

AMENDMENT NUMBER 1

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 1, 1995

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-19768

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

Ohio 31-1199481
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

14111 Scottslawn Road
Marysville, Ohio 43041
(Address of principal executive offices)
(Zip Code)

(513) 644-0011
(Registrant's telephone number, including area code)

No change
(Former name, former address and former fiscal year, if changed since
last report.)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of
common stock as of the latest practicable date.

18,667,064 Outstanding at May 8, 1995

Common Shares, voting, no par value

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THE SCOTTS COMPANY AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

THE SCOTTS COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(in thousands except per share data)

	Three Months Ended		Six Months Ended	
	April 2	April 1	April 2	April 1
	1994	1995	1994	1995
Net sales	\$207,424	\$236,092	\$275,750	\$334,111
Cost of sales	109,100	123,890	146,464	177,410
	-----	-----	-----	-----
Gross profit	98,324	112,202	129,286	156,701
	-----	-----	-----	-----
Marketing	32,990	38,513	45,911	60,910
Distribution	24,888	30,479	35,864	45,019
General and administrative	9,331	6,997	14,341	12,964
Research and development	2,934	2,963	4,938	5,728
Other expenses, net	776	1,558	804	2,553
	-----	-----	-----	-----
Income from operations	27,405	31,692	27,428	29,527
Interest expense	4,917	8,114	7,557	13,808
	-----	-----	-----	-----
Income before taxes	22,488	23,578	19,871	15,719
Income taxes	9,475	9,785	8,415	6,523
	-----	-----	-----	-----
Net income	\$ 13,013	\$ 13,793	\$ 11,456	\$ 9,196
	=====	=====	=====	=====
Net income per common share	\$.69	\$.73	\$.61	\$.49
	=====	=====	=====	=====
Weighted average number of common shares outstanding.....	18,890	18,820	18,855	18,762
	=====	=====	=====	=====

See Notes to Consolidated Financial Statements

THE SCOTTS COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

	Six Months Ended	
	April 2 1994	April 1 1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 11,456	\$ 9,196
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	10,777	11,908
Postretirement benefits	64	204
Net increase in certain components of working capital	(120,160)	(130,838)
Net change in other assets and liabilities and other adjustments	667	(504)
Net cash used in operating activities.	(97,196)	(110,034)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in plant and equipment, net	(12,436)	(10,891)
Investment in software	--	(483)
Investment in Affiliate	--	(250)
Acquisition of Sierra, net of cash acquired	(118,986)	--
Net cash used in investing activities.	(131,422)	(11,624)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings under term debt	125,000	--
Payments on term and other debt	(428)	(1,197)
Revolving lines of credit and bank line of credit, net	106,295	118,378
Issuance of Class A Common Stock	160	--
Deferred financing costs incurred	--	(275)
Net cash provided by financing activities	231,027	116,906
Effect of exchange rate changes on cash	(179)	676
Net increase (decrease) in cash	2,230	(4,076)
Cash at beginning of period	2,323	10,695
Cash at end of period	\$ 4,553	\$ 6,619
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid, net of amount capitalized	\$ 3,005	\$ 14,007
Income taxes paid	9,164	996
Detail of entities acquired:		
Fair value of assets acquired	144,501	
Liabilities assumed	(25,515)	
Net cash paid for acquisition	118,986	

