SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549
FORM 10-K/A

(Mark One)

(X) ANNUAL REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)

For the fiscal year ended September 30, 1995

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from ______________ to ___________________

Commission file number 1-11593

The Scotts Company

(Exact name of registrant as specified in its charter)

Ohio	31-1199481
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
14111 Scottslawn Road, Marysville, Ohio	43041
(Address of principal executive offices)	(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
9 7/8% Senior Subordinated Notes due August 1, 2004	New York Stock Exchange
Common Shares, Without Par Value (18,931,509 Common Shares outstanding at February 23, 1996)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

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 by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or any amendment to this Form 10-K. ( )

The aggregate market value of the voting stock held by non-affiliates of the registrant at February 23, 1996 was $351,291,997.

This report contains 62 pages of which this is Page 1. The Index to Exhibits begins at page 56.

PART II

ITEM 6. SELECTED FINANCIAL DATA

FIVE-YEAR SUMMARY

THE SCOTTS COMPANY AND SUBSIDIARIES

(in thousands except share data)	For the fiscal year ended September 30 1991	1992	1993(1)	1994(2)	1995(3)
Consolidated Statement of Income Data(4)					
Net sales	$ 388,120	$ 413,558	$ 446,043	$ 606,339	$ 732,837
Cost of sales	207,956	213,133	244,218	319,730	394,369
Gross profit	180,164	200,425	221,825	286,609	338,468
Operating expenses:					
Marketing	57,489	66,245	74,579	100,106	130,179
Distribution	57,056	61,051	67,377	84,407	104,513
General and administrative	22,985	24,759	27,688	30,189	28,672

Research and development	5,247	6,205	7,700	10,352	10,970
Other expenses, net	2,000	20	660	2,283	1,560
Total operating expenses	144,777	158,280	178,004	227,337	275,894
Income from operations	35,387	42,145	43,821	59,272	62,574
Interest expense	30,932	15,942	8,454	17,450	26,320
Income before income taxes, extraordinary items and cumulative effect of accounting changes	4,455	26,203	35,367	41,822	36,254
Income taxes	2,720	11,124	14,320	17,947	13,898
Income before extraordinary items and cumulative effect of accounting changes	1,735	15,079	21,047	23,875	22,356
Extraordinary items:					
Loss on early extinguishment of debt, net of tax	--	(4,186)	--	(992)	--
Utilization of net operating loss carryforwards	2,581	4,699	--	--	--
Cumulative effect of changes in accounting for postretirement benefits, net of tax and income taxes	--	--	(13,157)	--	--
Net income	$ 4,316	$ 15,592	$ 7,890	$ 22,883	$ 22,356
Net income per common share: (5)					
Income before extraordinary items and cumulative effect of accounting changes	$ 0.15	$ 0.84	$ 1.07	$ 1.27	$ 0.99
Extraordinary items:					
Loss on early extinguishment of debt, net of tax	--	(0.23)	--	(0.05)	--
Utilization of net operating loss	--				
carryforwards	0.21	0.26	--	--	--
Cumulative effect of changes in accounting for postretirement benefits, net of tax and income taxes	--	--	(0.67)	--	--
Net income per common share	$ 0.36	$ 0.87	$ 0.40	$ 1.22	$ 0.99
Common shares used in net income per common share computation	11,832,651	18,014,151	19,687,013	18,784,729	22,616,685
Consolidated Balance Sheet Data (4)					
Working capital	$ 21,260	$ 54,795	$ 88,526	$ 140,566	$ 226,998
Capital investment	8,818	19,896	15,158	33,402	23,606
Property, plant and equipment, net	79,903	89,070	98,791	140,105	148,754
Total assets	260,729	268,021	321,590	528,584	809,045
Term debt, including current portion	182,954	31,897	92,524	223,885	272,446
Total shareholders' equity (deficit)	(9,961)	175,929	143,013	168,160	380,790

(1) Includes Republic Tool and Manufacturing Corp. ("Republic") from November 1992

(2) Includes Scotts-Sierra Horticulture Products Company ("Sierra") from December 16, 1993

(3) Includes Scotts Miracle-Gro Products, Inc. and its subsidiaries ("Miracle-Gro Companies") from May 19, 1995

(4) Certain amounts have been reclassified to conform to 1995 presentation; these changes did not impact net income.

(5) Net income (loss) per common share for fiscal 1991 has been restated to eliminate the effect of accretion to redemption value of redeemable common stock to be comparable with fiscal 1992. All per share amounts for fiscal 1991 have been adjusted for the January 1992 reverse stock split, in which every 2.2 shares of old Class A Common Stock were exchanged for one share of new Class A Common Stock.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion should be read in conjunction with the Consolidated Financial Statements of The Scotts Company, ("Scotts"), and its subsidiaries (collectively, the "Company") included elsewhere in this Report.

Results of Operations

FISCAL 1995 COMPARED WITH FISCAL 1994.

Net sales increased to $732.8 million, up approximately 20.9%, primarily due to increased sales volume (14.5%) of which 5.2% resulted from a marketing program incentivizing retailers to purchase their calendar fourth quarter and 1996 spring requirements early while deferring payment to 1996. The increase in actual net sales also reflects the inclusion of Sierra for the full year in 1995 (3.4%) and Miracle-Gro from the merger date of May 19, 1995 (3.0%). On a pro forma basis, including net sales of Sierra and Miracle-Gro from October 1, 1993, net sales increased by $95.0 million or 13.1% to $821.2 million.

Consumer Business Group net sales increased 21.6% to $501.9 million. This increase resulted primarily from increased sales volume (16.3%, of which 7.0% resulted from the retailer incentive program discussed above) and the inclusion of net sales of Miracle-Gro (5.3%). Sales to the Company's top ten accounts (excluding Miracle-Gro sales) were up 27.4% over the prior year. Net sales increases in lawn fertilizers and organics and to a lesser extent, increases in seed and spreader sales were partially offset by the unavailability of some fertilizer products as a result of production problems which caused sales orders to be postponed to the first fiscal quarter of 1996. Professional Business Group sales of $161.3 million increased by 11.1%, primarily due to the inclusion of net sales for a full year of Sierra in 1995 (8.0%) and an increased demand for horticulture products (3.1%). International sales increased by 43.7% to $69.6 million due to gains in these markets combined with the positive impact resulting from the sale of Scotts products in the Company's international distribution network (19.7%), the inclusion of Sierra net sales for the full year (16.9%) and favorable exchange rates (7.1%).

Cost of sales represented 53.8% of net sales, a 1.1% increase compared to 52.7% of net sales last year. The increase resulted from higher prices for urea, the source of nitrogen in most of the Company's fertilizer products, increased sales of lower margin U.S. produced products internationally, increased sales in lower margin domestic products, and to a lesser extent, pricing incentives to major retailers.

Operating expenses increased approximately 21.4% which was proportional to the sales increase. Marketing expense increased 30.0% due primarily to increased promotional allowances to retailers (16.2%) and to a lesser extent increased sales, a higher proportion of International sales which carry a higher ratio of marketing cost to sales, and higher sales force incentives. Distribution expense increased 23.8% as a result of higher sales volume, higher warehousing and storage costs as a result of increased inventory levels, higher freight rates and a higher proportion of the sales growth in lower value per pound products. These increases were partially offset by a 5% decline in general and administrative expense as a result of synergies achieved from the integration of Sierra, cost controls and reduced management incentives. In addition, the completion of the divestiture of the Peters U.S. consumer water soluble fertilizer business resulted in a decrease of "other expenses, net", of approximately $4.2 million. This gain was partially offset by incremental intangible and goodwill amortization from acquisitions and the Company's portion of the loss from Miracle Garden Care, Ltd. ("Miracle Garden Care").

Interest expense increased 50.8%. The increase was caused by higher interest rates on the floating-rate bank debt and the 9 7/8% Senior Subordinated Notes due August 1, 2004 (the "Notes") compared with the floating rate bank debt the Notes replaced (32.6%), a full year outstanding of the borrowings to fund the Sierra acquisition (8.1%) and an increase in borrowing levels (10.1%) principally to support higher working capital requirements and capital expenditures.

The Company's effective tax rate decreased from 42.9% to 38.3% in 1995. This decrease results primarily from the tax treatment of the disposition of the Peters(R) line of U. S. consumer water-soluble fertilizer products ("CWSF") (3%) and resolution of prior year tax contingencies (3.9%) offset by an increase in nondeductible amortization of intangible assets (1.3%).

Net income of $22.4 million decreased by $.5 million from 1994. Among the significant items impacting 1995 results were increased revenues and costs from new and existing marketing programs, the gain from the divestiture of the Peters line of CWSF products, the lower effective tax rate, and the higher cost of urea, each as discussed more fully above and an extraordinary charge of $1.0 million in 1994 for the early extinguishment of debt.

FISCAL 1994 COMPARED WITH FISCAL 1993.

Net sales of $606.3 million increased by $140.3 million or 30.1%, primarily due to increased volume, of which 4.3% resulted from a marketing program incentivizing retailers to purchase their calendar fourth quarter and 1995 spring requirements early while deferring payment to 1995. The increase included $105.6 million of sales from Sierra, which was acquired by the Company on December 16, 1993.

Consumer Business Group sales of $419.6 million increased by $49.4 million or 13.3%. The growth was principally derived from increased volume to major retailers, with sales to the Company's top ten accounts up 16% over the prior year, and from sales for Sierra which accounted for $21.3 million of the increase. Professional Business Group sales of $181.7 million increased by $88.0 million or 93.9%. The increase was principally due to sales of Sierra which accounted for $84.3 million of the increase.

On a proforma basis, including Sierra sales assuming that the acquisition had occurred on October 1, 1992, sales increased by 7.1% for the 1994 year.

Cost of sales at 52.7% of net sales showed a slight increase from 52.4% of net sales in fiscal 1993. The increase reflected a higher proportion of spreader sales, which have lower margins.

Operating expenses of $227.3 million increased by $49.3 million or 27.7%. The increase was caused, in significant part, by the inclusion of Sierra operating expenses in fiscal 1994. The increase was also caused, to a lesser degree, by increased freight costs due to higher sales volume and by higher marketing costs which reflected increased spending for national advertising and promotion programs. The increase was partly offset by reduced general and administrative expenses, exclusive of Sierra expenses, for fiscal 1994.

Interest expense of $17.5 million increased by $9.0 million principally due to an increase in borrowing levels resulting from the acquisition of Sierra in December 1993. The increase was also caused, to a lesser degree, by the issuance of the Notes (see "Liquidity and Capital Resources" below) which bear a higher fixed interest rate than the term debt prepaid with their net proceeds.

Net income of $22.9 million increased by $15.0 million from $7.9 million in fiscal 1993. The increase was primarily attributable to a non-recurring charge in fiscal 1993 of $13.2 million, net of tax, for the cumulative effect of accounting changes. Among significant items impacting 1994 results were increased interest expense and a $1.0 million non-recurring charge, net of tax, for financing costs related to the prepayment of term debt.

Liquidity and Capital Resources

Current assets of $350.9 million increased by $100.6 million compared with September 30, 1994. The increase was partly attributable to the inclusion of Miracle-Gro current assets in fiscal 1995 which amounted to $22.9 million. The increase was also caused by higher receivables associated with year-to-year sales increases in the latter four months of fiscal 1995 and to higher inventory levels.

Current liabilities of $123.9 million increased by $14.2 million compared with September 30, 1994. The increase was attributable to the inclusion of Miracle-Gro's current liabilities which amounted to $13 million and higher levels of trade payables and accrued liabilities primarily related to marketing accruals, reflecting business growth. These items were offset by a decrease in short-term debt due to the terms of the Fourth Amended and Restated Credit Agreement (the "Credit Agreement") dated March 17, 1995, which requires the Company to reduce revolving credit borrowing to no more than $225 million for 30 consecutive days each year as compared to $30 million prior to the amendment.

Capital expenditures totaled approximately $23.6 million and $33.4 million for the fiscal years ended September 30, 1995 and 1994, respectively, and are expected to be approximately $28.0 million in fiscal 1996. The key capital project in fiscal 1994 was an investment of approximately $13.0 million in a new production facility for Scotts' Poly-S(R) controlled-release fertilizers. The Credit Agreement restricts the amount the Company may spend on capital expenditures to $50 million per year for fiscal 1995 and each year thereafter. These expenditures will be financed with cash provided by operations and utilization of available credit facilities.

Long-term debt increased by $51.9 million compared with September 30, 1994, of which $26.7 million was attributable to the change in terms of borrowings under the Credit Agreement discussed above. The remaining increase in borrowings was to support increased working capital and capital expenditures.

Shareholders' equity increased by $212.6 million compared with September 30, 1994. This increase was primarily due to the issuance of Convertible Preferred Stock with a fair market value of $177.3 million and Warrants with a fair market value of $14.4 million in the merger with Miracle-Gro, as discussed in footnote number 2 to the Company's Consolidated Financial Statements. The remaining change in shareholders' equity was a result of net income of $22.4 million, and the change in the cumulative foreign currency adjustment of $2.0 million, partially offset by Convertible Preferred Stock dividends of $3.6 million.

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 and restated in March 1995. As amended, the Credit Agreement is unsecured and provides 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 number 8 to the Company's Consolidated Financial Statements.

The Company has foreign exchange rate risk related to international earnings and cash flows. During fiscal 1995, 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 has entered into forward foreign exchange contracts and purchase 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 September 30, 1995, the Company's European operations had foreign exchange risk in various European currencies tied to the Dutch guilder. These currencies include the Australian Dollar, Belgian Franc, German Mark, Spanish Peseta, French Franc, British Pound and the U.S. Dollar. The Company's U.S. operations had foreign exchange rate risk in the Canadian Dollar, Dutch Guilder and the British Pound which are tied to the U.S. Dollar. As of September 30, 1995, outstanding foreign exchange forward contracts had a contract value of approximately $25.1 million. These contracts had maturity dates ranging from October 3, 1995 to October 31, 1995.

The merger with Miracle-Gro and its affiliated companies is described in footnote number 3 to the Company's Consolidated Financial Statements. Any additional working capital needs resulting from this transaction are expected to be financed through funds generated from operations or available under the Credit Agreement.

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 during the 1996 fiscal year.

Inflation

The Company is subject to the effects of changing prices. The Company has, however, generally been able to pass along inflationary increases in its costs by increasing the prices of its products.

Accounting Issues

In March 1995, the Financial Accounting Standards Board ("the 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.

In December 1995, the Board issued SFAS No. 123 "Accounting for Stock-Based Compensation", which changes the measurement, recognition and disclosure standards for stock-based compensation. Management is currently evaluating the provisions of SFAS No. 123 and at this time the effect of adopting SFAS No. 123 on the results of operations and the method of disclosure has not been determined.

Challenges for 1996

Looking forward to 1996, management expects that increasing prices for urea will continue to put downward pressure on gross margins. In addition, certain non-recurring items which lowered the effective tax rate in 1995 will not impact 1996 which is expected to result in an increase in the effective income tax rate to approximately 43%. Planned investments in manufacturing plant are expected to increase capacity in the summer months. As reported in the Company's Form 10-Q for the quarter ended December 30, 1995, a $1.6 million charge was recorded in the first quarter of 1996 related to personnel reductions.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Executive Officers of Registrant

The executive officers of Scotts, their positions and, as of March 1, 1996, their ages and years with Scotts (and its predecessors) are set forth below.

