



## ScottsMiracle-Gro Announces Definitive Agreement to Acquire Rod McLellan Company

August 25, 2005

Deal strengthens growing media portfolio; Commitment to independent retailers

MARYSVILLE, Ohio, Aug. 25 /PRNewswire-FirstCall/ -- The Scotts Miracle-Gro Company (NYSE: SMG), the world's leading marketer of branded products for consumer lawn and garden care, announced a definitive agreement to acquire the Rod McLellan Company, a provider of soil and landscape products in the western U.S.

With a product line consisting of several strong brands, including Supersoil(R), Whitney Farms(TM) and Black Magic(R), the Rod McLellan Company has been a leader in consumer potting and garden soil products in the western U.S. for more than 50 years. The Rod McLellan Company produces leading growing media brands and maintains a strong reputation with regional independent garden centers and other retailers. The Whitney Farms brand of all natural, premium organic soils, fertilizers and mulches is an exclusive label, distributed solely through independent garden centers.

ScottsMiracle-Gro currently operates a nationwide network of 23 growing media operations, providing potting mixes, lawn and garden soils and mulches to home centers, mass merchandisers and independent garden centers, as well as grocery and drug stores.

Headquartered in San Mateo, Calif., with administrative offices in Independence, Ore., Rod McLellan Company operates three soil-manufacturing facilities in California and Oregon with approximately 100 employees.

"This acquisition is consistent with our strategy to grow our core business with accretive transactions that strengthen our brand portfolio and provide value-added products to both consumers and our retail partners," said Jim Hagedorn, chairman and chief executive officer of ScottsMiracle-Gro. "This transaction also will give us market share in the western U.S. that is consistent with our presence in the rest of the country and allow us to further strengthen our relationships with independent nurseries and garden centers, which are critical to our long-term success."

The acquisition is expected to close on October 3, 2005. ScottsMiracle-Gro will pay approximately \$20 million in cash for Rod McLellan Company. The transaction is expected to be accretive to earnings in fiscal 2006.

### About ScottsMiracle-Gro

With more than \$2 billion in worldwide sales and more than 6,000 associates, The Scotts Miracle-Gro Company, through its wholly-owned subsidiary, The Scotts Company LLC, is the world's largest marketer of branded consumer products for lawn and garden care, with products for professional horticulture as well. The Company's brands are the most recognized in the industry. In the U.S., the Company's Scotts(R), Miracle-Gro(R) and Ortho(R) brands are market-leading in their categories, as is the consumer Roundup(R) brand, which is marketed in North America and most of Europe exclusively by Scotts and owned by Monsanto. The Company also owns Smith & Hawken, a leading brand of garden-inspired products that includes pottery, watering equipment, gardening tools, outdoor furniture and live goods. In Europe, Scotts' brands include Weedol(R), Pathclear(R), Evergreen(R), Levington(R), Miracle-Gro(R), KB(R), Fertiligene(R) and Substral(R). For additional information, visit us at [www.scotts.com](http://www.scotts.com).

Statement under the Private Securities Litigation Act of 1995: Certain of the statements contained in this press release, including, but not limited to, information regarding the future economic performance and financial condition of the company, the plans and objectives of the company's management, and the company's assumptions regarding such performance and plans are forward looking in nature. Actual results could differ materially from the forward-looking information in this release, due to a variety of factors, including, but not limited to:

- Adverse weather conditions could adversely affect our sales and financial results;
- Our historical seasonality could impair our ability to pay obligations as they come due and operating expenses;
- Our substantial indebtedness could adversely affect our financial health;
- Public perceptions regarding the safety of our products could adversely affect us;
- The loss of one or more of our top customers could adversely affect our financial results because of the concentration of our sales to a small number of retail customers;
- The expiration of certain patents could substantially increase our competition in the United States;
- Compliance with environmental and other public health regulations could increase our cost of doing business; and
- Our significant international operations make us more susceptible to fluctuations in currency exchange rates and to the costs of international regulation.

Additional detailed information concerning a number of the important factors that could cause actual results to differ materially from the forward-looking information contained in this release is readily available in the company's publicly filed quarterly, annual

and other reports.

SOURCE Scotts Miracle-Gro Company

08/25/2005

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