See Notes to Consolidated Financial Statements

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

	ASSETS		
	April 2 1994	April 1 1995	September 30 1994
Current Assets:			
Cash	\$ 4,553	\$ 6,619	\$ 10,695
Accounts receivable, less allowances of \$2,784, \$3,395 and \$2,933, respectively	200,763	252,509	115,772
Inventories	128,832	143,574	106,636
Prepaid and other assets	16,832	18,601	17,151
	-----	-----	-----
Total current assets	350,980	421,303	250,254
	-----	-----	-----
Property, plant and equipment, net ...	126,594	143,791	140,105
Patents and other intangibles, net ...	32,770	26,529	28,880
Goodwill	106,842	103,224	104,578
Other assets	4,957	9,755	4,767
	=====	=====	=====
Total Assets	\$ 622,143	\$ 704,602	\$ 528,584
	=====	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:			
Revolving credit line	\$ 98,000	\$ 39,852	\$ 23,416
Current portion of term debt	20,417	-	3,755
Accounts payable	69,294	79,591	46,967
Accrued liabilities	33,425	24,258	31,167
Accrued taxes	7,990	20,572	4,383
	-----	-----	-----
Total current liabilities	229,126	164,273	109,688
	-----	-----	-----
Long-term debt, less current portions	205,917	324,630	220,130
Postretirement benefits other than ... pensions	26,710	27,218	27,014
Other liabilities	5,254	7,622	3,592
	-----	-----	-----
Total Liabilities	467,007	523,743	360,424
	-----	-----	-----
Shareholders' Equity:			
Common Shares, no par value	211	211	211
Capital in excess of par value	193,618	193,155	193,450
Retained earnings	2,448	23,071	13,875
Cumulative translation gain	300	5,863	2,065
Treasury stock, 2,415 shares at cost	(41,441)	(41,441)	(41,441)
	=====	=====	=====
Total Shareholders' Equity	155,136	180,859	168,160
	-----	-----	-----
Total Liabilities and Shareholders' Equity	\$ 622,143	\$ 704,602	\$ 528,584
	=====	=====	=====

See Notes to Consolidated Financial Statements

THE SCOTTS COMPANY AND SUBSIDIARIES
Notes to Consolidated Financial Statements

1. Organization and Basis of Presentation

The Scotts Company ("Scotts") and its wholly owned subsidiaries, Hyponex Corporation ("Hyponex"), Republic Tool and Manufacturing Corp. ("Republic") and Scott-Sierra Horticultural Products Company ("Sierra"), (collectively, the "Company"), are engaged in the manufacture and sale of lawn care and garden products. The Company's business is highly seasonal with approximately 70% of sales occurring in the second and third fiscal quarters.

The consolidated balance sheets as of April 2, 1994 and April 1, 1995, the related consolidated statements of income for the three and six month periods ended April 2, 1994 and April 1, 1995 and the related consolidated statements of cash flows for the six month periods ended April 2, 1994 and April 1, 1995 are unaudited; however, in the opinion of management, such financial statements contain all adjustments necessary for the fair presentation of the Company's financial position and results of operations. Interim results reflect all normal recurring adjustments and are not necessarily indicative of results for a full year. The interim financial statements and notes are presented as specified by Regulation S-X of the Securities Exchange Act of 1934, and should be read in conjunction with the financial statements and accompanying notes in the Company's fiscal 1994 Annual Report on Form 10-K.

The financial statements included in this Form 10-Q/A, Amendment No. 1 have been revised to reflect a change in the timing of expense recognition related to a promotional allowance offered to retail customers introduced for the first time in fiscal 1995. The impact of this revision is on timing of marketing promotional expense recognition in the first three quarters of the Company's fiscal year and did not impact the full fiscal year results of operations.

2. Reclassifications

Certain reclassifications have been made to the prior periods' financial statements to conform to April 1, 1995 presentation.

3. Inventories
(in thousands)

Inventories consisted of the following:

	April 2 1994 ====	April 1 1995 ====	September 30 1994 ====
Raw material	\$ 53,302	\$ 56,326	\$ 51,656
Finished products	75,530	87,248	54,980
	-----	-----	-----
Total Inventories	\$128,832 =====	\$143,574 =====	\$106,636 =====

THE SCOTTS COMPANY AND SUBSIDIARIES
Notes to Consolidated Financial Statements

4. Long-Term Debt
(in thousands)

	9/30/94	4/1/95
Revolving Credit Line	\$ 53,416	\$264,321
Senior Subordinated Notes (\$100 million face amount)	99,221	99,267
Term Loan	93,598	--
Capital Lease Obligations	1,066	894
	-----	-----
	247,301	364,482
Less current portions	27,171	39,852
	-----	-----
	\$220,130	\$324,630
	=====	=====

