



## ScottsMiracle-Gro Announces Formation of The Hawthorne Gardening Company

October 28, 2014

*New York-based business unit focuses on indoor and urban gardening*

NEW YORK, Oct. 28, 2014 (GLOBE NEWSWIRE) -- The Scotts Miracle-Gro Company (NYSE:SMG), the world's leading marketer of branded consumer lawn and garden products, announced today the formation of the Hawthorne Gardening Company, a wholly-owned subsidiary focused primarily on the emerging areas of indoor and urban gardening products.

Based in New York, the Hawthorne team will focus on building a portfolio of niche lawn and garden brands and products that appeal to younger and more urban consumers. Chris Hagedorn has been named general manager of the Hawthorne team reporting to Barry Sanders, president and chief operating officer.

"All across the country, more and more folks are living in urban areas, leading us to the conclusion that we needed to give them the tools they needed to garden," said Chris Hagedorn. "Whether through container gardening or countertop hydroponic systems indoors, we need to be top of mind for urban dwellers who are looking for fun, inventive and sustainable ways to nurture plants."

Brands currently managed by the Hawthorne include Whitney Farms®, a regional line of organic lawn and garden products, and AeroGarden®, a soil-free indoor garden made by AeroGrow International. Chris Hagedorn is a member of the Board of Directors of AeroGrow International.

The formation of Hawthorne is consistent with the long-term growth strategy that has been articulated by ScottsMiracle-Gro. While Hawthorne will operate autonomously, it will leverage core assets in areas like R&D, supply chain and other support functions. The business results from Hawthorne will be consolidated into the Company's Global Consumer segment.

"As the vision for Hawthorne was being shaped, we believed three things were necessary at the start in order for us to succeed," Chris Hagedorn said. "First, we needed to build a team that was energized by the unique opportunity that Hawthorne offers and is empowered to drive our business. Second, we need autonomy, as we believe the needs and desires of urban consumers are vastly different from the core consumers being served by our colleagues in Ohio. And third, we needed to be based in an urban setting that was similar to our target audience. With all three of these needs now met, the entire team is excited as we begin this journey."

### **About The Hawthorne Gardening Company**

Hawthorne Gardening Co. is a house of brands that provide an incredible array of tools for a multitude of gardening needs, and yet, all share one mission: to help people live happier, healthier lives through gardening. Our company is dedicated to creating high-quality products founded in social and environmental responsibility. We create engaging consumer experiences and products with the ease and innovation to empower more people to garden - no matter where they chose to grow.

### **About ScottsMiracle-Gro**

With more than \$2.8 billion in worldwide sales, The Scotts Miracle-Gro Company is the world's largest marketer of branded consumer products for lawn and garden care. The Company's brands are the most recognized in the industry. In the U.S., the Company's Scotts®, Miracle-Gro® and Ortho® brands are market-leading in their categories, as is the consumer Roundup® brand, which is marketed in North America and most of Europe exclusively by Scotts and owned by Monsanto. In the U.S., we operate Scotts LawnService®, the second largest residential lawn care service business. In Europe, the Company's brands include Weedol®, Pathclear®, Evergreen®, Levington®, Miracle-Gro®, KB®, Fertiligène® and Substral®. For additional information, visit us at [www.scottsmiraclegro.com](http://www.scottsmiraclegro.com).

### **Cautionary Note Regarding Forward-Looking Statements**

Statements contained in this press release, other than statements of historical fact, which address activities, events and developments that the Company expects or anticipates will or may occur in the future, including, but not limited to, information regarding the future economic performance and financial condition of the Company, the plans and objectives of the Company's management, and the Company's assumptions regarding such performance and plans are "forward-looking statements" within the meaning of the U.S. federal securities laws that are subject to risks and uncertainties. These forward-looking statements generally can be identified as statements that include phrases such as "guidance," "outlook," "projected," "believe," "target," "predict," "estimate," "forecast," "strategy," "may," "goal," "expect," "anticipate," "intend," "plan," "foresee," "likely," "will," "should" or other similar words or phrases. Actual results could differ materially from the forward-looking information in this release due to a variety of factors, including, but not limited to:

- Compliance with environmental and other public health regulations could increase the Company's costs of doing business or limit the Company's ability to market all of its products;
- Increases in the prices of raw materials and fuel costs could adversely affect the Company's results of operations;
- The highly competitive nature of the Company's markets could adversely affect its ability to maintain or grow revenues;
- Because of the concentration of the Company's sales to a small number of retail customers, the loss of one or more of, or significant reduction in orders from, its top customers could adversely affect the Company's financial results;
- Adverse weather conditions could adversely impact financial results;
- The Company's international operations make the Company susceptible to fluctuations in currency exchange rates and to other costs and risks associated with international regulation;
- The Company may not be able to adequately protect its intellectual property and other proprietary rights that are material

to the Company's business;

- If Monsanto Company were to terminate the Marketing Agreement for consumer Roundup products, the Company would lose a substantial source of future earnings and overhead expense absorption;
- Hagedorn Partnership, L.P. beneficially owns approximately 27% of the Company's common shares and can significantly influence decisions that require the approval of shareholders;
- The Company may pursue acquisitions, dispositions, investments, dividends, share repurchases and/or other corporate transactions that it believes will maximize equity returns of its shareholders but may involve risks.

Additional detailed information concerning a number of the important factors that could cause actual results to differ materially from the forward-looking information contained in this release is readily available in the Company's publicly filed quarterly, annual and other reports. The Company disclaims any obligation to update developments of these risk factors or to announce publicly any revision to any of the forward-looking statements contained in this release, or to make corrections to reflect future events or developments.

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