427,217     Accumulated deficit   (76,339,625)   (76,004,171)     Total stockholders' equity (deficit)   2,684,337   (571,049)	and March 31, 2013, respectively		2,649		
June 30, 2013 and March 31, 2013, respectively   5,905     Additional paid-in capital   79,015,408   75,427,217     Accumulated deficit   (76,339,625)   (76,004,171)     Total stockholders' equity (deficit)   2,684,337   (571,049)					
Additional paid-in capital   79,015,408   75,427,217     Accumulated deficit   (76,339,625)   (76,004,171)     Total stockholders' equity (deficit)   2,684,337   (571,049)					
Accumulated deficit     (76,339,625)     (76,004,171)       Total stockholders' equity (deficit)     2,684,337     (571,049)					
Total stockholders' equity (deficit) 2,684,337 (571,049)					
Total liabilities and stockholders' equity (deficit) \$ 4.933.851 \$ 2.971.880	Total stockholders' equity (deficit)		2,684,337		
+ · · · · · · · · · · · · · · · · · · ·	Total liabilities and stockholders' equity (deficit)	\$	4,933,851	\$	2,971,880

### AEROGROW INTERNATIONAL, INC. SUPPLEMENTAL INFORMATION

#### SALES BY CHANNEL

	Three Months End	Three Months Ended June 30,		
	2013	2012		
Net revenue				
Direct-to-consumer	70.2%	94.0%		
Retail	15.0%	3.1%		
International	14.8%	2.9%		
Total net revenue	100.0%	100.0%		

#### SALES BY PRODUCT

	Three Months Ended June 30,		
	2013	2012	
Net revenue			
AeroGardens	66.6%	36.7%	
Seed Kits and Accessories	33.4%	63.3%	
Total net revenue	100.0%	100.0%	

#### EBITDA CALCULATION

	Three Months Ended June 30,			
	 2013		2012	
Operating Loss	\$ (489,196)	\$	(398,616)	
Add Back Non-Cash Items:				
Depreciation	37,260		31,737	
Amortization	1,061		3,842	
Stock based compensation	 43,531		63,384	
Total Non-Cash Items	81,852		98,963	
EBITDA	\$ (407,344)	\$	(299,653)	

EBITDA is a non-GAAP measure. The GAAP measure most directly comparable to EBITDA is net earnings. The non-GAAP financial measure of EBITDA should not be considered as an alternative to net earnings. EBITDA is not a presentation made in accordance with GAAP and has important limitations as an analytical tool. EBITDA should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Because EBITDA excludes some, but not all, items that affect net earnings and is defined differently by different companies, our definition of EBITDA may not be comparable to similarly titled measures of other companies.