On March 17, 1995, the Company entered into the Fourth Amended and Restated Credit Agreement ("Agreement") with Chemical Bank ("Chemical") and various participating banks. The Agreement provides, on an unsecured basis, up to \$375 million to the Company, comprised of an uncommitted competitive advance facility and a committed revolving credit facility through the scheduled termination date of March 31, 2000. The Agreement contains a requirement limiting the maximum amount borrowed to \$225 million for a minimum of 30 consecutive days each fiscal year. Expenses expected to be incurred related to the Agreement are approximately \$500,000 and will be deferred.

Interest pursuant to the commercial paper/competitive advance facility is determined by auction. Interest pursuant to the revolving credit facility is at a floating rate initially equal, at the Company's option, to the Alternate Base Rate as defined in the Agreement without additional margin or the Eurodollar Rate as defined in the Agreement plus a margin of .3125% per annum, which margin may be decreased to .25% or increased up to .625% based on the higher of the unsecured debt ratings of the Company. Applicable interest rates for the facilities ranged from 6.33% to 9.00% at April 1, 1995. The Agreement provides for the payment of an annual administration fee of \$100,000 and a facility fee of .1875% per annum, which fee may be reduced to .15% or increased up to .375% based on the higher of the unsecured debt ratings of the Company.

The Agreement contains certain financial and operating covenants, including maintenance of interest coverage ratios, maintenance of consolidated net worth, and restrictions on additional indebtedness and capital expenditures. The Company was in compliance with all required covenants at April 1, 1995.

Maturities of term debt for the next five years are as follows:
(in thousands)

Fiscal Year	-----
1995	\$ 39,592
1996	404
1997	149
1998	68
1999	-
2000 and thereafter	325,000

5. Foreign Exchange Instruments

The Company enters into forward foreign exchange and currency options contracts to hedge its exposure to fluctuations in foreign currency exchange rates. These contracts generally involve the exchange of one currency for a second currency at some future date. Counterparties to these contracts are major financial institutions. Gains and losses on these contracts generally offset gains and losses on the assets, liabilities and transactions being hedged.

Realized and unrealized foreign exchange gains and losses are recognized and offset foreign exchange gains or losses on the underlying exposures. Unrealized gains and losses that are designated and effective as hedges on such transactions are deferred and recognized in income in the same period as the hedged transactions. The net unrealized gain deferred totaled \$646,715 at April 1, 1995.

At April 1, 1995, the Company's European operations had foreign exchange risk in various European currencies tied to the Dutch guilder. These currencies are: the Australian Dollar, Belgian Franc, German Mark, Spanish Peseta, French Franc, British Pound and the U. S. Dollar. The Company's U. S. operations have foreign exchange rate risk in the Canadian Dollar, the Dutch Guilder and the British Pound which are tied to the U. S. Dollar. As of April 1, 1995, the Company had outstanding forward foreign exchange contracts with a contract value of approximately \$26.7 million and outstanding purchased currency options with a contract value of approximately \$3.3 million. These contracts have maturity dates ranging from April 6, 1995 to July 13, 1995.

6. Acquisitions

Effective December 16, 1993 the Company completed the acquisition of Grace-Sierra Horticultural Products Company now known as Scotts-Sierra Horticultural Products Company (all further references will be made as "Sierra"). Sierra is a leading international manufacturer and marketer of specialty fertilizers and related products for the nursery, greenhouse, golf course and consumer markets. Sierra manufactures controlled-release fertilizers in the United States and the Netherlands, as well as water-soluble fertilizers and specialty organics in the United States. Approximately one-quarter of Sierra's net sales are derived from European and other international markets; approximately one-quarter of Sierra's assets are internationally based.