Name	Age	Position(s) Held	Years with the Company (and its Predecessors)
Tadd C. Seitz	54	Chairman of the Board, Interim President, Chief Executive Officer and Director	23
Paul D. Yeager	57	Executive Vice President and Chief Financial Officer	21
James Hagedorn	40	Director and Senior Vice President, Consumer Garden Group	8
Ronald E. Justice	51	Senior Vice President, Operations	7 months
Michael P. Kelty	45	Senior Vice President, Professional Business Group	16
J. Blaine McKinney	52	Senior Vice President, Consumer Sales	3
James L. Rogula	62	Senior Vice President, Consumer Business Group	1
Bernard R. Ford	52	Vice President, Asia-Pacific and Latin America	17
John A. Neal	55	Vice President, Research and Development	4
Lisle J. Smith	39	Vice President, Administration and Planning	8
L. Robert Stohler	54	Vice President, International	3 months

Executive officers serve at the discretion of the Board of Directors (and in the case of Mr. James Hagedorn, pursuant to an employment agreement).

The business experience of each of the persons listed above during the past five years is as follows:

Following the resignation on February 22, 1996 of Theodore J. Host as Director, President and Chief Executive Officer of the Company, the Board of Directors appointed Mr. Seitz, President and Chief Executive Officer on an interim basis while a search is conducted for a replacement. Mr. Seitz has been Chairman of the Board of Scotts since 1991. Mr. Seitz was the Chief Executive Officer of Scotts from 1987 to April 1995. He was also President of Scotts' main operating subsidiary from 1983 until 1991.

Mr. Yeager has been an Executive Vice President of Scotts since 1991 and a Vice President and the Chief Financial Officer of Scotts and its predecessors since 1980. He was first Assistant Comptroller and then Comptroller of Scotts' predecessor from 1974 to 1980.

Mr. Hagedorn was named Senior Vice President, Consumer Garden Group, of Scotts in May 1995. He was Executive Vice President from 1989 until consummation of the Merger in May 1995, of Stern's Miracle-Gro Products, Inc. ("Miracle-Gro Products"). He has been Executive Vice President of Scotts' Miracle-Gro Products, Inc. ("Scotts Miracle-Gro") since May 1995. Mr. Hagedorn is also a member of the Board of Directors of Miracle Holdings Limited ("Miracle Holdings") and Miracle Garden Care, both U.K. companies. He was previously an officer and an F-16 pilot in the United States Air Force. He is a board member of several not-for-profit corporations, including: The Farms for City Kids Foundation, Clark Botanic Garden, Children's House and North Shore University Hospital. James Hagedorn is the son of Horace Hagedorn, a director of Scotts.

Mr. Justice was named Senior Vice President, Operations, of Scotts in July 1995. From 1992 to 1995, he was Vice President of Operations for Continental Baking, a producer of bread and cake bakery products and a subsidiary of Ralston Purina Company. From 1991 to 1992, he served as Vice President of Engineering for Frito-Lay, a snack food producer and a subsidiary of Pepsico, Inc. From 1988 to 1991, he was Vice President of Manufacturing for its Central Division.

Dr. Kelty was named Senior Vice President, Professional Business Group, of Scotts in July 1995. Dr. Kelty has been Senior Vice President, Technology and Operations, of Scotts since 1994. From 1988 to 1994, he served first as Director, then as Vice President, of Research and Development of Scotts. Prior to that, Dr. Kelty was the Director of Advanced Technology, Research of Scotts, and from 1983 to 1987 he was Director, Chemical Technology Development, of Scotts and its predecessors.

Mr. McKinney has been a Senior Vice President in the Consumer Business Group, and Consumer Sales, of Scotts since 1992. From 1990 to 1992, he was Vice President of Marketing and Sales of Salov, N.A., a manufacturer of consumer products. From 1989 to 1990, he was Director of Sales of Rickett & Colman, Ltd., a consumer products company.

Mr. Rogula was named Senior Vice President, Consumer Business Group, of Scotts in January 1995. From May 1990 until the time he joined the Company, he was President of The American Candy Company, a producer of non-chocolate candies. From January 1990 to May 1990, he was an independent business consultant.

Mr. Ford has been a Vice President of Scotts since 1987. Mr. Ford currently holds the position of Vice President, Asia-Pacific and Latin America. Other positions that Mr. Ford has held with Scotts and its predecessors include Vice President, Strategy and Business Development, Director of Market Development, Director of Export Marketing Services and Director of Marketing.

Dr. Neal has been Vice President, Research and Development, of Scotts since July 1995. From 1992 until the time he joined Scotts in 1994, he was Vice President of Research and Development for Grace-Sierra Horticultural Products Company (now Sierra). From 1987 to 1992, he was Manager of Research and Development for the Western Chemicals and Industrial Resins, West, divisions of Georgia Pacific Corporation, a forest products company.

Mr. Smith has been Vice President, Administration and Planning, of Scotts since 1994. He served as Chief Financial Officer of Grace-Sierra Horticultural Products Company (now Sierra) from 1991 until the time he joined Scotts in 1993, and as Treasurer and Controller of that corporation from 1987 to 1991.

Mr. Stohler was named Vice President, International, of Scotts in November 1995. From 1994 to 1995, he was President of Rubbermaid Europe S.A., a marketer of plastic housewares, toys, office supplies and janitorial and food service products. From 1992 to 1994, he was Vice President and Chief Financial Officer of Synthes (U.S.A.), a marketer and manufacturer of implants and surgical instruments for orthopedic health care. From 1979 to 1991, he held various positions with S. C. Johnson Wax, a packager of consumer goods, institutional products and specialty chemicals, including most recently as Director, Planning and Finance, Worldwide Innochem.

Directors of Registrant

Pursuant to the Code of Regulations of Scotts, the Board of Directors has set the authorized number of directors at twelve (12). Three directors hold office for terms expiring in 1996 (due to the resignation of Mr. Host), four directors hold office for terms expiring in 1997, and four directors hold office for terms expiring in 1998. The election of each class of directors is a separate election. Pursuant to the terms of the Merger Agreement, the former shareholders of Miracle-Gro Products, through their representative (the "Miracle-Gro Representative"), designated Messrs. James Hagedorn, John Kenlon and Horace Hagedorn as Board members. Until the earlier of the fifth anniversary of the effective date of the Merger (May 19, 2000) (the "Standstill Period") and such time as the former Miracle-Gro Products shareholders no longer beneficially own at least 19% of the voting stock of Scotts, the Miracle-Gro Representative will continue to be entitled to designate one person to be nominated for election as a director in the class whose term expires in any year.

As a result of the resignation of Mr. Host, a vacancy exists in the class of Directors whose term expires in 1996. The Board of Directors does not contemplate selection of a nominee to fill such vacancy until such time as a replacement for Mr. Host is named.

Directors hold office until the next annual meeting of shareholders of Scotts to elect members of the class whose term has expired, and until their successors are duly elected and qualified, or until their earlier death, resignation or removal. All of the directors were first appointed or elected at the various dates set forth below and have been elected annually since their respective appointments.

The following information with respect to the principal occupation or employment, other affiliations and business experience of each director during the last five years has been furnished to Scotts by each director. Except where indicated, each director has had the same principal occupation for the last five years.

INFORMATION CONCERNING DIRECTORS AS OF FEBRUARY 23, 1996:

CLASS 1. DIRECTORS (TERM EXPIRING 1996):

James Hagedorn, age 40

Senior Vice President, Consumer Garden Group, of Scotts since May 1995 and Director of Scotts since 1995

Mr. Hagedorn was Executive Vice President from 1989 until consummation of the Merger in May 1995 of Miracle-Gro Products. Mr. Hagedorn has been Executive Vice President of Scotts' Miracle-Gro since May 1995. Mr. Hagedorn also serves on the boards of Miracle Holdings and Miracle Garden Care, both U.K. companies. He was previously an officer and an F-16 pilot in the United States Air Force. He is a board member of several not-for-profit corporations, including: The Farms for City Kids Foundation, Clark Botanic Garden, Children's House and North Shore University Hospital. James Hagedorn is the son of Horace Hagedorn.

Karen Gordon Mills, age 42   Director of Scotts since 1994

Ms. Mills is President of MMP Group, Inc., a management company that monitors equity investments and provides consulting and investment banking services. From 1983 to 1993, she served as Managing Director at E.S. Jacobs and Company and as Chief Operating Officer of its Industrial Group. Ms. Mills is currently on the boards of Triangle Pacific Corp., Armor All Products, Inc., Arrow Electronics, Inc. and Telex Communications, Inc.

CLASS 1. DIRECTORS (TERM EXPIRING 1996): continued

Tadd C. Seitz, age 54

Chairman of the Board of Scotts since 1991, Interim President and Chief Executive Officer of Scotts since February 1996 and Director of Scotts since 1987

In February 1996, Mr. Seitz resumed his former posts of President and Chief Executive Officer on an interim basis. Mr. Seitz was the Chief Executive Officer of Scotts from 1987 to April 1995. He was also President of Scotts' main operating subsidiary from 1983 until 1991. Mr. Seitz has been employed by Scotts and its predecessors for twenty-three years. Mr. Seitz also serves as a director of Holophane Corporation.

CLASS 2. DIRECTORS (TERM EXPIRING 1997):

James B Beard, age 60 Director of Scotts since 1989

Dr. Beard is Professor Emeritus of Turfgrass Physiology and Ecology at Texas A&M University where he served from 1975 to 1992. He has been President and Chief Scientist at the International Sports Turf Institute since July 1992. Dr. Beard is the author of six books and over 500 scientific articles on turfgrass science and is an active lecturer and consultant both nationally and internationally. He is a Fellow of the American Association of the Advancement of Science and was the first President of the International Turfgrass Society.

John Kenlon, age 64 Director of Scotts since 1995

Mr. Kenlon was named Chief Operating Officer and President of Scotts' Miracle-Gro in May 1995. Mr. Kenlon was the President of Miracle-Gro Products from December 1985 until the consummation of the Merger in May 1995. Mr. Kenlon began his association with the Miracle-Gro Companies in 1960.

John M. Sullivan, age 60 Director of Scotts since 1994

Mr. Sullivan was Chairman of the Board from 1987 to 1993, and President and Chief Executive Officer from 1984 to 1993, of Prince Holdings, Inc., a corporation which, through its subsidiaries, manufactures sporting goods. Since his retirement from Prince Holdings, Inc. and its subsidiaries in 1993, Mr. Sullivan has served as an independent director for various corporations, none of which, other than Scotts, is registered under or subject to the requirements of the Securities Exchange Act of 1934 or the Investment Company Act of 1940.

L. Jack Van Fossen, age 58 Director of Scotts since 1993

Mr. Van Fossen was Chief Executive Officer and President of Red Roof Inns., Inc., an owner and operator of motels, from May 1991 to June 1995. Since July 1988, Mr. Van Fossen has also served as President of Nessoff Corporation, a privately owned investment company. Mr. Van Fossen also serves as a director of Cardinal Health, Inc.

CLASS 3. DIRECTORS (TERM EXPIRING 1998):

John S. Chamberlin, age 67 Director of Scotts since 1989

Since 1988, Mr. Chamberlin has served as an advisor for investment firms. In 1990 and 1991, he was Chief Executive Officer of N.J. Publishing, Inc. He has been Senior Advisor to Mancuso & Co. since 1990, Chairman of Life Fitness Co. since 1992, Chairman of WNS, Inc. since 1993, and a director of Healthsouth Corporation since 1993.

CLASS 3. DIRECTORS (TERM EXPIRING 1998): continued

Joseph P. Flannery, age 63 Director of Scotts since 1987

Mr. Flannery was a consultant to Clayton, Dubilier & Rice, Inc. from September 1988 to December 1990. Mr. Flannery has been President, Chief Executive Officer and Chairman of the Board of Directors of Uniroyal Holding, Inc. since 1986. Mr. Flannery is also a director of Ingersoll Rand Company, Kmart Corporation, Newmont Mining, Newmont Gold Company, Arvin Industries, Inc., and APS Holding Corporation.

Horace Hagedorn, age 80
Vice Chairman of the Board of Scotts since May 1995 and
Director of Scotts since 1995

Mr. Hagedorn was named Chairman and Chief Executive Officer of Scotts' Miracle-Gro in May 1995. Mr. Hagedorn founded Miracle-Gro Products in 1950 and served as Chief Executive Officer of Miracle-Gro Products from 1985 until the consummation of the Merger in May 1995. Horace Hagedorn is the father of James Hagedorn. His philanthropic interests include the "Miracle-Gro Kids" program, in which 50 needy fifth grade children are fully sponsored through a four-year college scholarship. He serves as a Trustee on the boards of the North Shore University Hospital and the Institute for Community Development, both in Manhasset, New York, and the board of the Buckley Country Day School in Roslyn, New York. Mr. Hagedorn's recognitions include the "Man of the Year" award from the National Lawn and Garden Distributors Association, and the Distinguished Service Medal from the Garden Writers of America Association. He was elected New York Regional Area "Entrepreneur of the Year" in 1993.

Donald A. Sherman, age 45 Director of Scotts since 1988

Mr. Sherman has been President of Waterfield Mortgage Company in Fort Wayne, Indiana, since 1989. He also serves as a director of Union Acceptance Corporation.

ITEM 11. EXECUTIVE COMPENSATION.

SUMMARY OF CASH AND CERTAIN OTHER COMPENSATION

The following table shows, for the fiscal years ended September 30, 1995, 1994 and 1993, compensation awarded or paid to, or earned by, each person serving as Scotts' Chief Executive Officer during the 1995 fiscal year and the three other most highly compensated executive officers of Scotts.

SUMMARY COMPENSATION TABLE

	Annual Compensation			Long Term Compensation Awards	
Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Securities Underlying Options/ SARS(#) (1)	All Other Compensation($)
Tadd C. Seitz:					
Chairman of the Board,	1995	$379,500	$ 40,000	173,367	$ 3,383(2)
Interim President and	1994	$362,500	$228,965	85,527(3)	$ 3,270(2)
Chief Executive	1993	$341,725	$189,780	85,019	$ 3,270(2)
Officer (4)					
Theodore J. Host:					
President, Chief	1995	$355,750	$ 0	110,857	$115,234(5)
Executive Officer	1994	$307,833	$196,650	54,277(3)	$ 3,270(2)
and Chief Operating ..	1993	$283,750	$162,963	53,108	$ 3,270(2)
Officer (6)					
Paul D. Yeager:					
Executive Vice	1995	$212,025	$ 0	35,253	$ 3,383(2)
President and Chief ..	1994	$202,250	$125,000	17,252(3)	$ 3,270(2)
Financial Officer	1993	$192,750	$115,103	18,739	$ 3,270(2)
J. Blaine McKinney:					
Senior Vice President,	1995	$199,533	$ 0	35,819	$ 3,383(2)
Consumer Business	1994	$191,667	$105,000	20,818(3)	$ 1,907(2)
Group	1993	$177,333	$ 87,365	35,409	$ 0
Michael P. Kelty:					
Senior Vice President,	1995	$175,917	$ 0	22,859	$ 3,383(2)
Professional Business	1994	$156,917	$ 59,719	7,858(3)	$ 3,270(2)
Group	1993	$138,000	$ 58,158	7,830	$ 3,270(2)

(1) These numbers represent options for common shares granted pursuant to Scotts' 1992 Long Term Incentive Plan. See the table under "OPTION GRANTS IN LAST FISCAL YEAR" for more detailed information on such options.

