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Yew Bio-Pharm Group Reports 2015 First Quarter Financial Results

- Total Revenues Increase 27.8%, with Sales Growth of Wood Ear Mushroom -

HARBIN, China, May 14, 2015 /PRNewswire/ -- Yew Bio-Pharm Group, Inc. ("Yew Bio" or the "Company") (YEWB), a major grower and seller of yew trees, yew raw materials used in the manufacture of traditional Chinese medicine and products made from yew timber in China, today reported financial results for the three months ended March 31, 2015.

2015 First Quarter Results

	Three Months Ended March 31,		Percentage
	2015	2014	Change
Revenues:			
TCM Raw Materials	\$957,006	\$1,043,980	(8.3)%
Yew Trees	698,752	964,306	(27.5)%
Wood ear mushroom	899,189	-	100%
Handicrafts	87,508	59,691	46.6%
Total Revenues	\$2,642,455	\$2,067,977	27.8%

Total revenues for the first quarter of 2015 increased 27.8% to \$2.6 million from \$2.1 million a year ago. Sales of TCM raw materials amounted to 36.2% of total revenues; sales of yew trees amounted to 26.4% of total revenues; sales of wood ear mushroom amounted to 34.1% of total revenues; and sales of handicrafts made up the remaining 3.3%.

For the 2015 first quarter, gross profit was \$1.5 million, or 55.7% of total revenues, compared with \$1.5 million, or 74.5% of total revenues for the comparable 2014 quarter. The decrease in the gross profit margin was primarily attributable to the lower gross margin yield of wood ear mushroom segment.

Operating expenses increased 186% to \$472,066 for the quarter ended March 31, 2015, from \$165,254 in the year-ago quarter. The increasing was primarily attributable to the increases in compensation and related benefits and other expenses.

Net income for the three months ended March 31, 2015 decreased 30.3% to \$958,390 from \$1.4

million in the same quarter last year due to the increases of operating expense. Earnings per diluted share for the three months ended March 31, 2015 was \$0.02, in line with the same period last year.

"Revenue for the quarter increased 27.8% compared to last year due to the increase in the newly added wood ear mushroom segment which offset the decrease of Yew tree sales," said Mr. Zhiguo Wang, Chairman and Chief Executive Officer of Yew Bio-Pharm Group. "We are pleased with the performance from our wood ear mushroom sales, and we believe that with the addition of wood ear mushroom as a new revenue source, the Company's financial health will be greatly improved."

"We also signed a tripartite joint contract to further develop the wood ear mushroom business recently. With the execution of the contract in the following months of this year, we will grow more high quality and low cost wood ear mushroom that could result in an increase of the Company's revenue. Meanwhile, The Company also intends to explore other potential downstream products that derive from the further processing of yew products and wood ear mushroom in the near future. It is the Company's long-term strategy to continue to grow through product diversification in the healthcare and food industry."

ABOUT YEW BIO-PHARM GROUP, INC

Yew Bio-Pharm Group, Inc., through its operating entity, Harbin Yew Science and Technology Development Co., Ltd. (HDS), is a major grower and seller of yew trees, yew raw materials used in the manufacture of traditional Chinese medicine (TCM) and products made from yew timber in China. Raw material from the species of yew tree that the Company grows contains taxol, and TCM containing yew raw materials has been approved as a traditional Chinese medicine in China for secondary treatment of certain cancers. The Company uses a patented, accelerated growth technology to speed the growth and maturity and commercialization of yew trees and believes that it is one of the few companies possessing a permit to sell them. Yew Bio-Pharm also recently established a division to focus on organic foods and dietary supplements with the aim of developing new business opportunities in related industries. To learn more, please visit www.yewbiopharm.com

SAFE HARBOR

This press release forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These forward-looking statements involve a number of risks and uncertainties that could cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: our ability to collect from our largest customers; our dependence on a small number of customers for raw materials, including a related party; our ability to continue to purchase raw materials at relatively stable prices; our dependence on a small number of customers for our yew trees for reforestation; our ability to market successfully raw materials used in the manufacture of traditional Chinese medicines; and our ability to receive continued preferential tax treatment for the sale of yew trees and potted yew trees. From time to time, these risks, uncertainties and other factors are discussed in the Company's filings with the U.S. Securities and Exchange Commission, including its most recent annual report on Form 10-K. Yew Bio does not undertake any obligation to update any forward-looking statements

as a result of new information, future events or otherwise, except as required under applicable law.