On January 26, 1995, the Company, the shareholders (the "Miracle-Gro Shareholders") of Stern's Miracle-Gro Products, Inc. and affiliated companies (the "Miracle-Gro Companies"), and the Miracle Gro Companies entered into an Agreement and Plan of Merger (the "Miracle-Gro Agreement"). On April 6, 1995, the Company's shareholders approved certain matters necessary to permit the consummation of the transactions contemplated by the Miracle-Gro Agreement. Such transactions still require the approval of the Federal Trade Commission (the "FTC") which is currently having discussions with the Company. The Company expects a decision by the FTC during May 1995. The Miracle-Gro Agreement, as amended, provides that, upon consummation of the transactions contemplated thereby, the Company will issue \$195 million face amount of convertible preferred stock and warrants to purchase three million common shares. The convertible preferred stock will be convertible into common shares at \$19 per share (subject to adjustment), will pay annual dividends at a rate of 5.0%, will not be subject to redemption by the Company for five years and will be subject to certain restrictions on transfer. The warrants will be exercisable over eight and one half years at prices ranging from \$21 to \$29 per share. The transactions contemplated by the Miracle-Gro Agreement, as amended, will be accounted for as a purchase, of which the fair value was estimated to be approximately \$200 million as of January 26, 1995.

THE SCOTTS COMPANY AND SUBSIDIARIES
Notes to Consolidated Financial Statements

The following pro forma results of operations give effect to the above Sierra acquisition as if it had occurred on October 1, 1992 and Miracle-Gro merger as if it had occurred on October 1, 1993.

	Six Months Ended	
	(in thousands, except per share amounts)	
	April 2 1994	April 1 1995
Net sales	\$ 349,979 =====	\$393,618 =====
Net income	\$ 19,179 =====	\$ 15,913 =====
Net income per common share - primary and fully-diluted	\$.66 =====	\$.55 =====

Miracle-Gro contributes net sales of \$59,507 and \$53,403, net income of \$6,717 and \$7,830 and net income per common share of \$.01 and \$.06 for the six months ended April 1, 1995 and April 2, 1994, respectively. For purposes of computing earnings per share, the convertible preferred stock is considered a common stock equivalent. Pro forma primary and fully-diluted earnings per share for the six months ended April 1, 1995 and April 2, 1994 are calculated using the weighted average common shares outstanding for Scotts of 18,762 and 18,855, respectively and the common shares that would have been issued assuming conversion of preferred stock at the beginning of the year to 10,263 common shares. The computation of pro forma primary earnings per share assuming reduction of earnings for preferred dividends and no conversion of preferred stock was anti-dilutive.

The pro forma information provided does not purport to be indicative of actual results of operations that would have occurred had the Sierra acquisition and Miracle-Gro merger occurred on October 1, 1992 and October 1, 1993, respectively, and is not intended to be indicative of future results or trends.

7. Contingencies

The Company is involved in various lawsuits and claims which arise in the normal course of business. In the opinion of management, these claims individually and in the aggregate are not expected to result in a material adverse effect on the Company's financial position or result of operations, however, there can be no assurance that future quarterly or annual operating results will not be materially affected by final resolution of these matters. The following details the more significant of these matters.

The Company has been involved in studying a landfill to which it is believed some of the Company's solid waste had been hauled in the 1970s. In September 1991, the Company was named by the Ohio Environmental Protection Agency ("Ohio EPA") as a Potentially Responsible Party ("PRP") with respect to this landfill. Pursuant to a consent order with the Ohio EPA, the Company together with four other PRPs identified to date, is investigating the extent of contamination at the landfill and developing a remediation program.