(2) Includes contributions made by the Company to The Scotts Company Profit Sharing and Savings Plan.

(3) Reflects number of options actually granted with respect to the 1994 fiscal year. The Company has determined that the number of options previously reported as granted with respect to the 1994 fiscal year was incorrect.

(4) Mr. Seitz resigned as Chief Executive Officer of Scotts effective as of April 6, 1995. On February 23, 1996 Mr. Seitz resumed his former posts as President and Chief Executive Officer on an interim basis. He also serves as Chairman of the Board.

(5) Includes contribution in the amount of $3,383 made by the Company to The Scotts Company Profit Sharing and Savings Plan. In January 1992, Mr. Host entered into an Employment Agreement with the Company pursuant to which he agreed to purchase 45,454 of the Company's Common Shares at $9.90 per share. The Internal Revenue Service required Mr. Host to report additional compensation as income for tax purposes, as a result of such purchase. The Compensation and Organization Committee of the Company's Board agreed to reimburse Mr. Host the sum of $111,851 to cover his increased tax liability.

(6) Mr. Host resigned as President and Chief Executive Officer effective as of February 22, 1996. Mr. Host became Chief Executive Officer of Scotts effective as of April 6, 1995. He had been Chief Operating Officer from October 1991 until April 6, 1995.

GRANTS OF OPTIONS

The following table sets forth information concerning individual grants of options made during the 1995 fiscal year to each of the executive officers named in the Summary Compensation Table. Scotts has never granted stock appreciation rights.

OPTION GRANTS IN LAST FISCAL YEAR

NAME	Number of Securities Underlying Options Granted(#)	% of Total Options Granted to Employees in Fiscal Year	Exercise Price ($/Share)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation For Option Term(1) 5%($)	10%($)
Tadd C. Seitz......	87,840(2)(3)	13.10%	$15.50	9/30/04	$856,396	$2,170,263
	41,607(3)(4)	6.20%	$16.25	11/03/02	$322,506	$ 773,474
	43,920(3)(5)	13.90%	$17.25	9/30/03	$412,696	$1,017,135
Theodore J. Host...	56,580(2)(3)	12.90%	$15.50	9/30/04	$551,627	$1,397,922
	25,987(3)(4)	3.90%	$16.25	11/03/02	$201,432	$ 483,098
	28,290(3)(5)	4.20%	$17.25	9/30/03	$268,889	$ 662,707
Paul D. Yeager.....	18,000(2)(3)	2.70%	$15.50	9/30/04	$175,491	$ 444,726
	9,163(3)(4)	1.40%	$16.25	11/03/02	$ 71,025	$ 170,340
	8,090(3)(5)	1.20%	$17.25	9/30/03	$76,893	$ 189,512
J. Blaine McKinney.	15,000(2)(3)	2.20%	$15.50	9/30/04	$146,243	$ 370,605
	9,979(3)(4)	1.50%	$16.25	11/03/02	$77,350	$ 185,510
	10,840(3)(5)	1.60%	$17.25	9/30/03	$103,031	$ 253,932
Michael P. Kelty...	15,000(2)(3)	2.20%	$15.50	9/30/04	$146,243	$ 370,605
	3,829(3)(4)	0.60%	$16.25	11/03/02	$29,680	$ 71,181
	4,030(3)(5)	1.30%	$17.25	9/30/03	$38,304	$ 94,405

(1) The amounts reflected in this table represent certain assumed rates of appreciation only. Actual realized values, if any, on option exercises will be dependent on the actual appreciation of the common shares of Scotts over the term of the options. There can be no assurances that the Potential Realizable Values reflected in this table will be achieved.

(2) These options were granted under Scotts' 1992 Long Term Incentive Plan and become exercisable in three approximately equal installments on each of the first three anniversaries of the date of grant, subject to the right of the Compensation and Organization Committee of Scotts' Board of Directors to accelerate the exercisability of such options in its discretion.

(3) In the event of a "change in control" (as defined in the 1992 Long Term Incentive Plan), each option will be canceled in exchange for a payment in cash of an amount equal to the excess of the highest price paid (or offered) for common shares during the preceding 30 trading days over the exercise price for such option. Notwithstanding the foregoing, if the Compensation and Organization Committee determines that the holder of the option will receive a new award (or have his prior award honored) in a manner which preserves its value and eliminates the risk that the value of the award will be forfeited due to an involuntary termination, no settlement will occur as a result of a change in control. In the event of termination of employment by reason of retirement, long term disability or death, the options may thereafter be exercised in full for a period of 5 years, subject to the stated term of the options. The options are forfeited if the holder's employment is terminated for cause. In the event an option holder's employment is terminated for any reason other than retirement, long term disability, death or cause, any exercisable options held by him at the date of termination may be exercised for a period of 30 days.

(4) These options (or a percent thereof) were originally to be earned under the 1992 Long Term Incentive Plan based upon the Company's performance during the 1995 fiscal year. However, on December 13, 1994, the Scotts' Board of Directors approved its Compensation and Organization Committee's recommendation to grant 100% of the common shares subject to these options as of September 30, 1994.

(5) These options (or a percent thereof) were originally to be earned under the 1992 Long Term Incentive Plan based upon the Company's performance during the 1996 fiscal year. However, on December 13, 1994, Scotts' Board of Directors approved its Compensation and Organization Committee's recommendation to grant 100% of the common shares subject to these options as of September 30, 1994.

OPTION EXERCISES AND HOLDINGS

The following table sets forth information with respect to unexercised options held as of the end of the 1995 fiscal year by each of the executive officers named in the Summary Compensation Table.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR
AND FISCAL YEAR-END OPTION VALUES

Name	Number of Securities Underlying Options Exercised	Value Realized($)	Number of Securities Underlying Unexercised Options at FY-End (#)		Value of Unexercised In-the-Money Options At FY-End($)(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Tadd C. Seitz	0	--	127,389	216,524	$ 733,770	$1,264,758
Theodore J. Host	0	--	216,222	138,384	$2,126,785	$ 808,291
Paul D. Yeager	0	--	27,538	43,706	$ 159,089	$ 256,788
J. Blaine McKinney	0	--	40,666	51,380	$ 235,299	$ 295,040
Michael P. Kelty	0	--	11,722	26,825	$ 67,523	$ 162,129

(1) "Value of Unexercised In-the-Money Options at FY-End" is based upon the fair market value of Scotts' common shares on September 30, 1995 ($22.125) less the exercise price of in-the-money options at the end of the 1995 Fiscal Year.

PENSION PLANS

Scotts maintains a tax-qualified non-contributory defined benefit pension plan (the "Pension Plan"). All employees of Scotts and its subsidiaries (except for Hyponex, Sierra, Republic, and their respective subsidiaries) are eligible to participate upon meeting certain age and service requirements. The following table shows the estimated annual benefits (assuming payment made in the form of a single life annuity) payable upon retirement at normal retirement age (65 years of age) to an employee in specified compensation and years of service classifications.(footnote 1)

PENSION PLANS TABLE

Annualized Average Final Pay	YEARS OF SERVICE				
	10	15	20	25	30
$ 100,000	$13,201.50	$19,802.25	$26,403.00	$33,003.75	$39,604.50
250,000	35,701.50	53,552.25	71,403.00	89,253.75	107,104.50
500,000	73,201.50	109,802.25	146,403.00	183,003.75	219,604.50
750,000	110,701.50	166,052.25	221,403.00	276,753.75	332,104.50
1,000,000	148,201.50	222,302.25	296,403.00	370,503.75	444,604.50
1,250,000	185,701.50	278,552.25	371,403.00	464,253.75	557,104.50

Monthly benefits under the Pension Plan upon normal retirement (age 65) are based upon an employee's average final pay and years of service, and are reduced by 1.25% of the employee's PIA times the number of years of such employee's service. Average final pay is the average of the 60 highest consecutive months' compensation during the 120 months prior to retirement. Pay includes all earnings and a portion of sales incentive payments, management incentive payments and executive incentive payments, but does not include earnings in connection with foreign service, the value of a company car, separation or other special allowances and commissions. Additional provisions for early retirement are included.

At September 30, 1995, the credited years of service (including certain prior service with ITT Corporation, from whom Scotts' predecessor was acquired in 1986) and the 1995 annual covered compensation for purposes of the Pension Plan and the Excess Benefit Plan of the five executive officers of Scotts named in the Summary Compensation Table were as follows:

	Years of Service	Covered Compensation
Mr. Seitz	19 years 9 months	$377,000
Mr. Host	3 years 11 months	$368,750
Mr. Yeager	26 years 1 month	$207,050
Mr. McKinney	3 years 4 months	$194,433
Mr. Kelty	16 years 3 months	$175,167

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Footnote (1):
The Internal Revenue Code of 1986, as amended (the "Code"), places certain limitations on the annual pension benefits which can be paid from the Pension Plan. Such limitations are not reflected in the table. This table reflects the total aggregate benefits payable annually upon retirement under both the Pension Plan and The O. M. Scott & Sons Company Excess Benefit Plan (which has been assumed by and is maintained by Scotts) (the "Excess Benefit Plan"), which is discussed below. The Pension Plan and the Excess Benefit Plan require an offset of 1.25% of the Social Security primary insurance amount ("PIA") for each year of service and such amount has been deducted from the figures in the table. The PIA used in developing the figures in the table is $13,764.00. Thus, the offset is $5,161.50 for a person with 30 years of service. The maximum possible offset is $6,882.00 for a person with 40 years of service.

Effective October 1, 1993, the Excess Benefit Plan was established. The Excess Benefit Plan provides additional benefits to participants in the Pension Plan whose benefits are reduced by limitations imposed under Sections 415 and 401(a)(17) of the Code. Under the Excess Benefit Plan, executive officers and certain key employees will receive, at the same time and in the same form as benefits paid under the Pension Plan, additional monthly benefits in an amount which, when added to the benefits paid to the participant under the Pension Plan, will equal the benefit amount such participant would have earned but for the limitations imposed by the Code to the extent such limitations apply.

COMPENSATION OF DIRECTORS

Each director of Scotts, other than any director employed by Scotts, receives a $25,000 annual retainer for Board and committee meetings plus all reasonable travel and other expenses of attending such meetings.

Directors, other than those employed by the Company (the "Nonemployee Directors"), receive an annual grant on the first business day following the date of each annual meeting of shareholders of options to purchase 4,000 common shares at an exercise price equal to the fair market value on the date of the grant. Options granted to Nonemployee Directors become exercisable six months after the date of grant and remain exercisable until the earlier to occur of (i) the tenth anniversary of the date of grant or (ii) the first anniversary of the date the Nonemployee Director ceases to be a member of Scotts' Board of Directors.

EMPLOYMENT AGREEMENTS AND TERMINATION OF EMPLOYMENT AND CHANGE-IN-CONTROL ARRANGEMENTS

The Company entered into an Employment Agreement with Mr. Host effective October 1991 (the "Host Agreement") providing for his continued employment as President and Chief Operating Officer of the Company until December 1996 at an annual base salary of at least $270,000 per year, plus incentive bonus under The Scotts Company Executive Incentive Plan.

In connection with the entering into of his Employment Agreement, pursuant to a Stock Option Plan and Agreement dated as of January 9, 1992, Mr. Host was granted options, which vested one-third on the date of grant and one-third on each of the first and second anniversaries of his date of employment, to purchase 136,364 common shares at a purchase price of $9.90 per share. These options expire on January 8, 2002.

Mr. Host resigned his positions with the Company on February 22, 1996. The Company intends to negotiate a severance package with Mr. Host based on the terms of the Host Agreement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table furnishes certain information as of February 23, 1996 (except as otherwise noted), as to the common shares beneficially owned by each of the directors of Scotts, by each of the executive officers of Scotts named in the Summary Compensation Table and by all directors and executive officers of Scotts as a group, and, to Scotts' knowledge, by the only persons beneficially owning more than 5% of the outstanding common shares.

AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP (1)

Name of Beneficial Owner	Common Shares Presently Held	Common Shares Which Can Be Acquired Upon Conversion of Convertible Preferred Stock or Upon Exercise of Options or Warrants Exercisable Within 60 Days	Total	Percent of Class (2)
James B Beard...........	16,727	12,000	28,727	(3)
John S. Chamberlin......	22,727	12,000	34,727	(3)
Joseph P. Flannery......	10,000	12,000	22,000	(3)
Horace Hagedorn.........	0	526(4)	526	(3)
James Hagedorn..........	0	13,262,631(5)	13,262,631	41.2%(5)
Theodore J. Host (6)....	45,454(7)	279,166	324,620	1.7%
Michael P. Kelty (6)....	52,909(8)	23,173	76,082	(3)
John Kenlon.............	0	234,642(9)	234,642	1.2%(9)
J. Blaine McKinney (6)..	2,100	67,592	69,692	(3)
Karen Gordon Mills......	0	4,000	4,000	(3)
Tadd C. Seitz (6).......	242,204(10)9)	226,793	468,997	2.4%
Donald A. Sherman.......	22,727	12,000	34,727	(3)
John M. Sullivan........	1,000	8,000	9,000	(3)
L. Jack Van Fossen......	1,200	8,000	9,200	(3)
Paul D. Yeager (6)......	115,885(11)	48,457	164,342	(3)
All directors and executive officers as a group (20 persons)......	563,300(12)	13,973,665	14,536,935	44.2%
Hagedorn Partnership, L.P. 800 Port Washington Blvd. Port Washington, NY 11050	0	13,262,631(13)	13,262,631	41.2%(13)
The Capital Group Companies, Inc. 333 South Hope Street Los Angeles, CA 90071	1,819,200(14)	0	1,819,200(14)	9.6%
Capital Guardian Trust Company. 333 South Hope Street Los Angeles, CA 90071	1,305,200(14)	0	1,305,200(14)	6.9%

(1) Unless otherwise indicated, the beneficial owner has sole voting and dispositive power as to all common shares reflected in the table.

(2) The percent of class is based upon the sum of (i) 18,931,509 common shares outstanding on February 23, 1996, and (ii) the number of common shares as to which the named person has the right to acquire beneficial ownership upon conversion of Convertible Preferred Stock or upon the exercise of options or warrants exercisable within 60 days of February 23, 1996.

(3) Represents ownership of less than 1% of the outstanding common shares of Scotts.

(4) Mr. Hagedorn owns (beneficially and of record) 10 shares of Convertible Preferred Stock (less than 1% of such class) which are convertible into 526 common shares. Mr. Hagedorn is the father of the general partners of Hagedorn Partnership, L.P., a Delaware limited partnership (the "Hagedorn Partnership"), but is not himself a partner of, and does not have sole or shared voting or dispositive power with respect to any of the Convertible Preferred Stock or Warrants held by, the Hagedorn Partnership. See note (13) below.

(5) Mr. Hagedorn is a general partner in the Hagedorn Partnership and has shared voting and dispositive power with respect to the Convertible Preferred Stock and Warrants held by the Hagedorn Partnership. See note (13) below.

(6) Executive officer of Scotts named in the Summary Compensation Table.

