

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 8-K/A

CURRENT REPORT

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

Date of Report (Date of earliest event reported) May 19, 1995

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

Ohio	0-19768	31-1199481
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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

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

Not applicable

(Former name or former address, if changed since last report)

Page 1 of 19 pages

This Current Report on Form 8-K/A of The Scotts Company (the "Registrant") furnishes the financial statements and the pro forma financial information that were omitted from the Current Report on Form 8-K of the Registrant filed with the Securities and Exchange Commission (the "Commission") on May 31, 1995 (the "Registrant's May 1995 Form 8-K") in accordance with Items 7(a)(4) and 7(b)(2) of Form 8-K which allow the Registrant a 60-day extension of the time for the filing of such financial statements and pro forma financial information. The financial statements and pro forma financial information relate to the acquisition by the Registrant of the Miracle-Gro Companies as described in Item 2 of the Registrant's May 1995

Item 7. Financial Statements and Exhibits.

(a) Financial statements of the business acquired:

Audited Financial Statements of Stern's Miracle-Gro Products, Inc. and Affiliated Companies:

Report of Independent Public Accountants. Incorporated herein by reference to the Registrant's Registration Statement on Form S-4 (File No. 33-57595) (the "Registrant's Form S-4"), F-12.

Combined Balance Sheets at September 30, 1993 and 1994. Incorporated herein by reference to the Registrant's Form S-4, F-13.

Combined Statements of Income and Retained Earnings for the years ended September 30, 1992, 1993 and 1994. Incorporated herein by reference to the Registrant's Form S-4, F-14.

Combined Statements of Cash Flows for the years ended September 30, 1992, 1993 and 1994. Incorporated herein by reference to the Registrant's Form S-4, F-15-F-16.

Notes to Combined Financial Statements. Incorporated herein by reference to the Registrant's Form S-4, F-17-F-23.

Unaudited Financial Statements of Stern's Miracle-Gro Products, Inc. and Affiliated Companies:

Combined Balance Sheets at March 31, 1995 (Unaudited)

Combined Statements of Income and Retained Earnings for the six months ended March 31, 1994 and 1995 (Unaudited)

Combined Statements of Cash Flows for the six months ended March 31, 1994 and 1995 (Unaudited)

Notes to Combined Financial Statements (Unaudited)

(b) Pro Forma Financial Information:

Pro Forma Consolidated Financial Information (Unaudited)

Pro Forma Consolidated Statement of Income for the year ended September 30, 1994 (Unaudited)

Notes to Pro Forma Consolidated Statement of Income for the year ended September 30, 1994 (Unaudited)

Pro Forma Consolidated Statement of Income for the six months ended April 1, 1995 (Unaudited)

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Notes to Pro Forma Consolidated Statement of Income for the six months ended April 1, 1995 (Unaudited)

Pro Forma Consolidated Balance Sheet at April 1, 1995 (Unaudited)

Notes to Pro Forma Consolidated Balance Sheet (Unaudited)

(c) Exhibits:

The following documents were filed as exhibits to the Registrant's May 1995 Form 8-K or incorporated by reference therein and are all incorporated by reference herein.

Exhibit No.	Description
2(a)	Agreement and Plan of

- Merger dated as of January 26, 1995, among the Miracle-Gro Companies, the original shareholders of the Miracle-Gro Companies, Registrant and Merger Subsidiary
- 2(b) Amended and Restated Agreement and Plan of Merger dated as of May 19, 1995, among the Miracle-Gro Companies, the Hagedorn Partnership, the general partners of the Hagedorn Partnership, the Charity, Horace Hagedorn, John Kenlon, the Registrant and Merger Subsidiary
- 4(a) Amended Articles of Incorporation of the Registrant as filed with the Ohio Secretary of State on September 20, 1994 (including the terms of the Class A Convertible Preferred Stock of the Registrant)
- 4(b) Certificate of Amendment by Shareholders of the Articles of Incorporation of the Registrant as filed with the Ohio Secretary of State on May 4, 1995
- 4(c) Regulations of the Registrant (reflecting amendments adopted by the shareholders of the Registrant on April 6, 1995)
- 4(c) Form of Series A Warrant
- 4(d) Form of Series B Warrant
- 4(e) Form of Series C Warrant
- 99(a) Press release issued by the Registrant on May 19, 1995