In July 1990, the Company was directed by the Army Corps of Engineers (the "Corps") to cease peat harvesting operations at its New Jersey facility. The Corps has alleged that the peat harvesting operations were in violation of the Clean Water Act ("CWA"). The United

THE SCOTTS COMPANY AND SUBSIDIARIES
Notes to Consolidated Financial Statements

States Department of Justice has commenced a legal action to seek a permanent injunction against peat harvesting at this facility and to recover civil penalties under the CWA. This action had been suspended while the parties engaged in discussion to resolve the dispute. Those discussions have not resulted in a settlement and accordingly the action has been reinstated. The Company intends to defend the action vigorously but if the Corps' position is upheld the Company could be prohibited from further harvesting of peat at this location and penalties could be assessed against the Company. In the opinion of management, the outcome of this action will not have a material adverse effect on the Company's financial position or results of operations. Furthermore, management believes the Company has sufficient raw material supplies available such that service to customers will not be adversely affected by continued closure of this peat harvesting operation.

Sierra has been named as a Potentially Responsible Party ("PRP") in an environmental contamination action in connection with a landfill near Allentown, Pennsylvania. By agreement with W. R. Grace-Conn., Sierra's liability is limited to a maximum of \$200,000 with respect to this site. Based on estimates of the clean-up costs and that the Company denies any liability in connection with this matter, management believes that the ultimate outcome will not have a material impact on the financial position or results of operations of the Company.

Sierra is subject to potential fines in connection with certain EPA labeling violations under the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA"). The fines for such violations are based upon formulas as stated in FIFRA. As determined by these formulas, Sierra's maximum exposure for the violations is approximately \$810,000. The formulas allow for certain reductions of the fines based upon achievable levels of compliance. Based upon management's anticipated levels of compliance, they estimate Sierra's liability to be \$200,000, which has been accrued in the financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

THREE MONTHS ENDED APRIL 1, 1995, VERSUS THREE MONTHS ENDED APRIL 2, 1994

Net sales increased 13.8% to \$236,092,000. Consumer Business Group sales of \$181,975,000 increased by approximately 15.1% resulting from sales volume increases primarily in lawn fertilizers. Increased demand for seed, organics and spreaders also contributed to the sales increase, but to a lesser extent. Commercial Business Group (previously referred to as the Professional Business Group) sales of \$34,610,000 increased by approximately 0.4% reflecting a continuing trend by golf course customers to order closer to spring usage. The peak Commercial selling season is August to November. International sales increased by approximately 30.9% to \$19,507,000. Volume has been the primary factor of the International sales increase (approximately 19.4%) reflecting the continued positive impact from the introduction of U.S. produced Scotts products in the Sierra International distribution network. In addition, sales were aided by favorable exchange rates due to the weak dollar (approximately 11.5%).

Cost of sales for the three months ended April 1, 1995 comprised 52.5% of net sales, nearly flat with cost of sales for the three months ended April 2, 1994, which represented 52.6%.

Operating expenses increased by approximately 13.5% including increased marketing spending for national advertising and promotion programs (including the promotional allowance to retailers introduced in the first quarter of 1995) reflecting a continuing commitment to supporting the brand and stimulating sales and increased distribution expense related to increased sales volume and higher freight rates. These increases were partially offset by lower general and administrative expenses due to synergies achieved from the integration of Sierra.

Interest expense increased approximately 65%. The increase is primarily the result of increased interest rates and a modest increase in borrowing levels to support a higher level of inventories and receivables resulting from increases in sales.

Net income of \$13,793,000 increased by \$780,000 or approximately 6.0%, as a result of increased operating income offset in part by increased interest expense.

SIX MONTHS ENDED APRIL 1, 1995 VERSUS SIX MONTHS ENDED APRIL 2, 1994

Net sales increased to \$334,111,000, up approximately 21.2%. Net sales included net sales for Sierra, which was acquired by Scotts on December 16, 1993. On a pro forma basis, assuming that both the Sierra acquisition and Miracle-Gro merger had taken place on October 1, 1993, net sales for the six months ended April 1, 1995 would have increased by \$43,639,000 or approximately 12.5%. Consumer Business Group sales increased by approximately 17.5%, resulting primarily from increased sales volume, a portion of which relates to new pre-season promotion programs with major retailers. Increased demand in lawn fertilizers and to a lesser extent demand for seed, organics and spreaders also contributed to the increase. Commercial Business Group sales increased by 16.7% due to the inclusion of net sales for Sierra. International sales increased by approximately 70.5% due to gains in these markets combined with continued positive impact resulting from the introduction of U.S. produced Scotts products into the Sierra International distribution network (approximately 13.6%), the inclusion of net sales for Sierra (41.9%) and favorable exchange rates due to the weakening dollar (approximately 15%).