(7) Includes 45,454 common shares which were issued to Mr. Host at the time of his employment by the Company and which are pledged to Bank One, N.A.

(8) Includes 12,727 common shares owned by Dr. Kelty's wife.

(9) Mr. Kenlon beneficially owns 4,332 shares of Convertible Preferred Stock (2.2% of such class), which are convertible into 228,000 common shares, and Warrants to purchase 6,642 common shares. Each of Mr. Kenlon's four children beneficially own Warrants to purchase an additional 15,000 common shares, for which Mr. Kenlon disclaims beneficial ownership. The Hagedorn Partnership has the right to vote all of the Scotts' securities held by Mr. Kenlon and his children, and has a right of first refusal with respect to such securities. See note (13) below.

(10) Includes 20,000 common shares owned by Mr. Seitz' wife.

(11) Includes 100 common shares held by each of Mr. Yeager's wife and his two daughters.

(12) See notes (4), (5) and (7) through (11) above and note (13) below. Also includes common shares held by the respective spouses of executive officers of Scotts and by their children who live with them.

(13) The Hagedorn Partnership owns (beneficially and of record) 190,658 shares of Convertible Preferred Stock (97.8% of such class), which are convertible into 10,034,631 common shares, and Warrants to purchase 2,933,358 common shares, and has the right to vote, and a right of first refusal with respect to, the Scotts' securities held by Mr. Kenlon and his children. See note (9) above. The general partners of the Hagedorn Partnership are Mr. James Hagedorn, Katherine Hagedorn Littlefield, Paul Hagedorn, Peter Hagedorn, Robert Hagedorn and Susan Hagedorn, each of whom is a child of Mr. Horace Hagedorn and a former shareholder of Miracle-Gro Products. Community Funds, Inc., a New York not-for-profit corporation, is a limited partner in the Hagedorn Partnership.

The Merger Agreement provides for certain voting rights of, and certain voting restrictions on, the holders of the Convertible Preferred Stock and the Warrants (collectively, including the general and limited partners of the Hagedorn Partnership, the "Miracle-Gro Shareholders"). The Merger Agreement also limits the ability of the Miracle-Gro Shareholders to acquire additional voting securities of Scotts or to transfer the Convertible Preferred Stock or the Warrants. See "-Voting Restrictions on the Miracle-Gro Shareholders" and "-Standstill Restrictions on the Miracle-Gro Shareholders" below.

(14) Based on information contained in a Schedule 13G dated February 9, 1996 filed with the Securities and Exchange Commission, certain operating subsidiaries of The Capital Group Companies, Inc., ("Capital Group") exercised investment discretion over various institutional accounts which held as of December 29, 1995, 1,819,200 common shares of Scotts (9.6% of the outstanding common

shares). Of such common shares, Capital Group exercised sole voting power over 1,111,200 common shares and sole dispositive power over 1,819,200 common shares. Capital Guardian Trust Company ("Capital Guardian Trust"), a bank, and one of such operating companies, exercised investment discretion over 1,305,200 of said common shares. Of such common shares, Capital Guardian Trust exercised sole voting power over 1,097,200 common shares and sole dispositive power over 1,305,200 common shares. Capital Research and Management Company, a registered investment adviser, and Capital International Limited, another operating subsidiary, had investment discretion with respect to 500,000 and 14,000 common shares, respectively, of the above common shares.

To the Company's knowledge, based solely on a review of the copies of the reports furnished to the Company and written representations that no other reports were required during the 1995 fiscal year, all filing requirements applicable to officers, directors and owners of more than 10% of the outstanding common shares of the Company under Section 16(a) of the Securities Exchange Act in 1934, as amended (the "Exchange Act"), were compiled with; except that Mr. Stahl, a former executive officer, filed one report late covering eight transactions all related to the cashless exercise of stock options.

VOTING RESTRICTIONS ON THE MIRACLE-GRO SHAREHOLDERS

The Merger Agreement provides that until the earlier of the end of the Standstill Period and such time as the Miracle-Gro Shareholders cease to own at least 19% of Scotts' Voting Stock (as that term is defined in the Merger Agreement), the Miracle-Gro Shareholders will be required to vote their shares of Convertible Preferred Stock and common shares (i) for Scotts' nominees to the Board of Directors, in accordance with the recommendation of the Board of Directors' Nominating Committee and (ii) on all matters to be voted on by holders of Voting Stock, in accordance with the recommendation of the Board of Directors, except with respect to a proposal as to which shareholder approval is required under the Ohio General Corporation Law relating to (a) the acquisition of Voting Stock of Scotts, (b) a merger or consolidation, (c) a sale of all or substantially all of the assets of Scotts, (d) a recapitalization of Scotts or (e) an amendment to Scotts' Amended Articles of Incorporation or Code of Regulations which would materially adversely affect the rights of the Miracle-Gro Shareholders. Scotts has agreed that, without the prior consent of the Shareholder Representative (as that term is defined in the Merger Agreement), it shall not (x) issue Voting Stock (or Voting Stock equivalents) constituting in the aggregate more than 12.5% of total voting power of the outstanding Voting Stock (the "Total Voting Power") (other than pursuant to employee benefit plans in the ordinary course of business) or (y) in a single transaction or series of related transactions, make any acquisition or disposition of assets which would require disclosure pursuant to Item 2 of Form 8-K under the Securities Exchange Act of 1934 (the "Exchange Act"); provided, however, that if five-sixths of the Board of Directors determine that it is in the best interests of Scotts to make an acquisition pursuant to clause (y), such acquisition may be made without the consent of the Shareholder Representative. In addition, during the Standstill Period, the Miracle-Gro Shareholders will be limited in their ability to enter into any voting trust agreement without Scotts' consent or to solicit proxies or become participants in any election contest (as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act) relating to the election of directors of Scotts. Following the Standstill Period or such time as the Miracle-Gro Shareholders cease to own at least 19% of the Voting Stock, the voting restrictions provided in the Merger Agreement will expire.

STANDSTILL RESTRICTIONS ON THE MIRACLE-GRO SHAREHOLDERS

The Merger Agreement provides that during the Standstill Period, the Miracle-Gro Shareholders may not acquire or agree to acquire, directly or indirectly, beneficial ownership of Voting Stock representing more than 43% of Total Voting Power (the "Standstill Percentage"). For purposes of calculating beneficial ownership of Voting Stock against the Standstill Percentage, common shares underlying unexercised Warrants or any subsequently granted employee stock options will not be included. However, the terms of the Warrants provide that, if exercised during the Standstill Period and to the extent that such exercise would increase the aggregate beneficial ownership of the Miracle-Gro

Shareholders to more than 43% of Total Voting Power, such exercise may only be for cash and not for common shares. To the extent that a recapitalization of Scotts or a common share repurchase program by Scotts increases the aggregate beneficial ownership of the Miracle-Gro Shareholders to an amount in excess of 44% of the Total Voting Power, the Miracle-Gro Shareholders will be required to divest themselves of sufficient shares of Voting Stock to fall within the 44% of Total Voting Power limit. Scotts has agreed that it will use reasonable efforts to ensure that employee stock options are funded with common shares repurchased in the open market rather than with newly-issued common shares.

The Miracle-Gro Shareholders have agreed that, after the Standstill Period, they will not acquire, directly or indirectly, beneficial ownership of Voting Stock representing more than 49% of the Total Voting Power except pursuant to a tender offer for 100% of the Total Voting Power, which tender offer is conditioned upon the receipt of at least 50% of the Voting Stock beneficially owned by shareholders of Scotts other than the Miracle-Gro Shareholders and their affiliates and associates.

RESTRICTIONS ON TRANSFERS

During the Standstill Period, the Merger Agreement provides that no Miracle-Gro Shareholder may transfer any common shares obtained upon conversion of the Convertible Preferred Stock or exercise of the Warrants, except (i) to Scotts or any person approved by Scotts; (ii) to a Permitted Transferee (as that term is defined in the Merger Agreement) who agrees in writing to abide by the provisions of the Merger Agreement; (iii) pursuant to a merger or consolidation of Scotts or a plan of liquidation which has been approved by Scotts' Board of Directors; (iv) in a bona fide public offering registered under the Securities Act of 1933 (the "Securities Act") and designed to prevent any person or group from acquiring beneficial ownership of 3% or more of the Total Voting Power; (v) subject to Scotts' right of first offer, pursuant to Rule 145 or Rule 144A under the Securities Act, provided that such sale would not knowingly result in any person or group's acquiring beneficial ownership of 3% or more of the

Total Voting Power and all such sales by the Miracle-Gro Shareholders within the preceding three months would not exceed, in the aggregate, the greatest of the limits set forth in Rule 144(e)(1) under the Securities Act; (vi) in response to a tender offer made by or on behalf of Scotts or with the approval of Scotts' Board of Directors; or (vii) subject to Scotts' right of first offer, in any other transfer which would not to the best knowledge of the transferring Miracle-Gro Shareholder result in any person or group's acquiring beneficial ownership of 3% or more of the Total Voting Power.

Neither the Convertible Preferred Stock nor, during the Standstill Period, the Warrants may be transferred except (i) to Scotts or any person or group approved by Scotts; (ii) to a Permitted Transferee who agrees in writing to abide by the provisions of the Merger Agreement; (iii) pursuant to a merger or consolidation of Scotts or a plan of liquidation of Scotts; or (iv) with respect to Convertible Preferred Stock representing no more than 15% of the outstanding common shares on a fully diluted basis or any number of Warrants: (A) subject to Scotts' right of first offer, pursuant to Rule 145 or Rule 144A under the Securities Act, provided that such sale would not knowingly result in any person or group's acquiring beneficial ownership of 3% or more of the Total Voting Power and all such sales by the Miracle-Gro Shareholders within the preceding three months would not exceed, in the aggregate, the greatest of the limits set forth in Rule 144(e)(1) under the Securities Act; or (B) subject to Scotts' right of first offer, in any other transfer which would not, to the best knowledge of the transferring Miracle-Gro Shareholder, result in any person or group's acquiring beneficial ownership of 3% or more of the Total Voting Power. For purposes of clauses (A) and (B) only, Scotts' right of first offer with respect to shares of Convertible Preferred Stock would be at a price equal to (x) the aggregate Market Price (as that term is defined in the Merger Agreement) of the common shares into which such shares of Convertible Preferred Stock could be converted at the time of the applicable transfer notice multiplied by (y) 105%.

Following the Standstill Period, the Warrants and the common shares underlying the Warrants and the Convertible Preferred Stock will be freely transferable, subject to the requirements of the Securities Act and applicable law.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) Documents Filed as Part of this Report

1 & 2. FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES:

The response to this portion of Item 14 is submitted as a separate section of this Annual Report on Form 10-K. Reference is made to "Index to Consolidated Financial Statements and Financial Statement Schedules" beginning at Page F-1 (page 56 as sequentially numbered).

3. EXHIBITS:

Exhibits filed with this Annual Report on Form 10-K are attached hereto. For a list of such exhibits, see "Index to Exhibits" beginning at page E-1 (page 56 as sequentially numbered). The following table provides certain information concerning executive compensation plans and arrangements required to be filed as exhibits to this Annual Report on Form 10-K.

EXECUTIVE COMPENSATION PLANS AND ARRANGEMENTS

EXHIBIT NO.	DESCRIPTION	LOCATION
10(a)	The Scotts Company Employees' Pension Plan	Incorporated herein by reference to Scotts' Annual Report on Form 10-K for the fiscal year ended September 30, 1994 (File No. 0-19768) [Exhibit 10(a)]
10(b)	First Amendment to The Scotts Company Employees' Pension Plan dated April 18, 1995	Incorporated herein by reference to Scotts' Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 10(b)]
10(c)	Second Amendment to The Scotts Company Associates' [Employees'] Pension Plan dated December 5, 1995 and effective as of December 31, 1995	Incorporated herein by reference to Scotts' Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 10(c)]
10(d)	Second Restatement of The Scotts Company Profit Sharing and Savings Plan	Incorporated herein by reference to Scotts' Annual Report on Form 10-K for the fiscal year ended September 30, 1994 (File No. 0-19768) [Exhibit 10(b)]

10(e)	First Amendment to the Second Restatement of The Scotts Company Profits Sharing and Savings Plan effective as of July 1, 1995	Incorporated herein by reference to Scotts' Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 10(e)]
10(f)	Second Amendment to the Second Restatement of The Scotts Company Profit Sharing and Savings Plan dated December 5, 1995 and effective as of December 31, 1995	Incorporated herein by reference to Scotts' Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 10(f)]
10(i)	Employment Agreement, dated as of October 21, 1991, between Scotts (as successor to The O. M. Scott & Sons Company ("OMS")) and Theodore J. Host	Incorporated herein by reference to the Annual Report on Form 10-K for the fiscal year ended September 30, 1993 of The Scotts Company, a Delaware corporation ("Scotts Delaware") (File No. 0-19768) [Exhibit 10(g)]
10(j)	Stock Option Plan and Agreement, dated as of January 9, 1992, between Scotts (as successor to Scotts Delaware) and Theodore J. Host	Incorporated herein by reference to Scotts' Annual Report on Form 10-K for the fiscal year ended September 30, 1994 (File No. 0-19768) [Exhibit 10(f)]
10(k)	The O. M. Scott & Sons Company Excess Benefit Plan, effective October 1, 1993	Incorporated herein by reference to Scotts Delaware's Annual Report on Form 10-K for the fiscal year ended September 30, 1993 (File No. 0-19768) [Exhibit 10(h)]
10(l)	The Scotts Company 1992 Long Term Incentive Plan	Incorporated herein by reference to Scotts Delaware's Registration Statement on Form S-8 filed on March 26, 1993 (Registration No. 33-60056) [Exhibit 4(f)]
10(m)	The Scotts Company 1995 Executive Annual Incentive Plan	Incorporated herein by reference to Scotts' Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 10(m)]

10(n)	Letter of understanding, dated October 11, 1993, regarding terms of employment of John A. Neal by Scotts	Incorporated herein by reference to Scotts' Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 10(n)]
10(o)	Letter of understanding, dated October 11, 1993, regarding terms of employment of Lisle J. Smith by Scotts	Incorporated herein by reference to Scotts' Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 10(o)]
10(p)	Employment Agreement, dated as of May 19, 1995, between Scotts and James Hagedorn	Incorporated herein by reference to Scotts' Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 10(p)]

(b) Reports on Form 8-K

On August 2, 1995, Scotts filed a Form 8-K/A to include the financial statements specified by Rules 3-05 and 11-01 of Regulation S-X and Items 7(a) and 7(b) of Form 8-K in connection with the Merger Transactions with the Miracle-Gro Companies.

(c) Exhibits

See Item 14(a) (3) above.

(d) Financial Statement Schedules

The response to this portion of Item 14 is submitted as a separate section of this Annual Report on Form 10-K. Reference is made to "Index to Consolidated Financial Statements and Financial Statement Schedules" beginning at page F-1 (page 25 as sequentially numbered).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

Dated February 29, 1996 By /S/ TADD C. SEITZ
Tadd C. Seitz
Chairman of the Board,
Interim President and
Chief Executive Officer

THE SCOTTS COMPANY

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND FINANCIAL STATEMENT SCHEDULES

(Items 8 and 14(a))

Form 10-K/A
ANNUAL REPORT

Data submitted herewith:

Schedules other than those listed above are omitted since they are not required or are not applicable, or the required information is shown in the consolidated financial statements or notes thereto.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and Board of
Directors of The Scotts Company

We have audited the accompanying consolidated balance sheets of The Scotts Company and Subsidiaries as of September 30, 1994 and 1995, and the related consolidated statements of income, cash flows and changes in shareholders' equity for each of the three years in the period ended September 30, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Scotts Company and Subsidiaries as of September 30, 1994 and 1995, and the consolidated results of their operations and their cash flows for each of the three years in the period ended September 30, 1995, in conformity with generally accepted accounting principles.