(financial tables follow)

YEW BIO-PHARM GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31,	December
	2015	31, 2014
	<u>(Unaudited)</u>	<u></u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 129,702	\$ 487,940
Accounts receivable	2,014,607	922,564
Accounts receivable - related party	1,214,172	340,132
Inventories	2,700,809	1,443,078
Prepaid expenses - related party	-	5,787
Prepaid expenses and other assets	39,208	16,791
	<u>6,098,498</u>	<u>3,216,292</u>
Total Current Assets	<u>6,098,498</u>	<u>3,216,292</u>
LONG-TERM ASSETS:		
Long-term inventories, net	10,869,884	10,663,545
Property and equipment, net	828,654	856,250
Land use rights and yew forest assets, net	20,070,176	20,305,821
	<u>31,768,714</u>	<u>31,825,616</u>
Total Long-term Assets	<u>31,768,714</u>	<u>31,825,616</u>
Total Assets	<u><u>\$ 37,867,212</u></u>	<u><u>\$35,041,908</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,217,282	\$ -
Accrued expenses and other payables	134,779	84,722
Taxes payable	47,784	10,547
Due to related parties	46,903	45,040
	<u>1,446,748</u>	<u>140,309</u>
Total Current Liabilities	<u>1,446,748</u>	<u>140,309</u>
Total Liabilities	<u>1,446,748</u>	<u>140,309</u>

SHAREHOLDERS' EQUITY:

Common Stock (\$0.001 par value; 140,000,000 shares authorized; 52,125,000 shares issued and outstanding at March 31, 2015 and December 31, 2014)	52,125	52,125
Additional paid-in capital	8,860,278	8,557,656
Retained earnings	21,269,775	20,444,667
Statutory reserves	3,234,048	3,100,766
Accumulated other comprehensive income - foreign currency translation adjustment	3,004,238	2,746,385
Total Shareholders' Equity	<u>36,420,464</u>	<u>34,901,599</u>
Total Liabilities and Shareholders' Equity	<u>\$ 37,867,212</u>	<u>\$ 35,041,908</u>

YEW BIO-PHARM GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(UNAUDITED)

	For the Three Months Ended March 31,	
	2015	2014
REVENUES:		
Revenues	\$ 1,534,654	\$ 1,613,718
Revenues - related party	1,107,801	454,259
Total Revenues	<u>2,642,455</u>	<u>2,067,977</u>
COST OF REVENUES:		
Cost of revenues	374,045	414,616
Cost of revenues - related party	796,924	113,118
Total Cost of Revenues	<u>1,170,969</u>	<u>527,734</u>
GROSS PROFIT	<u>1,471,486</u>	<u>1,540,243</u>
OPERATING EXPENSES:		
Selling	4,688	1,760
General and administrative	467,378	163,494
Total Operating Expenses	<u>472,066</u>	<u>165,254</u>
INCOME FROM OPERATIONS	<u>999,420</u>	<u>1,374,989</u>

OTHER INCOME:

Interest income	125	236
Other income (expense)	(16)	16
Total Other Income	109	252
NET INCOME BEFORE INCOME TAXES	999,529	1,375,241
PROVISION FOR INCOME TAXES	(41,139)	-
NET INCOME	\$ 958,390	\$ 1,375,241

COMPREHENSIVE INCOME:

NET INCOME	\$ 958,390	\$ 1,375,241
OTHER COMPREHENSIVE INCOME (LOSS):		
Unrealized foreign currency translation gain (loss)	257,853	(257,968)
COMPREHENSIVE INCOME	\$ 1,216,243	\$ 1,117,273

NET INCOME PER COMMON SHARE:

Basic	\$ 0.02	\$ 0.03
Diluted	\$ 0.02	\$ 0.02

WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:

Basic	52,125,000	50,000,000
Diluted	58,225,591	68,118,682

YEW BIO-PHARM GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

**For the Three Months
Ended March 31,**

2015 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income	\$ 958,390	\$ 1,375,241
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	37,984	46,408
Stock-based compensation	294,239	-
Stock issued for professional services	8,383	-
Amortization of land use rights and yew forest assets	127,686	128,546
Gain on disposal of property and equipment	-	(2,142)
Changes in operating assets and liabilities:		

Accounts receivable	(1,080,615)	(1,432,302)
Accounts receivable - related party	(867,776)	35,949
Prepaid expenses and other current assets	(22,281)	(14,005)
Prepaid expenses - related party	5,804	-
Due from related parties	-	7,045
Inventories	(1,119,041)	264,439
Accounts payable	1,214,805	-
Accrued expenses and other payables	49,426	15,148
Taxes payable	37,016	(8,320)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(355,980)	416,007
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from disposal of property and equipment	-	5,000
Loan made to related parties	-	(58,825)
Purchase of property and equipment	(4,617)	-
NET CASH USED IN INVESTING ACTIVITIES	(4,617)	(53,825)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from related party advances	1,834	-
Repayments for related party advances	-	(1,420,521)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	1,834	(1,420,521)
EFFECT OF EXCHANGE RATE ON CASH	525	(1,768)
NET DECREASE IN CASH	(358,238)	(1,060,107)
CASH - beginning of period	487,940	1,159,611
CASH - end of period	<u>\$ 129,702</u>	<u>\$ 99,504</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
Non-cash investing and financing activities		
Reclassification of yew forest assets to inventories	<u>\$ 253,872</u>	<u>\$ 610,193</u>