Cost of sales represented 53.1% of net sales, flat with cost of sales for the six months ended April 2, 1994.

Operating expenses increased approximately 24.9%. The increase resulted from the increase in sales (17.4%) and higher marketing expense as a result of a promotional allowance offered to retail customers (7.5%) introduced in the first quarter of fiscal 1995. This allowance replaced the Company's point of sale rebates offered to consumers. On a pro forma basis, operating expenses increased by approximately 14.9% reflecting higher marketing expense and distribution expense related to higher sales partially offset by lower general and administrative expenses due to synergies of the Sierra integration.

Interest expense increased approximately 82.7%. The increase was caused by higher interest rates on the floating-rate bank debt and the 9 7/8% Senior Subordinated notes compared with the floating rate bank debt the notes replaced, borrowings to fund the Sierra acquisition, which were outstanding for the full six months ended April 1, 1995, as compared to 3.5 months for the previous period and an increase in borrowing levels to support increases in accounts receivable and inventories resulting from increased sales.

Net income of \$9,916,000 decreased by \$2,260,000. The decrease was primarily attributable to increased operating income offset by the higher interest expense discussed above.

FINANCIAL POSITION AS OF APRIL 1, 1995

Capital expenditures for the year ending September 30, 1995 are expected to be approximately \$23,000,000, which will be financed with cash provided by operations and utilization of existing credit facilities.

The seasonal volume of the Company's business is reflected in working capital requirements. Working capital requirements are greatest from November through May, the peak production period, and are at their highest in March. Working capital needs are relatively low in the summer months.

Current assets increased by \$171,049,000 compared with September 30, 1994, and by \$70,323,000 compared with April 2, 1994. The increase compared with September 30, 1994 is primarily attributable to the seasonal nature of Scotts' business, with inventory and accounts receivable levels generally being higher at the end of March relative to September. The increase as compared with April 2, 1994 is primarily due to higher level of receivables which is consistent with the year-to-year sales increase and higher inventory levels needed to support increased sales.

Current liabilities increased by \$54,585,000 compared with September 30, 1994 and decreased by \$64,853,000 compared with April 2, 1994. The increase compared with September 30, 1994 is primarily caused by the seasonality of Scotts' business. The decrease compared with April 2, 1994 is caused by a decrease in short term debt which resulted from the requirements of the Fourth Amended and Restated Credit Agreement ("the Agreement") dated as of March 17, 1995 entered into by the Company with Chemical Bank and various participating banks which requires the Company to reduce revolving credit borrowings to no more than \$225,000,000 for 30 consecutive days each year as compared to \$30,000,000 in the Company's prior amended credit Agreement resulting in a reclassification from short-term to long-term. The decrease was partially offset by an increase in accounts payable needed to support the increase in sales.

Long-term debt increased by \$104,500,000 compared with September 30, 1994 and increased \$118,713,000 compared with April 2, 1994. The increase compared with September 30, 1994 is caused by the seasonality of the business. The increase compared with April 2, 1994 is caused by the reclassification from short-term to long-term of the borrowings under the Agreement discussed above and a moderate increase in borrowings to support increases in accounts receivable and inventories resulting from increased sales.

Shareholders' equity increased \$12,699,000 compared with September 30, 1994 primarily due to \$9,196,000 of net income for the six months ended April 1, 1995 and to the change in the cumulative foreign currency adjustment related to the translation of the assets and liabilities of foreign subsidiaries to U.S. dollars. Shareholders' equity increased \$25,723,000 compared with April 2, 1994 primarily due to net income of \$20,623,000 for the twelve months ended April 1, 1995 and the change in the cumulative foreign currency adjustment related to the translation of the assets and liabilities of foreign subsidiaries to U.S. dollars.