As discussed in Note 2, the accompanying financial statements have been restated.

Coopers & Lybrand L. L. P.
Columbus, Ohio

November 15, 1995

THE SCOTTS COMPANY AND SUBSIDIARIES
Consolidated Statements of Income
for the years ended September 30, 1993, 1994 and 1995
(in thousands except per share amounts)

	1993	1994	1995
Net sales	$ 466,043	$ 606,339	$732,837
Cost of sales	244,218	319,730	394,369
Gross profit	221,825	286,609	338,468
Marketing	74,579	100,106	130,179
Distribution	67,377	84,407	104,513
General and administrative	27,688	30,189	28,672
Research and development	7,700	10,352	10,970
Other expenses, net	660	2,283	1,560
Income from operations	43,821	59,272	62,574
Interest expense	8,454	17,450	26,320
Income before taxes, extraordinary item and cumulative effect of accounting changes	35,367	41,822	36,254
Income taxes	14,320	17,947	13,898
Income before extraordinary item and cumulative effect of accounting changes	21,047	23,875	22,356
Extraordinary Item:			
Loss on early extinguishment of debt, net of tax	--	(992)	--
Cumulative effect of changes in accounting for postretirement benefits, net of tax and income taxes	(13,157)	--	--
Net income	$ 7,890	$ 22,883	$ 22,356
Net income per common share:			
Income before extraordinary item and cumulative effect of accounting changes	$ 1.07	$ 1.27	$ 0.99
Extraordinary item:			
Loss on early extinguishment of debt, net of tax	--	(.05)	--
Cumulative effect of changes in accounting for postretirement benefits, net of tax and income taxes	(.67)	--	--
Net income per common share	$ .40	$ 1.22	$ 0.99
Common shares used in net income per common share computation	19,687	18,785	22,617

See Notes to Consolidated Financial Statements.

THE SCOTTS COMPANY AND SUBSIDIARIES
Consolidated Statements of Cash Flows
for the years ended September 30, 1993, 1994 and 1995

	1993	1994	1995
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 7,890	$ 22,883	$ 22,356
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	12,278	13,375	16,056
Amortization	5,866	8,562	9,599
Extraordinary loss on early extinguishment of debt	--	992	--
Cumulative effect of change in accounting for postretirement benefits	24,280	--	--
Postretirement benefits	2,366	368	145
Deferred income taxes	(12,740)	5,378	(2,596)
Loss/(gain) on sale of equipment	94	29	(55)
Gain on Peters divestiture	(4,227)		
Equity in loss of unconsolidated businesses	1,216		
Provision for losses on accounts receivable	1,409	1,974	1,533
Other	748	234	(309)
Changes in assets and liabilities:			
Accounts receivable	(10,002)	(33,846)	(36,661)
Inventories	(11,147)	(10,406)	(22,984)
Prepaid and other current assets	(393)	(2,065)	(2,119)
Accounts payable	(2,390)	6,400	12,049
Accrued liabilities	1,630	6,220	9,567
Other assets and liabilities	4,784	(10,231)	906
Net cash provided by operating activities	24,673	9,867	4,476
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in plant and equipment	(15,158)	(33,402)	(23,606)
Investment in affiliate	(250)		
Acquisitions, net of cash acquired	(16,366)	(117,107)	--
Cash acquired in merger with Miracle-Gro	6,449		
Proceeds from sale of equipment	194	384	718
Proceeds from Peters divestiture	9,966		
Net cash used in investing activities	(31,330)	(150,125)	(6,723)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings under term debt	70,000	289,215	--
Payments on term and other debt	(640)	(166,844)	(27,127)
Net (payments) borrowings under revolving credit	(18,238)	30,500	27,402
Net (payments) borrowings under bank line of credit	(953)	1,211	(1,819)
Deferred financing cost incurred	(628)	(5,139)	(486)
(Purchase) Issuance of Common Shares	(41,441)	160	436
Dividends on Class A Convertible Preferred Stock	--	--	(1,122)
Net cash provided by (used in) financing activities	8,100	149,103	(2,716)
Effect of exchange rate changes on cash	--	(473)	1,296
Net increase (decrease) in cash	1,443	8,372	(3,667)
Cash, beginning of period	880	2,323	10,695
Cash, end of period	$ 2,323	$ 10,695	$ 7,028
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest (net of amount capitalized)	$ 6,169	$ 10,965	$ 23,808
Income taxes paid	11,500	20,144	11,339
Businesses acquired:			
Fair value of assets acquired	23,799	143,520	235,564
Liabilities assumed	(7,433)	(26,413)	(39,875)
Net cash paid for acquisition	16,366	117,107	--
Class A Convertible Preferred Stock issued	177,255		
Warrants issued	14,434		
Dividends declared not paid	2,437		

See Notes to Consolidated Financial Statements

THE SCOTTS COMPANY AND SUBSIDIARIES
Consolidated Balance Sheets
September 30, 1994 and 1995
(in thousands)

ASSETS

	1994	1995
Current Assets:		
Cash	$ 10,695	$ 7,028
Accounts receivable, less allowance of $2,933 in 1994 and $3,406 in 1995	115,772	176,525
Inventories, net	106,636	143,953
Prepaid and other assets	17,151	23,354
Total current assets	350,860	250,254
Property, plant and equipment, net	140,105	148,754
Trademarks, net	--	89,250
Other intangibles, net	28,880	24,421
Goodwill	104,578	179,988
Other assets	4,767	15,772
Total Assets	$ 528,584	$ 809,045

LIABILITIES AND SHAREHOLDERS' EQUITY

	1994	1995
Current Liabilities:		
Revolving credit line	$ 23,416	$ 97
Current portion of term debt	3,755	421
Accounts payable	46,967	63,207
Accrued liabilities	31,167	41,409
Accrued taxes	4,383	18,728
Total current liabilities	109,688	123,862
Term debt, less current portion	220,130	272,025
Postretirement benefits other than pensions	27,014	27,159
Other liabilities	3,592	5,209
Total Liabilities	360,424	428,255
Commitments and Contingencies		
Shareholders' Equity:		
Class A Convertible Preferred Stock, no par value	--	177,255
Common shares, no par value, issued 21,082 shares in 1994 and 1995	211	211
Capital in excess of par value	193,450	207,551
Retained earnings	13,875	32,672
Cumulative translation adjustments	2,065	4,082
Treasury stock, 2,415 shares in 1994 and 2,388 shares in 1995, at cost	(41,441)	(40,981)
Total Shareholders' Equity	168,160	380,790
Total Liabilities and Shareholders' Equity	$ 528,584	$ 809,045

See Notes to Consolidated Financial Statements

THE SCOTTS COMPANY AND SUBSIDIARIES
Consolidated Statements of Changes in Shareholders' Equity for the years ended September 30, 1993, 1994 and 1995

(in thousands)

	Convertible Class A Preferred Stock Shares	Convertible Class A Preferred Stock Amount	Common Shares Shares	Common Shares Amount	Capital in Excess Of Par Value	Retained Earnings/ (Deficit)	Treasury Stock Shares	Treasury Stock Amount	Cumulative Translation Gain(loss)	Total Shareholders' Equity/ (Deficit)
Balance, September 30, 1992			21,073	$211	$192,604	$(16,898)			$ 12	$175,929
Net income						7,890				7,890
Amortization of unearned compensation					24					24
Options outstanding					635					635
Foreign currency translation adjustment									(24)	(24)
Purchase of common shares							(2,415)	$(41,441)		(41,441)
Balance, September 30, 1993			21,073	211	193,263	(9,008)	(2,415)	(41,441)	(12)	143,013
Net income						22,883				22,883
Foreign currency translation adjustment									2,077	2,077
Amortization of unearned compensation					27					27
Issuance of common shares			9		160					160
Balance, September 30, 1994			21,082	211	193,450	13,875	(2,415)	(41,441)	2,065	168,160
Issuance of common shares held in treasury					(24)		27	460		436
Net income						22,356				22,356
Dividends						(3,559)				(3,559)
Amortization of unearned compensation					24					24
Foreign currency translation adjustment									2,017	2,017
Issuance of Class A Convertible Preferred Stock	195	$177,255								177,255
Issuance of warrants					14,434					14,434
Options outstanding					(333)					(333)
Balance, September 30, 1995	195	$177,255	21,082	$211	$207,551	$32,672	(2,388)	$(40,981)	$4,082	$380,790

See Notes to Consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND BASIS OF PRESENTATION

On September 20, 1994, the shareholders voted to reincorporate Scotts from Delaware to Ohio. As a result of the reincorporation, The Scotts Company, a Delaware corporation, merged into The Scotts Company ("Scotts Ohio"), an Ohio corporation. Immediately following the consummation of the merger, The O. M. Scott & Sons Company was merged into Scotts Ohio. The Scotts Company ("Scotts") and its wholly-owned subsidiaries, Hyponex Corporation ("Hyponex"), Republic Tool and Manufacturing Corp. ("Republic"), Scotts-Sierra Horticultural Products Company ("Sierra") and Scotts' Miracle-Gro Products, Inc. ("Miracle-Gro"), (collectively, the "Company"), are engaged in the manufacture and sale of lawn care and garden products. All material intercompany transactions have been eliminated.

INVENTORIES

Inventories are principally stated at the lower of cost or market, determined by the FIFO method; certain inventories of Hyponex (primarily organic products) are accounted for by the LIFO method. At September 30, 1994 and 1995, approximately 31% and 25% of inventories, respectively, are valued at the lower of LIFO cost or market. Inventories include the cost of raw materials, labor and manufacturing overhead.

The Company makes provisions for obsolete or slow-moving inventories as necessary to properly reflect inventory value. Inventories, net of provisions of $6,108,000 and $6,711,000 as of September 30, 1994 and 1995, respectively, consisted of:

(in thousands)	1994	1995
Finished Goods	$ 55,102	$ 72,551
Raw Materials	52,639	71,624
FIFO Cost	107,741	144,175
LIFO Reserve	(1,105)	(222)
	$ 106,636	$ 143,953

REVENUE RECOGNITION

Revenue generally is recognized when products are shipped. For certain large multi-location customers, revenue is recognized when products are shipped to intermediate locations and ownership is acknowledged by the customer.

ADVERTISING AND CONSUMER GUARANTEE

The Company has a cooperative advertising program with retailers whereby the Company reimburses retailers for the qualifying portion of their advertising costs. Such advertising allowances are based on the timing of orders and deliveries. Retailers are also offered allowances for promotion of Scotts' products in the retail store. The Company provides for the cost of these programs in the period the sales to retailers occur. All other advertising costs are expensed as incurred.

The Company accrues amounts for product non-performance claims by consumers under the Company's product guarantee program. The provision is determined by applying an experience rate to sales in the period the related products are shipped to retailers.

INVESTMENTS IN UNCONSOLIDATED BUSINESSES

The Company's investments in affiliated companies which are not majority owned or controlled are accounted for using the equity method.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, including significant improvements, are stated at cost. Expenditures for maintenance and repairs are charged to operating expenses as incurred. When properties are retired, or otherwise disposed of, the cost of the asset and the related accumulated depreciation are removed from the accounts.

Depletion of applicable land is computed on the units-of-production method. Depreciation of other property, plant and equipment is provided on the straight-line method and is based on the estimated useful economic lives of the assets as follows:

Land improvements	10-25 years
Buildings	10-40 years
Machinery and equipment	3-15 years
Furniture and fixtures	6-10 years

Property, plant and equipment at September 30, 1994 and 1995 consisted of the following:

(in thousands)

	1994	1995
Land and improvements	$21,856	$27,796
Buildings	41,313	45,032
Machinery and equipment	111,639	136,213
Furniture and fixtures	8,861	10,262
Construction in progress	24,340	11,916
	208,009	231,219
Less accumulated depreciation	67,904	82,465
	$140,105	$148,754

Property subject to capital leases in the amount of $1,270,000 and $264,000 (net of accumulated amortization of $2,303,000 in 1994 and $2,042,000 in 1995) has been included in machinery and equipment at September 30, 1994 and 1995, respectively.

The Company capitalized interest costs of $321,000 in fiscal 1994 and $194,000 in fiscal 1995 as part of the cost of major asset construction projects.

RESEARCH AND DEVELOPMENT

Significant costs are incurred each year in connection with research and development programs that are expected to contribute operating profits in future years. All costs associated with research and development are charged to expense as incurred.

INTANGIBLE ASSETS

Goodwill arising from business acquisitions is amortized over 40 years on a straight-line basis. Other intangible assets consist primarily of patents and debt issuance costs. Debt issuance costs are being amortized over the terms of the various agreements. Patents and trademarks are being amortized on a straight-line basis over periods varying from 7 to 40 years. Accumulated amortization at September 30, 1994 and 1995 was $42,438,000 and $52,182,000, respectively.

During the year ended September 30, 1994, the Company incurred $5.1 million of debt issuance costs related to the issuance of Term Debt and 9 7/8% Senior Subordinated Notes and recognized an extraordinary charge of $992,000, net of income taxes of $662,000, for unamortized debt issuance costs in connection with certain debt prepayments. During the year ended September 30, 1995, the Company incurred approximately $500,000 of debt issuance costs related to its Fourth Amended and Restated Credit Agreement.

Company management periodically assesses the recoverability of goodwill, trademarks and other intangible assets by determining whether the amortization of such assets over the remaining lives can be recovered through projected undiscounted net cash flows generated by such assets. In 1995, goodwill was reduced by $3,485,000 related to the disposition of the Peters U.S. consumer water-soluble fertilizer business.

FOREIGN CURRENCY

The Company enters into forward foreign exchange and currency options contracts to hedge its exposure to fluctuation 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 $2,000 at September 30, 1995.

At September 30, 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 September 30, 1995, the Company had outstanding forward foreign exchange contracts with a contract value of approximately $25,100,000. These contracts have maturity dates ranging from October 3, 1995 to October 31, 1995.

All assets and liabilities in the balance sheets of foreign subsidiaries whose functional currency is other than the U.S. dollar are translated into United States dollar equivalents at year-end exchange rates. Translation gains and losses are accumulated as a separate component of shareholders' equity. Income and expense items are translated at average monthly exchange rates. Cumulative foreign currency translation gain was $2,065,000 and $4,082,000 as of September 30, 1994 and

1995, respectively. Foreign currency transaction gains and losses are included in determining net income. In fiscal 1993, 1994 and 1995, the Company recorded foreign currency transaction losses in other expenses of $196,000, $491,000 and $944,000, respectively. The cash flows related to these gains and losses are classified in the statement of cash flows, as part of cash flows from operating activities.

INCOME TAXES

The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of the assets and liabilities using enacted tax rates.

