SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) FEBRUARY 3, 1997

THE SCOTTS COMPANY
(Exact name of registrant as specified in its charter)

OHIO	1-11593	31-1199481
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

14111 SCOTTSLAWN ROAD, MARYSVILLE, OHIO 43041
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (937) 644-0011

NOT APPLICABLE
(Former name or former address, if changed since last report.)

Index to Exhibits is on Page 5.

ITEM 1. CHANGES IN CONTROL OF REGISTRANT.

Not Applicable.

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

Not Applicable.

ITEM 3. BANKRUPTCY OR RECEIVERSHIP.

Not Applicable.

ITEM 4. CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT.

Not Applicable.

ITEM 5. OTHER EVENTS.

On February 3, 1997, Charles M. Berger, the Chairman of the Board, President and Chief Executive Officer of The Scotts Company (the "Registrant"), forwarded to the shareholders of the Registrant and to certain investors and analysts the letter included herewith as Exhibit 99 (the "Letter to Shareholders and Investors").

ITEM 6. RESIGNATIONS OF REGISTRANT'S DIRECTORS.

Not Applicable.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) - (b) None required.

(c) Exhibits.

EXHIBIT NUMBER	DESCRIPTION	PAGE NO.
99	Letter to Shareholders and Investors, dated February 3, 1997	5 through 10

ITEM 8. CHANGE IN FISCAL YEAR.

Not Applicable.

ITEM 9. SALES OF EQUITY SECURITIES PURSUANT TO REGULATION S.

Not Applicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE SCOTTS COMPANY

Date: February 4, 1997

By: /s/ Charles M. Berger

Charles M. Berger, Chairman of
the Board, President and Chief
Executive Officer

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION	PAGE NO.
99	Letter to Shareholders and Investors, dated February 3, 1997	5 through 10

EXHIBIT 99

Letter to Shareholders and Investors,
Dated February 3, 1997

The Scotts Company [Scotts Logo]

14111 SCOTTSLAWN ROAD MARYSVILLE, OHIO 43041 937-644-0011

BEGINNING WITH THE FIRST QUARTER IN FISCAL 1997, ENDED DECEMBER 28, 1996, THE SCOTTS COMPANY WILL BEGIN QUARTERLY COMMUNICATIONS TO ITS SHAREHOLDERS, TO HELP YOU BETTER UNDERSTAND THE COMPANY'S PERFORMANCE AND PROGRESS.

February 3, 1997

Dear Scotts Company Shareholder:

During fiscal 1997's first quarter, your company continued its progress toward renewed profitability. We not only reduced net and operating losses compared to 1996's first quarter, but we continued to reduce costs; and we strengthened our balance sheet by reducing receivables and borrowings. This progress positions Scotts well for profitable financial performance during the spring lawn care and gardening season, our second and third quarters.

In the quarter, The Scotts Company had a net loss of $4.1 million, or 35 cents per common share, significantly smaller than the loss of $7.2 million, or 51 cents per common share, in 1996's first quarter. The 1996 first quarter included a $2.1 million charge for restructuring.

Putting the Numbers in Perspective. And while it's important to recognize that this pre-season quarter has historically accounted for approximately 15 percent of our sales, viewed in the context of Scotts' strategy to restore profitability, the first quarter more than met our objectives. Reaction from the financial community has been positive, too.

Scotts' 1996 performance was hampered by lingering effects of an unsuccessful 1995 Consumer Lawns sales promotion program, which significantly increased costs and created as much as $60 million in increased trade inventories.

Scotts' 1997 strategy calls for replacing the unsuccessful "push" marketing programs with a new "pull" strategy. In addition, its restructured organization should be more competitive as the company begins to enjoy the benefits of the reduced cost structure.

Positive Performance. We made continued progress in all of these areas during the first quarter. Sales were down by 15 percent from the year-earlier quarter, but we believe they more accurately reflected retailers' inventory timing requirements for our products. The higher level first quarter 1996 sales, on the other hand, were driven in part by costly promotion programs.

Looking at first quarter sales by individual business groups:

* Consumer Lawns Business Group sales were down 31.2 percent, essentially due to the discontinuance of the costly promotional programs that had encouraged retailers to make extensive pre-season purchases in previous years.

* Consumer Gardens Group sales were down 12.3 percent, primarily due to postponing some shipments into the second quarter, to optimize in-season shelf life of grass seed products.

* Organics Business Group sales were down 7.7 percent, reflecting reduced costly promotional discounting to drive volume.

* Professional Business Group sales, as anticipated, were down 4.5 percent, due to the discontinuance of unprofitable products.

* Scotts' International Business Group sales increased by 8.3 percent, most of that growth coming from the Pacific Rim.

Marketing Cost Reductions. While sales decreased 15 percent, marketing costs were down nearly 21 percent from first quarter 1996. This confirms, we believe, that we have more cost-effective marketing programs for the company. And while our new marketing strategy will concentrate more of our marketing expenditures during the second and third quarters this year, we still expect overall marketing expense as a percent of sales to be down slightly for the balance of fiscal 1997. Trade response to that new strategy has been positive, with orders to date up considerably versus last year.

In addition, the effects of Scotts' cost-reduction efforts also led to improvements in other key areas such as distribution, general and administrative, and interest expense.

The company's balance sheet improved during the quarter, too, with receivables down more than $75 million from last year's first quarter. Reduced debt -- down by nearly $73 million from the 1996 quarter -- was a direct result of lowerworking capital needs.