The primary sources of liquidity for the Company are funds generated by operations and borrowings under the Company's Credit Agreement. The Credit Agreement was amended in March 1995. As amended, the Credit Agreement provides, on an unsecured basis, up to \$375 million through March 31, 2000, and does not contain a term loan facility. Additional information on the Credit Agreement is described in Footnote No. 4 on page 7 of this report.

The Company has foreign exchange rate risk related to international earnings and cash flows. A management program was designed to minimize the exposure to adverse currency impacts on the cash value of the Company's non-local currency receivables and payables, as well as the associated earnings impact. Beginning in January 1995, the Company entered into forward foreign exchange contracts and purchased currency options tied to the economic value of receivables and payables and expected cash flows denominated in non-local foreign currencies. Management anticipates that these financial instruments will act as an effective hedge against the potential adverse impact of exchange rate fluctuations on the Company's results of operations, financial condition and liquidity. It is recognized, however, that the program will minimize but not completely eliminate the Company's exposure to adverse currency movements.

As of April 1, 1995, the Company's European operations had foreign exchange risk in various European currencies tied to the Dutch guilder. These currencies are: the Australian Dollar, Belgian Franc, German Mark, Spanish Peseta, French Franc, British Pound and the U. S. Dollar. The Company's U.S. operations have foreign exchange rate risk in the Canadian Dollar, Dutch Guilder and the British Pound which are tied to the U.S. Dollar. As of April 1, 1995, outstanding foreign exchange forward contracts had a contract value of approximately \$26.7 million and outstanding purchased currency options had a contract value of approximately \$3.3 million. These contracts have maturity dates ranging from April 6, 1995 to July 13, 1995.

The pending transactions involving the Company and Stern's Miracle-Gro Products, Inc. and its affiliated companies are described in Footnote No. 6 to the Company's Consolidated Financial Statements on pages 8 and 9 of this Report. Any additional working capital needs resulting from those transactions are expected to be financed through funds available under the amended credit Agreement described above.

In the opinion of the Company's management, cash flows from operations and capital resources will be sufficient to meet future debt service and working capital needs.

ACCOUNTING ISSUES

In March 1995 the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long Lived Assets and for Long Lived Assets to be Disposed of" which establishes accounting standards for the impairment of long lived assets, certain identifiable intangibles and goodwill related to those assets to be held and used for long lived assets and certain identifiable intangibles to be disposed of. The Company's current policies are in accordance with SFAS No. 121.

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 December 27, 1995

/s/ Paul D. Yeager
Paul D. Yeager
Executive Vice President
Chief Financial Officer
Principal Accounting Officer