U.S. federal and state income taxes and foreign taxes are provided currently on the undistributed earnings of foreign subsidiaries, giving recognition to current tax rates and applicable foreign tax credits.

NET INCOME PER COMMON SHARE

Net income per common share is based on the weighted-average number of common shares and common share equivalents (stock options, convertible preferred stock and warrants) outstanding each period.

RECLASSIFICATIONS

Certain reclassifications have been made to the prior years' financial statements to conform to fiscal 1995 classifications.

2. RESTATEMENT

In February 1996, the Company restated its earnings for the year ended September 30, 1995 for the understatement of accrued liabilities related to promotional allowances provided to retail customers. The restatement reduced income before taxes by $4,422,000 and reduced net income by $2,727,000 or $0.12 per share.

3. MERGERS AND ACQUISITIONS

REPUBLIC

Effective November 19, 1992, the Company acquired Republic headquartered in Carlsbad, California. Republic designs, develops, manufactures and markets lawn and garden equipment with the substantial majority of its revenue derived from the sale of its products to mass merchandisers, home centers and garden outlets in the United States. The purchase price of approximately $16,366,000 was financed under the Company's revolving credit agreement.

The acquisition was accounted for using the purchase method. Accordingly, the purchase price was allocated among the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The excess of purchase price over the estimated fair values of the net assets acquired ("goodwill") of approximately $6,400,000 is being amortized on a straight-line basis over 40 years.

Republic's results of operations have been included in the Company's Consolidated Statements of Income since November 19, 1992. As such, the Company's fiscal 1993 pro forma results of operations are not materially different from actual results and are therefore not presented.

SIERRA

Effective December 16, 1993, the Company completed the acquisition of Grace-Sierra Horticultural Products Company (all further references to Grace-Sierra, now known as Scotts-Sierra Horticultural Products Company, will be made as "Sierra") for an aggregate purchase price of approximately $121,221,000, including transaction costs of $1,221,000. Additionally, the Company incurred $2,261,000 of deferred financing fees related to its financing of the acquisition. 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. The purchase price was financed under an amendment to the Company's revolving credit agreement, whereby term debt commitments available thereunder were increased to $195,000,000.

The acquisition was accounted for using the purchase method. Accordingly, the purchase price has been allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The excess of purchase price over the estimated fair value of the net assets acquired ("goodwill") of approximately $65,755,000 is being amortized on a straight-line basis over 40 years. Sierra's results of operations have been included in the Consolidated Statements of Income from the acquisition date.

MIRACLE-GRO

Effective May 19, 1995, the Company completed the merger transactions with Stern's Miracle-Gro Products, Inc. ("Miracle-Gro Products") and affiliated companies (the "Miracle-Gro Companies") for an aggregate purchase price of approximately $195,689,000. The consideration was comprised of $195,000,000 face amount of Class A Convertible Preferred Stock of Scotts with a fair value of $177,255,000, warrants to purchase 3,000,000 common shares of Scotts with a fair value of $14,434,000 and $4,000,000 of estimated transaction costs. The Preferred Stock has a dividend yield of 5.0% and is convertible into common shares of Scotts at $19.00 per share. The warrants are exercisable for 1,000,000 common shares at $21.00 per share, 1,000,000 common shares at $25.00 per share and 1,000,000 common shares at $29.00 per share. The fair value of the warrants has been included in capital in excess of par value in the Company's September 30, 1995 balance sheet.

The Miracle-Gro Companies are engaged in the marketing and distribution of plant foods and lawn and garden products primarily in the United States and Canada and Europe. On December 31, 1994, Miracle-Gro Products Limited ("MG Limited"), a subsidiary of Miracle-Gro, entered into an agreement to exchange its equipment and a license for distribution of Miracle-Gro products in certain areas of Europe for a 32.5% equity interest in a U.K. based garden products company. The initial period of the license is five years and may be extended up to twenty years from January 1, 1995, under certain circumstances set forth in the license agreement. MG Limited is entitled to annual royalties for the first five years of the license.

The Federal Trade Commission ("FTC"), in granting permission for the acquisition of the Miracle-Gro Companies, required that the Company divest its Peters line of consumer water soluble fertilizers. See Note 3.

The merger transactions have been accounted for using the purchase method. Accordingly, the purchase price has been allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of the acquisition. The excess of purchase price over the estimated fair values of the net assets acquired ("goodwill") of approximately $82,182,000 and trademarks of $90,000,000 are being amortized on a straight-line basis over 40 years. The Miracle-Gro Companies results of operations have been included in the Consolidated Statements of Income from the acquisition date of May 19, 1995.

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

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	YEAR ENDED SEPTEMBER 30 1994	YEAR ENDED SEPTEMBER 30 1995
Net sales	$726,231	$821,189
Income before extraordinary item and cumulative effect of accounting changes	$ 36,607	$ 32,943
Net income	$ 35,615	$ 32,943
Income per common share before extraordinary item and cumulative effect of accounting changes	$ 1.26	$ 1.13
Net income per common share	$ 1.23	$ 1.13

On a pro forma basis, The Miracle-Gro Companies contributed net sales of $99,066,000 and $110,225,000, net income of $12,839,000 and $13,026,000 and net income (loss) per common share of $(.01) and $.02 for the years ended September 30, 1994 and 1995, respectively. For purposes of computing net income per common share, the Class A Convertible Preferred Stock is considered a common share equivalent. Pro forma primary net income per common share for the years ended September 30, 1994 and 1995 are calculated using the weighted average common shares outstanding for Scotts of 18,785,000 and 22,617,000, respectively, and the common shares that would have been issued assuming conversion of Class A Convertible Preferred Stock at the beginning of the year to 10,263,000 common shares. The computation of pro forma primary net income per common share assuming reduction of net income for preferred dividends and no conversion of Class A Convertible Preferred Stock was anti-dilutive.

The pro forma information provided does not purport to be indicative of actual results of operations if the Sierra acquisition had occurred as of October 1, 1992 and the Miracle-Gro Companies acquisition had occurred as of October 1, 1993, and is not intended to be indicative of future results or trends.

4. PETERS DIVESTITURE

On July 28, 1995, the Company divested its Peters line of U.S. consumer water-soluble fertilizers for approximately $9,966,000. The gain on the divestiture was approximately $4,200,000. In connection with this transaction, the Company has entered into a supply agreement through August 26, 1997 in which the Company will produce all product requirements for the buyer at cost plus an agreed upon profit percentage. The transaction is pursuant to a FTC consent order which the Company entered into in connection with its merger transactions with the Miracle-Gro Companies.

5. OTHER EXPENSES

Other expenses consisted of the following for the years ended September 30:

(in thousands)

	1993	1994	1995
Foreign currency loss	$ 196	$ 168	$ 337
Royalty income	(980)	(1,726)	(857)
Amortization	1,625	3,888	5,309
Gain on Peters divestiture			(4,227)
Equity in loss of unconsolidated businesses			1,216
Other	(181)	(47)	(218)
Total	$ 660	$ 2,283	$ 1,560

6. PENSION

Scotts Ohio, Sierra and Scotts' Miracle-Gro have defined benefit pension plans covering substantially all full-time associates who have completed one year of eligible service and reached the age of 21. The benefits under these plans are based on years of service and the associates' average final compensation for the Scotts Ohio plan and for Sierra salaried employees and stated amounts for Sierra hourly employees. The Company's funding policy, consistent with statutory requirements and tax considerations, is based on actuarial computations using the Projected Unit Credit method.

The following table sets forth the plans' funded status and the related amounts recognized in the Consolidated Balance Sheets.

(in thousands)	September 30, 1994	1995 Over-Funded	1995 Under-Funded
Actuarial present value of benefit obligations:		Accumulated	benefit
obligation:			
Vested benefits	$(29,768)	$(31,436)	$(1,593)
Nonvested benefits	(5,093)	(5,241)	(496)
Additional obligation for projected compensation increases....	(5,919)	(6,669)	(130)
Projected benefit obligation for service rendered to date................	(40,780)	(43,346)	(2,219)
Plan assets at fair value, primarily corporate bonds, U.S. bonds and cash equivalents............................	38,901	40,287	1,468
Plan assets less than projected benefit obligations.......................	(1,879)	(3,059)	(751)
Unrecognized net asset being amortized over 11-1/2 years...............	(234)	(297)	16
Unrecognized net loss	4,137	5,197	148
Prepaid pension costs	$ 2,024	$ 1,841	$ (587)

Pension cost includes the following components:

(in thousands)	Year Ended September 30, 1993	1994	1995
Service cost	$ 1,571	$ 1,685	$ 1,732
Interest cost	2,628	2,968	3,280
Actual return on plan assets	(2,774)	(3,092)	(5,104)
Net amortization and deferral	(18)	(53)	2,046
Net pension cost	$ 1,407	$ 1,508	$ 1,954

The weighted average settlement rate used in determining the actuarial present value of the projected benefit obligation was 8% as of September 30, 1993, 1994 and 1995. Future compensation was assumed to increase 4% annually for fiscal 1993, 1994 and 1995. The expected long-term rate of return on plan assets was 9% in fiscal 1993, 1994 and 1995.

The Company has a non-qualified supplemental pension plan covering certain employees, which provides for incremental pension payments from the Company's funds so that total pension payments equal amounts that would have been payable from the Company's pension plans if it were not for limitations imposed by income tax regulations. The projected benefit obligation relating to this unfunded plan totaled $1,498,000 and $1,240,000 at September 30, 1994 and 1995, respectively. Pension expense for the plan was $171,000 and $445,000 in 1994 and 1995, respectively.

7. ASSOCIATE BENEFITS

The Company provides comprehensive major medical benefits to some of its retired associates and their dependents. Substantially all of the Company's associates become eligible for these benefits if they retire at age 55 or older with more than ten years of service. The plan requires certain minimum contributions from retired associates and includes provisions to limit the overall cost increases the Company is required to cover. The Company funds its portion of retiree medical benefits on a pay-as-you-go basis.

Effective October 1, 1992, the Company changed its method of accounting for postretirement benefit costs other than pensions by adopting SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." The Company elected to immediately recognize the cumulative effect of the change in accounting which resulted in a charge of $14,932,000, net of income taxes, of $9,348,000, or $.76 per share. In addition to the cumulative effect, the Company's retiree medical costs applying the new accounting method increased $1,437,000, net of income taxes, of $929,000, or $.07 per share, during fiscal 1993 as a result of the change in accounting. Prior to October 1, 1993, the Company effected several changes in plan provisions, primarily related to current and ultimate levels of retiree and dependent contributions. Current retirees will be entitled to benefits existing prior to these plan changes. These plan changes resulted in a reduction in unrecognized prior service cost, which is being amortized over future years.

Net periodic postretirement benefit costs for fiscal 1994 and 1995 included the following components:

(in thousands)	1994	1995
Service cost - benefits attributed to associate service during the year	$ 419	$ 428
Interest cost on accumulated postretirement benefit obligation	1,276	1,446
Amortization of prior service costs and gains from changes in assumptions	(921)	(904)
Net periodic postretirement benefit cost	$ 774	$ 970

The following table sets forth the retiree medical plan status reconciled to the amount included in the Consolidated Balance Sheets, as of September 30, 1994 and 1995.

(in thousands)	1994	1995
Accumulated postretirement benefit obligation:		
Retirees	$ 7,136	$ 10,034
Fully eligible active plan participants	437	395
Other active plan participants	8,789	9,071
Total accumulated postretirement benefit obligation	16,362	19,500
Unrecognized prior service cost	8,590	7,686
Unrecognized gain (loss) from changes in assumptions	2,062	(27)
Accrued postretirement benefit cost	$ 27,014	$ 27,159

The discount rates used in determining the accumulated postretirement benefit obligation were 8.5% and 8.0% in 1994 and 1995, respectively. For measurement purposes, a 14% annual rate of increase in per capita cost of covered retiree medical benefits was assumed for fiscal 1994 and a 12% annual rate for 1995; the rate was assumed to decrease gradually to 5.5% through the year 2014 and remain at that level thereafter. A 1% increase in the health care cost trend rate assumptions would increase the accumulated postretirement benefit obligation as of September 30, 1994 and 1995 by $957,000 and $1,072,000, respectively.

Both Scotts Ohio and Hyponex have defined contribution profit sharing plans. Both plans provide for associates to become participants following one year of service. The Hyponex plan also requires associates to have reached the age of 21 for participation. The plans provide for annual contributions which are entirely at the discretion of the respective Board of Directors.

Contributions are allocated among the participants employed as of the last day of the calendar year, based upon participants' earnings. Each participant's share of the annual contributions vest according to the provisions of the plans. The Company has provided a profit sharing provision for the plans of $1,993,000, $2,097,000 and $1,498,000 for fiscal 1993, 1994 and 1995, respectively. The Company's policy is to deposit the contributions with the trustee in the following year.

Sierra has a savings and investment plan ("401K Plan") for certain salaried U.S. employees. Participants may make voluntary contributions to the plan between 2% and 16% of their compensation. Sierra contributes the lesser of 50% of each participant's contribution or 3% of each participant's compensation. Sierra's contribution for 1994 and 1995 were $99,000 and $70,000, respectively.

The Company is self-insured for certain health benefits up to $200,000 per occurrence per individual. The cost of such benefits is recognized as expense in the period the claim occurred. This cost was $6,662,000, $6,177,000 and $7,861,000 in 1993, 1994 and 1995, respectively. The Company is self-insured for State of Ohio workers compensation up to $500,000 per claim. The cost for workers compensation was $268,000, $297,000 and $331,000 in 1993, 1994 and 1995, respectively. Claims in excess of stated limits of liability and claims for workers compensation outside of the State of Ohio are insured with commercial carriers. The Company had an accrued vacation liability of $4,903,000 and $4,791,000 at September 30, 1994 and 1995, respectively.

In November 1992, the Financial Accounting Standards Board issued SFAS No. 112, "Employers' Accounting for Postemployment Benefits", which changes the prevalent method of accounting for benefits provided after employment but before retirement. Adoption of this standard in the first quarter of fiscal 1995 had no material effect on the financial statements.

8. DEBT

(in thousands)

	1994	1995
Revolving credit line	$ 53,416	$ 172,597
9 7/8% Senior Subordinated Notes $100 million face amount	99,221	99,307
Term loan	93,598	-
Capital lease obligations and other	1,066	639
	247,301	272,543
Less current portions	27,171	518
	$ 220,130	$ 272,025

Maturities of term debt for the next five years are as follows:

	(in thousands)
1996	$ 518
1997	140
1998	78
1999	-
2000 and thereafter	272,500

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 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.

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 changes in the unsecured debt ratings of the Company. Applicable interest rates for the various borrowing facilities ranged from 5.9% to 6.2% at September 30, 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 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. Dividends and stock repurchases are restricted only in the event of default. The Company was in compliance with all required covenants at September 30, 1995.

At September 30, 1995, the Company had available an unsecured $2,000,000 line of credit with a bank, which is renewable annually, of which $1,916,000 and $97,000 was outstanding at September 30, 1994 and 1995, respectively.

On July 19, 1994, the Company issued $100,000,000 9 7/8% Senior Subordinated Notes. Net proceeds were $96,354,000, after original issue discount of $788,000 and expenses of $2,858,000. The Notes are subject to redemption, at the option of the Company, in whole or in part at any time on or after August 1, 1999 at a declining premium to par until 2001 and at par thereafter and are not subject to sinking fund requirements. The fair market value of the 9 7/8% Senior Subordinated Notes, estimated based on the quoted market prices for same or similar issues was approximately $107,203,000 at September 30, 1995.