Other Actions. During the first quarter, The Scotts Company announced that it had signed a Letter of Intent to purchase the remaining interest in Miracle Holdings Limited and its subsidiary, Miracle Garden Care, Ltd., the profitable lawn and garden care operation in the United Kingdom in which it held a 32.4 percent ownership interest. The transaction, which was completed early in fiscal 1997's second quarter, will help provide Scotts with an established base for growth in Europe's lawn care and garden products market. We believe it complements our existing European operations well, since they primarily serve professional markets.

The acquisition, which -- after interest expenses and amortization of goodwill - -- is expected to have neutral to slightly accretive earnings implications for the company in 1997, is a key element in our international growth strategy.

Going forward, we believe we cannot only improve Miracle Garden Care's performance, but use it as a base for expanding our presence in continental Europe.

During the quarter, we also announced that Jean (John) H. Mordo had been named Scotts' Executive Vice President and Chief Financial Officer, effective January 6, 1997. Jean comes to us from Pratt and Whitney Aircraft, a $6 billion division of United Technologies Corporation, where he had served as Senior Vice President and Chief Financial Office since 1992.

Prior to that, he was with Otis Elevator, also a division of United Technologies, where he served most recently as President of Latin American Operations and Chief Financial Officer. I'm confident that Jean will play an important role in our continuing efforts to return The Scotts Company to profitability and growth.

Scotts also, during the quarter, contracted with a marketing research firm, Triad Systems Corporation, to audit retail sales to provide us with a better understanding of our consumer market share and the actual price paid at the point of purchase. This kind of data, which has not been readily available in our industry in the past, should not only help us track Scotts' products, but also competitors' products in each of the categories we serve. This should prove invaluable as we work to simplify our products lines, establish proper pricing points, and consider new opportunities.

Positioned for Profitability. We're confident that the reduced loss, the marked progress in key cost areas, the positive trade reaction to our new 1997 marketing programs, and the strengthened balance sheet all reflect significant progress in our plan for renewed profitability. They should permit the company to react quickly and efficiently when spring breaks.

We entered the second quarter of fiscal 1997 well positioned to capitalize on the immense potential of The Scotts Company's brands and products. We're optimistic that, as the company's 1996 Annual Report explained, we have taken the right steps to unlock Scotts' potential for profitable growth.

Sincerely,

/s/ Charles M. Berger

Charles M. Berger
Chairman, President and Chief Executive Officer

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION ACT OF 1995: to encourage companies to provide additional forward-looking information to investors, Congress in 1995 passed legislation called the Private Securities Litigation Act of 1995. This letter contains statements that, under the Act, are considered forward-looking. Shareholders should keep in mind that actual results could differ materially from the forward-looking information contained in this letter, due to a variety of factors, including, but not limited to, the effects of weather conditions on sales of the company's products; the success of the new promotion programs discussed in the letter, and the company's ability to maintain favorable profit margins on its products and produce them on a timely basis. Additional detailed information on these and other factors is readily available in the company's publicly filed quarterly, annual, and other reports. For copies, please contact Investor Relations, The Scotts Company, 14111 Scottslawn Road, Marysville, Ohio 43041.

THE SCOTTS COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED DECEMBER 28, 1996
AND DECEMBER 30, 1995

(in thousands, except per share amounts)
(Unaudited)

	THREE MONTHS ENDED December 30, 1995	THREE MONTHS ENDED December 28, 1996	% CHANGE
Net sales	117,928	100,184	-15.0%
Cost of sales	64,714	53,842	-16.8%
Gross profit	53,214	46,342	-12.9%
% of sales	45.1%	46.3%	
Marketing	27,590	21,830	-20.9%
Distribution	16,465	13,688	-16.9%
General and administrative	8,057	7,293	-9.5%
Research and development	2,663	2,664	0.0%
Amortization of goodwill and other intangibles	2,172	2,233	2.8%
Other expenses, net	242	267	10.3%
Unusual expense	2,055	--	na
Income from operations	(6,030)	(1,633)	72.9%
% of sales	-5.1%	-1.6%	
Interest expense	6,601	5,573	-15.6%
Income before taxes	(12,631)	(7,206)	42.9%
Income tax benefit	(5,457)	(3,113)	43.0%
Net income	(7,174)	(4,093)	42.9%
Preferred stock dividend	2,436	2,438	nm
Income available to common shareholders	$ (9,610)	$ (6,531)	nm
Net income (loss) per common share (1)	$ (0.51)	$ (0.35)	31.6%
Common shares used in per share calculation	18,689	18,575	nm

(1) Fully diluted earnings per share for all periods presented did not differ more than 3% from primary earnings per share.

THE SCOTTS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 30, 1995	December 28, 1996	September 30, 1996
ASSETS			
Current assets			
Cash	$ 7,903	$ 5,854	$ 10,598
Accounts receivable, net	196,373	121,648	110,426
Inventories, net	184,629	195,454	148,836
Other current assets	22,637	22,342	22,101
Total current assets	411,542	345,298	291,961
Property, plant and equipment	147,787	136,076	139,488
Trademarks, net	88,688	86,433	86,997
Other intangibles, net	23,513	18,421	19,455
Goodwill	178,794	178,899	180,154
Other assets	15,883	13,551	13,630
Total assets	$866,207	$778,678	$731,685
LIABILITY AND SHAREHOLDERS' EQUITY			
Current liabilities			
Revolving credit	36,488	1,875	2,197
Accounts payable	54,414	44,921	46,288
Other current liabilities	47,543	55,192	62,273
Total current liabilities	138,445	101,988	110,758
Long-term debt	324,368	286,405	223,128
Postretirement benefits	27,204	27,202	27,157
Other liabilities	5,152	6,064	6,341
Total liabilities	495,169	421,659	367,384
Shareholder's equity	371,038	357,019	364,301
Total liabilities and equity	$866,207	$778,678	$731,685