THE SCOTTS COMPANY
 QUARTERLY REPORT ON FORM 10-Q/A FOR
 FISCAL QUARTER ENDED APRIL 1, 1995
 EXHIBIT INDEX

Exhibit Number	Description	Page Number
2(a)	Agreement and Plan of Merger dated as of January 26, 1995 among Stern's Miracle-Gro Products, Inc., Stern's Nurseries, Inc., Miracle-Gro Lawn Products Inc., and Miracle-Gro Products Limited (the "Miracle-Gro Constituent Companies"), Horace Hagedorn, James Hagedorn, Katherine Hagedorn Littlefield, Paul Hagedorn, Peter Hagedorn, Robert Hagedorn, Susan Hagedorn and John Kenlon, (the "Miracle-Gro Shareholders"), The Scotts Company and ZYX Corporation.	Incorporated herein by reference to the Registration Statement on Form S-4 of The Scotts Company filed with the Securities and Exchange Commission on February 4, 1995 (Registration No. 33-57595) (Exhibit 2)
2(b)	Amendment No. 1, dated as of May 1, 1995, among the Miracle-Gro Constituent Companies, the Miracle-Gro Shareholders, The Scotts Company, ZYX Corporation, Hagedorn Partnership, L.P. and Community Funds, Inc.	Incorporated herein by reference to the Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 1995 of The Scotts Company (File No. 0-19768) (Exhibit 2(b))
4(a)	Amended Articles of Incorporation of The Scotts Company as filed with the Ohio Secretary of State on September 20, 1994	Incorporated herein by reference to the Annual Report on Form 10-K for the fiscal year ended September 30, 1994 of The Scotts Company (File No. 0-19768) (Exhibit 3(a))
4(b)	Certificate of Amendment by Shareholders to the Articles of Incorporation of The Scotts Company as filed with the Ohio Secretary of State on May 4, 1995	Incorporated herein by reference to the Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 1995 of The Scotts Company (File No. 0-19768) (Exhibit 4(b))
4(c)	Regulations of The Scotts Company (reflecting amendments adopted by the shareholders of The Scotts Company on April 6, 1995)	Incorporated herein by reference to the Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 1995 of The Scotts Company (File No. 0-19768) (Exhibit 4(c))
4(d)	Fourth Amended and Restated Credit Agreement dated as of March 17, 1995 among The Scotts Company, Chemical Bank, the lenders party thereto and Chemical Bank as agent	Incorporated herein by reference to the Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 1995 of The Scotts Company (File No. 0-19768) (Exhibit 4(d))
11	Computation of Net Income Per Common Share	Page 16
27	Financial Data Schedule	Page 17

THE SCOTTS COMPANY

Computation of Net Income Per Common Share
Primary (Unaudited)
(Dollars in thousands except per share amounts)

	For the Six Months Ended		For the Three Months Ended	
	April 2 1994	April 1 1995	April 2 1994	April 1 1995
Net income for computing net income per common share:				
Net income	\$ 11,456	\$ 9,196	\$ 13,013	\$ 13,793
	=====	=====	=====	=====
Net income per common share:				
Net income per common share	\$.61	\$.49	\$.69	\$.73
	=====	=====	=====	=====

Computation of Weighted Average Number
of Common Shares Outstanding (Unaudited)

	For the Six Months Ended		For the Three Months Ended	
	April 2 1994	April 1 1995	April 2 1994	April 1 1995
Weighted average common shares outstanding during the period	18,659,472	18,667,064	18,658,999	18,667,064
Effect of options outstanding based upon the Treasury Stock Method:				
Performance shares	102,484		84,961	
January 1992 - 136,364 at \$9.90	73,326	68,495	71,598	64,097
June 1992 - 15,000 at \$16.25	2,245	--	1,896	--
November 1992 - 522,175 at \$16.25	21,540	44,127	18,184	13,156
December 1992 - 300,000 at \$18.00	17,425	--	9,678	--
March 1993 - 24,000 at \$18.25	1,080	--	452	--
October 1993 - 247,170 at \$17.25	12,649	6,963	9,432	--
October 1994 - 254,420 at 18.25	--	32,250	--	17,857
January 1995 - 18,000 at \$16.50	--	1,268	--	184
			=====	=====
Weighted average common shares outstanding during the period for computing net income per common share	18,890,221	18,820,167	18,855,200	18,762,358
	=====	=====	=====	=====

Fully diluted weighted average shares outstanding were not materially different than primary weighted average shares outstanding for the periods presented.

This schedule contains summary financial information extracted from the consolidated balance sheet at April 1, 1995 and statement of income for the six months ended April 1, 1995 of The Scotts Company and its subsidiaries and is qualified in its entirety by reference to such financial statements.

1000
U.S. DOLLARS

6-MOS		
	SEP-30-1995	
	OCT-01-1994	
	APR-01-1995	
	1	6,619
		0
	255,904	
	3,395	
	143,574	
	421,303	218,905
	75,114	
	704,602	
164,273		0
		211
0		0
		180,648
704,602		334,111
	335,106	177,410
	302,031	
	3,548	
	0	
13,808		
	15,719	
	6,523	
9,196		0
	0	
		0
	9,196	
	.49	
	.49	