9. SHAREHOLDERS' EQUITY

STOCK
(in thousands)

	1994	1995
Class A Convertible Preferred Stock, no par value:		
Authorized	None	195,000 shares
Issued	None	195,000 shares
Common shares, no par value		
Authorized	35,000 shares	50,000 shares
Issued	21,082 shares	21,082 shares

On February 23, 1993, the Company purchased all of the shares of Class A Common Stock held by a fund managed by Clayton, Dubilier & Rice, Inc. In aggregate, 2,414,895 shares of Class A Common Stock were purchased for approximately $41,441,000, including transaction costs. As a result of this transaction, 18,667,064 and 18,693,934 Common Shares were outstanding as of September 30, 1994 and 1995, respectively.

Effective with the Miracle-Gro Companies merger transactions, $195,000,000 face amount of Class A Convertible Preferred Stock was issued as part of the purchase price. This Preferred Stock is convertible into 10,263,158 common shares at $19.00 per common share. Additionally, warrants to purchase 3,000,000 common shares of Scotts were issued as part of the purchase price. The warrants are exercisable for 1,000,000 common shares at $21.00 per share, 1,000,000 common shares at $25.00 per share and 1,000,000 common shares at $29.00 per share. The exercise term for the warrants expires September 2003. The fair value of the warrants has been included in capital in excess of par value in the Company's September 30, 1995 balance sheet.

The Class A Convertible Preferred Stock has certain voting restrictions and limits on the ability of the shareholders to acquire additional voting securities of the Company. The Class A Convertible Preferred Stock is subject to redemption five years from the date of issuance. Both the Class A Convertible Preferred Stock and the warrants have limits on transferability.

On November 4, 1992, Scotts adopted The Scotts Company 1992 Long Term Incentive Plan (the "Plan"). The Plan was approved by the shareholders at Scotts' annual meeting on February 25, 1993. Under the Plan, stock options, stock appreciation rights and performance share awards may be granted to officers and other key employees of the Company. The Plan also provides for Board members, who are neither employees of the Company nor associated with Clayton, Dubilier & Rice, Inc., to receive stock options. The maximum number of common shares that may be issued under the Plan is 1,700,000, plus the number of shares surrendered to exercise options (other than director options) granted under the Plan, up to a maximum of 1,000,000 surrendered shares.

In addition, pursuant to various employment agreements, the Company granted 300,000 stock options in fiscal 1993.

Aggregate stock option activity consists of the following:

	Year Ended September 30		
	1993	1994	1995
Options outstanding at October 1	136,364	586,289	1,364,589
Options granted	449,925	942,354	435,420
Options exercised	-	(8,529)	(26,870)
Options canceled	-	(155,525)	(111,014)
Options outstanding at September 30	586,289	1,364,589	1,662,125
Options exercisable at September 30	90,910	204,422	575,938
Option prices per share:			
Granted	$16.25-$18.75	$17.25-$19.375	$15.50-$21.375
Exercised		$18.75	$16.25

During fiscal 1993 and 1994, 128,880 and 117,220, respectively, of performance share awards were granted. These awards entitle the grantee to receive shares or, at the grantee's election, the equivalent value in cash or stock options, subject to stock ownership requirements. These awards are conditioned on the attainment of certain performance and other objectives established by the Compensation and Organization Committee of Scotts' Board of Directors.

Compensation for certain stock options results from the difference between the grant price and market price at the date of grant, and is recognized over the vesting period of the options. Compensation for performance share awards is initially measured at the grant date based upon the current market value of the common shares, with adjustments made quarterly for market price fluctuations. The Company recognized compensation expense for stock options and performance share awards of $635,000 and $0 in fiscal 1993 and 1994, respectively. In 1995, the Plan was amended to cancel outstanding performance share awards. Previously recognized compensation of $300,000 was recognized as a reduction of compensation expense.

Pursuant to an employment agreement, an officer of Scotts purchased 45,454 common shares at a purchase price of $9.90 per share in January 1992. The Company has recognized $118,000 of unearned compensation equivalent to the difference between the fair market value and the purchase price of the common shares as a charge to capital in excess of par value. This unearned compensation is being amortized on a straight line basis over the period of the employment agreement.

A significant portion of the price paid by certain officers and management associates is financed by a major bank. The Company has guaranteed the full and prompt payment of debt outstanding by management investors to purchase common shares of approximately $230,000, $140,000 and $-0- at September 30, 1993, 1994 and 1995, respectively.

In December 1995, the Financial Accounting Standards Board issued SFAS No. 123, "Accounting for Stock-Based Compensation" which changes the measurement, recognition and disclosure standards for stock-based compensation. Management is currently evaluating the provisions of SFAS No. 123 and at this time, the effect of adopting SFAS No. 123 on the results of operations and the method of disclosure has not been determined.

10. NET INCOME PER COMMON SHARE

Net income per common share is based on the weighted average number of common shares and common share equivalents (stock options, convertible preferred stock and warrants) outstanding each period.

The following table presents information necessary to calculate net income per common share for fiscal years ended September 30, 1993, 1994 and 1995.

	YEAR ENDED SEPTEMBER 30,		
(in thousands)	1993	1994	1995
Common shares outstanding			
Weighted average outstanding	19,607	18,663	18,670
Common share equivalents	80	122	3,947
Adjusted outstanding	19,687	18,785	22,617
Net income			
Net income before extraordinary items and cumulative effect of accounting changes	$1.07	$1.27	$0.99
Extraordinary Items			
Loss on early extinguishment of debt, net of tax	-	(0.05)	-
Cumulative effect of changes in accounting for postretirement benefits, net of tax and income taxes	(0.67)	-	-
Net income per common share	$0.40	$1.22	$0.99

For 1993, 1994 and 1995, fully diluted net income per common share is considered to be the same as primary net income per common share as it was not materially different than primary net income per common share.

11. INCOME TAXES

The Company adopted SFAS No. 109 effective October 1, 1992, resulting in a benefit of $1,775,000 being reported as a cumulative effect of accounting change in the fiscal 1993 Consolidated Statement of Income. Assets recorded in prior business combinations net-of-tax were adjusted to pre-tax amounts, resulting in recognition of $1,501,000 of deferred tax liabilities at the date of adoption.

The provision for income taxes consists of the following:

(in thousands)	YEAR ENDED SEPTEMBER 30,		
	1993	1994	1995
Currently Payable:			
Federal	$14,537	$ 7,400	$ 9,373
State	1,400	2,131	2,634
Foreign	-	2,376	4,487
Deferred:			
Federal	(11,694)	4,290	(2,220)
State	(1,046)	1,088	(376)
Income Tax Expense	$ 3,197	$17,285	$13,898

Income tax expense is included in the financial statements as follows:

(in thousands)			
Operations	$14,320	$17,947	$13,898
Cumulative effect of change in accounting principle	(11,123)	-	-
Extraordinary items	-	(662)	-
Income Tax Expense	$ 3,197	$17,285	$13,898

Deferred income taxes for fiscal 1994 and 1995 reflect the impact of differences between the amounts of assets and liabilities for financial reporting purposes and such amounts as determined by tax regulations.

The components of the net deferred tax asset (liability) are as follows:

(in thousands)	SEPTEMBER 30, 1994	SEPTEMBER 30, 1995
ASSETS		
Accounts receivable	$ 987	$ 1,024
Inventory	1,816	3,453
Accrued expenses	7,649	9,181
Postretirement benefits	10,576	10,633
Other	4,166	4,776
Gross deferred tax assets	$ 25,194	$ 29,067
LIABILITIES		
Property and equipment	(16,511)	(18,288)
Taxes on repatriated foreign earnings	(500)	-
Gross deferred tax liabilities	(17,011)	(18,288)
Net asset	$ 8,183	$ 10,779

The net current and non-current components of deferred income taxes recognized in the Consolidated Balance Sheets at September 30 are:

(in thousands)	1994	1995
Net current asset	$ 10,452	$ 14,563
Net non-current asset (liability)	(2,269)	(3,784)
Net asset	$ 8,183	$ 10,779

A reconciliation of the Federal corporate income tax rate and the effective tax rate on income before income taxes is summarized below:

	YEAR ENDED SEPTEMBER 30, 1993	1994	1995
Statutory income tax rate	35.0%	35.0%	35.0%
Pension amortization	0.7	0.1	0.1
Peters sale	-	-	(3.0)
Goodwill amortization and other permanent differences resulting from purchase accounting	4.7	2.1	3.4
State taxes, net of federal benefit	3.4	5.6	4.4
Reversal of previous tax contingencies	-	-	(3.9)
Other	(3.3)	0.1	2.3
Effective income tax rate	40.5%	42.9%	38.3%

The Company acquired certain tax credit carryforwards in connection with its acquisition of Sierra. Net operating loss carryforwards in the U.S. total $2,965,000 and expire through 2007. Net operating loss carryforwards in foreign jurisdictions total $1,059,000 and expire through 2000. The use of these acquired carryforwards is subject to limitations imposed by the Internal Revenue Code.

12. LEASES

The Company leases buildings, land and equipment under various noncancellable lease agreements for periods of two to six years. The lease agreements generally provide that the Company pay taxes, insurance and maintenance expenses related to the leased assets. Certain lease agreements contain purchase options. At September 30, 1995, future minimum lease payments were as follows:

Year Ending September 30, (In Thousands)	Capital Leases	Operating Leases	Total
1996	$ 481	$ 10,106	$10,587
1997	168	9,146	9,314
1998	72	6,608	6,680
1999	-	4,151	4,151
2000 and thereafter	------	-------	-------
Total minimum lease payments	721	$ 33,166	$ 33,887
		======	======
Less: Amount representing interest	82		
Present value of net minimum lease payments	$ 639		
	===		

The Company also leases transportation and production equipment under various one-year operating leases, which provide for the extension of the initial term on a monthly or annual basis. Total rental expenses for operating leases were $9,125,000, $12,914,000 and $14,660,000 for fiscal 1993, 1994 and 1995, respectively.

13. COMMITMENTS AND CONTINGENCIES

Seed production agreements obligate the Company to make future purchases based on estimated yields. Seed purchases under production agreements for fiscal 1993, 1994 and 1995 were approximately $9,281,000, $6,508,000 and $6,934,903, respectively. At September 30, 1995, estimated annual seed purchase commitments were as follows:

Year Ending September 30, (In Thousands)	
1996	$12,310
1997	5,780
1998	3,868
1999	1,706

The Company had a contractual commitment to purchase neem-based bioinsecticide. The commitment was a multi-year, take or pay arrangement. The Company was relieved of the take or pay commitment during fiscal 1995 and reduced material costs by $1,137,500 representing liabilities related to this contract.

Sierra has a supply agreement through 2000, subject to renewal thereafter, under which Sierra is required to purchase, at prices determined by formulas, 100% of its requirements for vermiculite.

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 results 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.

In September, 1991, the Company was identified by the Ohio Environmental Protection Agency (the "Ohio EPA") as a Potentially Responsible Party ("PRP") with respect to a site in Union County, Ohio (the "Hershberger site") that has allegedly been contaminated by hazardous substances whose transportation, treatment or disposal the Company allegedly arranged. Pursuant to a consent order with the Ohio EPA, the Company, together with four other PRP's identified to date, investigated the extent of contamination in the Hershberger site. The results of the investigation were that the site presents a low degree of risk and that the chemical compounds which contribute to the risk are not compounds used by the Company. Accordingly, the Company has elected not to participate in any remediation which might be required at the site. As a result of the joint and several liability of PRPs, the Company might possibly be subject to financial participation in the costs of the remediation plan, if any. However, management does not believe any such obligations would have a significant adverse effect on the Company's results of operations or financial conditions.

In July 1990, the Philadelphia district of the Army Corps of Engineers directed that peat harvesting operations be discontinued at Hyponex's Lafayette, New Jersey facility, and the Company complied. In May 1992, the Department of Justice in the U.S. District Court for the District of New Jersey, filed suit seeking a permanent injunction against such harvesting at that facility and civil penalties. The Philadelphia District of the Corps has taken the position that peat harvesting activities there require a permit under Section 404 of the Clean Water Act. If the Corps' position is upheld, it is possible that further harvesting of peat from this facility would be prohibited. The Company is defending this suit and is asserting a right to recover its economic losses resulting from the government's actions. Management does not believe that the outcome of this case will have a material adverse effect on the Company's operations or its financial condition. 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 is a PRP in connection with the Lorentz Barrel and Drum Superfund Site in California, as a result of its predecessor having shipped barrels to Lorentz for reconditioning or sale between 1967 and 1972. Many other companies are participating in the remediation of this site, and issues relating to the allocation of the costs have been resolved with the Company being identified as a de minimis contributor. The Company settled this matter by means of a one-time payment totalling $1,000 to the

United States EPA and the State of California. In addition, Sierra is a defendant in a private cost-recovery action relating to the Novak Sanitary Landfill, located 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. The Company's management does not believe that the outcome of these proceedings will in the aggregate have a material adverse effect on its financial condition or results of operations.

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 anticipated levels of compliance, management estimates Sierra's liability to be $200,000, which has been accrued in the financial statements.

During 1993 and 1994, Miracle-Gro Products discussed with Pursell Industries, Inc. ("Pursell") the feasibility of forming a joint venture to produce and market a line of slow-release lawn food, and in October, 1993, signed a non-binding heads of agreement. After the merger transactions were announced, Pursell demanded that Miracle-Gro Products reimburse it for monies allegedly spent by Pursell in connection with the proposed project. Because Miracle-Gro Products does not believe that any such monies are due or that any such joint venture ever was formed, on February 10, 1995, it instituted an action in the Supreme Court of the State of New York, STERN'S MIRACLE-GRO PRODUCTS, INC. V. PURSELL INDUSTRIES, INC., Index No. 95-004131 (Nassau Co.) (the "New York Action"), seeking declarations that, among other things, Miracle-Gro Products owed no monies to Pursell relating to the proposed project and that no joint venture was formed. Pursell moved to dismiss the New York Action in favor of the Alabama action described below, which motion was granted August 7, 1995.

On March 2, 1995, Pursell instituted an action in the United States District Court for the Northern District of Alabama, PURSELL INDUSTRIES, INC. V. STERN'S MIRACLE-GRO PRODUCTS, INC., CV-95-C-0524-S (the "Alabama Action"), alleging, among other things, that a joint venture was formed, that Miracle-Gro Products breached an alleged joint venture contract, committed fraud, and breached an alleged fiduciary duty owed Pursell by not informing Pursell of negotiations concerning the merger transactions. On December 18, 1995, Pursell filed an amended complaint in the Alabama Action in which Scotts was named as an additional party defendant. The amended complaint contains a number of allegations and seeks compensatory damages in excess of $10 million, punitive damages of $20 million, treble damages as allowed by law and injunctive relief with respect to the advertising and trade dress allegations. The Company does not believe that the amended complaint has any merit and intends to vigorously defend that action.

14. CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Company to concentration of credit risk consist principally of trade accounts receivable. The Company sells its consumer products to a wide variety of retailers, including mass merchandisers, home centers, independent hardware stores, nurseries, garden outlets, warehouse clubs and local and regional chains. Professional products are sold to golf courses, schools and sports fields, nurseries, lawn care service companies and growers of specialty agriculture crops.

In 1993 and 1994, two customers accounted for 18.0% and 9.3% and 15.1% and 9.5% of consolidated net sales, respectively. In 1995, three customers account for 14.4%, 13.1%, and 5.9% of consolidated net sales. No other customer accounted for more than 5% of consolidated net sales. As of September 30, 1995, three accounts comprised 16.1% and 10.7% and 2.4% of outstanding trade accounts receivable. The Company performs a credit review before extending credit to a customer. The Company establishes its allowances for doubtful accounts based on factors surrounding the credit risk of specific customers, historical trends and other information.

15. RELATED PARTIES

Clayton, Dubilier & Rice, Inc., a private investment firm in which a director of the Company is an owner, was paid $125,000 in 1993 by the Company for financial advisory and management consulting services. These services ceased effective with the Class A Common Stock purchase described in Note 8.

As part of the merger transactions with the Miracle-Gro Companies, the Company assumed debt of which $1,600,000 was payable to the Hagedorn Family Fund. This amount has since been repaid.

16. QUARTERLY CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

The following is a summary of the unaudited quarterly results of operations for fiscal 1994 and 1995 (in thousands except share data):

FISCAL 1994	JANUARY 1	APRIL 2	JULY 2	SEPTEMBER 30	FULL YEAR
Net sales	$ 68,326	$207,424	$200,915	$129,674	$606,339
Gross profit	30,962	98,324	96,376	60,947	286,609
Income (loss) before extraordinary .... items	(1,557)	13,013	9,405	3,014	23,875
Net income (loss)	(1,557)	13,013	9,405	2,022	22,883
Net income (loss) per common share:					
Income (loss) before extraordinary ... item	(.08)	.69	.50	.16	1.27
Net income (loss) ...... per common share	(.08)	.69	.50	.11	1.22
Common shares used in net income per common share computation	18,659	18,890	18,811	18,728	18,785

FISCAL 1995	DECEMBER 31	APRIL 1	JULY 1	SEPTEMBER 30	FULL YEAR
Net sales	$98,019	$236,092	$229,028	$169,698	$732,837
Gross profit	44,499	112,202	108,513	73,254	338,468
Net income (loss)(1)(2)	(4,598)	13,793	13,026	135	22,356
Net income (loss) per common share (1)(2)	(.25)	.73	.55	(.12)	0.99
Common shares used in net income per common share computation	18,667	18,820	23,580	19,137	22,617

(1) Net income (loss) for each of the first three quarters of fiscal 1995 have been restated to reflect a change in the timing of expense recognition related to a promotional allowance offered to retailers introduced for the first time in fiscal 1995. The impact is on timing of marketing promotional expense recognition in the first three quarters of the fiscal year and did not impact full year net income. The impact by quarters is as follows: increased the loss for the quarter ended December 31, 1994 by $1,460 or $.08 per share; decreased net income for the quarter ended April 1, 1995 by $1,021 or $.06 per share; and increased net income for the quarter ended July 1, 1995 by $2,481 or $.10 per share.

(2) Net income in the fourth quarter of fiscal 1995 has been restated to reflect an increase in accrued liabilities for promotional allowances to retail customers. The effect was to decrease net income in the fourth quarter of fiscal 1995 by $2,727 or $.14 per common share.

REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULES

To the Shareholders and Board of
Directors of The Scotts Company

Our report on the consolidated financial statements of The Scotts Company is included on page F-2 of this Form 10-K. In connection with our audits of such financial statements, we have also audited the financial statement schedules listed in the index on page F-1 of this Form 10-K.

In our opinion, the financial statement schedules referred to above, when considered in relation to the consolidated financial statements taken as a whole, present fairly, in all material respects, the information required to be included therein.

Coopers & Lybrand L. L. P.
Columbus, Ohio

November 15, 1995

THE SCOTTS COMPANY AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
for the year ended September 30, 1993

Column A	Column B	Column C	Column D	Column E
Classification	Balance at beginning of period	Additions charged to costs and expenses	Deduction from reserves	Balance at end of period
Valuation and qualifying accounts deducted from the assets to which they apply:				
Inventory reserve	$ 3,159,000	$ 829,000	$ 177,000	$ 3,811,000
Allowance for doubtful accounts	$ 2,110,000	$ 1,409,000	$ 1,008,000	$ 2,511,000
Other valuation and qualifying account:				
Product guarantee	$ 200,000	$ 620,000	$ 690,000	$ 130,000

THE SCOTTS COMPANY AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
for the year ended September 30, 1994

Column A	Column B	Column C	Column D	Column E
Classification	Balance at beginning of period	Additions charged to costs and expenses	Deduction from reserves	Balance at end of period
Valuation and qualifying accounts deducted from the assets to which they apply:				
Inventory reserve	$ 3,811,000	$ 2,987,000	$ 690,000	$ 6,108,000
Allowance for doubtful accounts	$ 2,511,000	$ 1,974,000	$ 1,552,000	$ 2,933,000
Other valuation and qualifying account:				
Product guarantee	$ 130,000	$ 778,000	$ 789,000	$ 119,000

THE SCOTTS COMPANY AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
for the year ended September 30, 1995

Column A	Column B	Column C	Column D	Column E
Classification	Balance at beginning of period	Additions charged to costs and expenses	Deduction from reserves	Balance at end of period
Valuation and qualifying accounts deducted from the assets to which they apply:				
Inventory reserve	$6,108,000	$2,986,000	$2,383,000	$6,711,000
Allowance for doubtful accounts	$2,933,000	$2,033,000	$1,560,000	$3,406,000
Other valuation and qualifying account:				
Product guarantee	$ 119,000	$ 920,000	$ 933,000	$ 106,000

THE SCOTTS COMPANY
Annual Report on Form 10-K
for the
Fiscal Year Ended September 30, 1995

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION	LOCATION
2	Amended and Restated Agreement and Plan of Merger, dated as of May 19, 1995, among Stern's Miracle-Gro Products, Inc., Stern's Nurseries, Inc., Miracle-Gro Lawn Products, Inc., Miracle-Gro Products Limited, Hagedorn Partnership, L.P., the general partners of Hagedorn Partnership, L.P., Horace Hagedorn, Community Funds, Inc., and John Kenlon, the Registrant, and ZYX Corporation	Incorporated herein by reference to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on June 2, 1995 (File No. 0-19768) [Exhibit 2(b)]
3(a)	Amended Articles of Incorporation of the Registrant as filed with the Ohio Secretary of State on September 20, 1994	Incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1994 (File No. 0-19768) [Exhibit 3(a)]
3(b)	Certificate of Amendment by Shareholders to the Articles of Incorporation of the Registrant as filed with the Ohio Secretary of State on May 4, 1995.	Incorporated herein by reference to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 1995 (File No. 0-19768) [Exhibit 4(b)]
3(c)	Regulations of the Registrant (reflecting amendments adopted by the shareholders of the Registrant on April 6, 1995)	Incorporated herein by reference to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 1995 (File No. 0-19768) [Exhibit 4(c)]
4(a)	Form of Series A Warrant	Included in Exhibit 2(b) above
4(b)	Form of Series B Warrant	Included in Exhibit 2(b) above
4(c)	Form of Series C Warrant	Included in Exhibit 2(b) above

EXHIBIT NO.	DESCRIPTION	LOCATION
4(d)	Fourth Amended and Restated Credit Agreement, dated as of March 17, 1995, among the Registrant, Chemical Bank, the lenders party thereto and Chemical Bank, as agent	Incorporated herein by reference to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended April 1, 1995 (File No. 0-19768) [Exhibit 4(d)]
4(e)	Subordinated Indenture, dated as of June 1, 1994, among The Scotts Company, a Delaware Corporation ("Scotts Delaware"), The O. M. Scott & Sons Company ("OMS") and Chemical Bank, as trustee	Incorporated herein by reference to Scotts Delaware's Registration Statement on Form S-3 filed with the SEC on June 1, 1994 (Registration No. 33-53941) [Exhibit 4(b)]
4(f)	First Supplemental Indenture, dated as of July 12, 1994, among Scotts Delaware, OMS and Chemical Bank, as trustee	Incorporated herein by reference to Scotts Delaware's Current Report on Form 8-K dated July 18, 1994 (File No. 0-19768) [Exhibit 4.1]
4(g)	Second Supplemental Indenture, dated as of September 20, 1994, among the Registrant, OMS, Scotts Delaware and Chemical Bank, as trustee	Incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1994 (File No. 0-19768) [Exhibit 4(i)]
4(h)	Third Supplemental Indenture, dated as of September 30, 1994, between the Registrant and Chemical Bank, as trustee	Incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1994 (File No. 0-19768) [Exhibit 4(j)]]
10(a)	The Scotts Company Employees' Pension Plan	Incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1994 (File No. 0-19768) [Exhibit 10(a)]
10(b)	First Amendment to The Scotts Company Employees' Pension Plan dated April 18, 1995	Incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 10(b)]
10(c)	Second Amendment to The Scotts Company Associates' [Employees'] Pension Plan dated December 5, 1995 and effective as of December 31, 1995	Incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 10(c)]
10(d)	Second Restatement of The Scotts Company Profit Sharing and Savings Plan	Incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1994 (File No. 0-19768) [Exhibit 10(b)]

EXHIBIT NO.	DESCRIPTION	LOCATION
10(e)	First Amendment to the Second Restatement of The Scotts Company Profit Sharing and Savings Plan effective as of July 1, 1995	Incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 10(e)]
10(f)	Second Amendment to the Second Restatement of The Scotts Company Profit Sharing and Savings Plan dated December 5, 1995 and effective as of December 31, 1995	Incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 10(f)]
10(g)	Supplemental Indemnification Agreement, dated as of November 10, 1988, between RSL Holding Company, Inc. and OMS Acquisition Corp. ("Hyponex')	Incorporated herein by reference to Scotts Delaware's Current Report on Form 8-K dated November 9, 1988 (File No. 33-18713) [Exhibit 2(d)]
10(h)	Tax Administration Agreement, dated November 10, 1988, between RSL Holding Company, Inc. and Hyponex	Incorporated herein by reference to Scotts Delaware's Annual Report on Form 10-K for the fiscal year ended September 30, 1988 (File No. 33-18713) [Exhibit 10(rr)]
10(i)	Employment Agreement, dated as of October 21, 1991, between the Registrant (as successor to OMS) and Theodore J. Host	Incorporated herein by reference to Scotts Delaware's Annual Report on Form 10-K for the fiscal year ended September 30, 1993 (File No. 0-19768) [Exhibit 10(g)]
10(j)	Stock Option Plan and Agreement, dated as of January 9, 1992, between the Registrant (as successor to Scotts Delaware) and Theodore J. Host	Incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1994 (File No. 0-19768) [Exhibit 10(f)]
10(k)	The O. M. Scott & Sons Company Excess Benefit Plan effective October 1, 1993	Incorporated herein by reference to Scotts Delaware's Annual Report on Form 10-K for the fiscal year ended September 30, 1993 (File No. 0-19768) [Exhibit 10(h)]
10(l)	The Scotts Company 1992 Long Term Incentive Plan	Incorporated herein by reference to Scotts Delaware's Registration Statement on Form S-8 filed with the SEC on March 26, 1993 (Registration No. 33-60056) [Exhibit 4(f)]
10(m)	The Scotts Company 1995 Executive Annual Incentive Plan	Incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 10(m)]

EXHIBIT NO.	DESCRIPTION	LOCATION
10(n)	Letter of understanding, dated October 11, 1993, regarding terms of employment of John A. Neal by the Registrant	Incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 10(n)]
10(o)	Letter of understanding, dated October 11, 1993, regarding terms of employment of Lisle J. Smith by the Registrant	Incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 10(o)]
10(p)	Employment Agreement, dated as of May 19, 1995, between the Registrant and James Hagedorn	Incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 10(p)]
11(a)	Computation of Net Income Per Common Share	Page 60
21	Subsidiaries of the Registrant	Incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1995 (File No. 1-11593) [Exhibit 21]
23	Consent of Independent Accountants	Page 61
27	Financial Data Schedule	Page 62

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

By

Tadd C. Seitz
Chairman of the Board, Interim
President and Chief Executive Officer

Dated ____________________, 1996

Exhibit 11(a)

THE SCOTTS COMPANY
Computation of Net Income Per Common Share
(in thousands except share amounts)

	For The Three Months Ended		For The Year Ended	
	September 30, 1994	September 30, 1995	September 30, 1994	September 30, 1995
Net income for computing net income per common share:				
Income before extraordinary items	$ 3,014	$ 135	$ 23,875	$22,356
Extraordinary items:				
Loss on early extinguishment of debt, net of tax	(992)		(992)	
Net income	2,022	135	22,883	22,356
Preferred stock dividend (1)	--	(2,437)	--	--
Net income (loss) applicable to common shares	$ 2,022	(2,302)	22,883	22,356
Net income (loss) per common ..... share: Income before extraordinary items	$ .16	$ (.12)	$ 1.27	$ 0.99
Extraordinary items:				
Loss on extinguishment of debt, net of tax	(.05)	--	(.05)	--
Net income (loss) per common share	$ .11	$ (.12)	$ 1.22	$ 0.99

Computation of Weighted Average Number
of Common Shares Outstanding

	For The Three Months Ended		For The Year Ended	
	September 30, 1994	September 30, 1995	September 30, 1994	September 30, 1995
Weighted average common shares outstanding during the period	18,667,064	18,678,382	18,662,998	18,669,894
Assuming conversion of preferred stock				3,706,140
Assuming exercise of options using the Treasury Stock Method	60,647	416,146	121,731	230,126
Assuming exercise of warrants using the Treasury Stock Method		42,102		10,525
Weighted average number of common shares outstanding as adjusted	18,727,711	19,136,630	18,784,729	22,616,685

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

(1) The convertible preferred stock is considered to be a common stock equivalent since its effective yield is less than 66 2/3% of the average Aa corporate bond yield. For the Three Months Ended September 30, 1995 computation of Net Income per Common Share, conversion of the convertible preferred stock is antidilutive.

EXHIBIT 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the Registration Statements of The Scotts Company on Form S-8 (File Nos. 33-47073 and 33-60056) of our report dated November 15, 1995 on our audits of the consolidated financial statements and our report dated November 15, 1995 on our audits of the financial statement schedules of The Scotts Company as of September 30, 1994 and 1995 and for the years ended September 30, 1993, 1994 and 1995, which reports are included in this Annual Report on Form 10-K.

Coopers & Lybrand L.L.P.
Columbus, Ohio
December 29, 1995

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEETS AND STATEMENTS OF INCOME OF THE SCOTTS COMPANY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FORM 10-K FOR THE YEAR ENDED SEPTEMBER 30, 1995.

1000
U.S. DOLLARS

YEAR
SEP-30-1995
OCT-01-1994
SEP-30-1995
1
7,028
0
176,525
0
143,953
350,860
231,219
82,465
809,045
123,862
0
0
177,255
211
203,324
809,045
732,837
737,140
394,369
668,703
5,863
0
26,320
36,254
13,898
22,356
0
0
0
22,356
0.99
0.99