SIGNATURES

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

By: /s/ Paul D. Yeager

Paul D. Yeager, Executive Vice
President and Chief Financial Officer

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STERN'S MIRACLE-GRO PRODUCTS, INC. AND AFFILIATED COMPANIES

COMBINED BALANCE SHEETS
(Unaudited)
(in thousands)

	March 31, 1995
ASSETS	
Current Assets:	
Cash	\$ 459
Accounts receivable, net	44,806
Inventories	21,189
Other current assets	221
Total current assets	66,675
Property, plant and equipment, net	1,259
Other assets	411
Total Assets	\$68,345
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Liabilities:	
Revolving credit	\$23,100
Accounts payable	6,107
Other current liabilities	5,317
Total current liabilities	34,524
Long-term debt	3,500
Total Liabilities	38,024
Stockholders' Equity:	
Capital stock	9,455
Paid in capital	240
Retained earnings	20,626
Total Stockholders' Equity	30,321
Total Liabilities and Stockholders' Equity	\$68,345

See Notes to Combined Financial Statements

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STERN'S MIRACLE-GRO PRODUCTS, INC. AND AFFILIATED COMPANIES

COMBINED STATEMENTS OF INCOME AND RETAINED EARNINGS
(Unaudited)
(in thousands)

	Three Months Ended		Six Months Ended	
	March 31,		March 31,	
	1994	1995	1994	1995
Net sales	\$43,214	\$47,467	\$57,293	\$62,722
Cost of sales	19,717	23,323	26,287	30,614
Gross profit	23,497	24,144	31,006	32,108
Marketing	5,263	6,431	6,778	8,180
Distribution	1,066	1,527	1,521	1,938
General and administrative expenses	1,775	2,547	3,366	4,788
Other expenses, net	474	(148)	745	670

Income from operations	14,919	13,787	18,596	16,532
Interest expense, net	187	486	186	489
Income before taxes	14,732	13,301	18,410	16,043
Provision for state income taxes	120	146	240	295
Net income	14,612	13,155	18,170	15,748
Beginning retained earnings	8,068	7,471	13,478	19,415
Total	22,680	20,626	31,648	35,163
Less: Distribution to stockholders			(8,968)	(14,537)
Retained earnings, March 31	\$22,680	\$20,626	\$22,680	\$20,626

See Notes to Combined Financial Statements

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STERN'S MIRACLE-GRO PRODUCTS, INC. AND AFFILIATED COMPANIES

COMBINED STATEMENT OF CASH FLOWS
(Unaudited)
(in thousands)

	Six Months Ended March 31,	
	1994	1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 18,170	\$ 15,748
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	106	216
Equity loss	-	192
Net change in components of working capital	(37,306)	(40,502)
Other	67	8
Net cash flows used in operating activities	(18,963)	(24,338)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in fixed assets, net	(600)	(169)
Net cash flows used in investing activities	(600)	(169)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in note payable	18,135	23,100
Distribution to shareholders	(8,968)	(14,537)
Net cash flows provided by financing activities	9,167	8,563
Net decrease in cash and equivalents	(10,396)	(15,944)
Cash and cash equivalents at beginning of period	11,747	16,403

CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,351	459
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Supplemental Cash Flow Information:		
Interest Paid	\$ 292	\$ 466
Income Taxes Paid	\$ 109	\$ 37

See Notes to Combined Financial Statements

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STERN'S MIRACLE-GRO PRODUCTS, INC. AND AFFILIATED COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION AND BASIS OF PRESENTATION

The accompanying combined quarterly financial statements include the accounts of Stern's Miracle-Gro Products, Inc. ("MG, Inc."), Miracle-Gro Products Limited ("MG Limited"), Miracle-Gro Lawn Products, Inc. ("Lawn Products") and Stern's Nurseries, Inc. ("Sterns"), collectively the "Company" or "Miracle-Gro." The Company is engaged in the marketing and distribution of plant foods and lawn and garden products primarily in the United States, Canada and through MG Limited in the United Kingdom. The Company's business is highly seasonal with approximately 80% of sales occurring in its second and third fiscal quarters.

The combined financial statements are presented to reflect the combined financial position and results of operations of the companies acquired pursuant to the transaction described in Note 5. Each of the above companies is controlled by the same group of shareholders (directly or indirectly). Accordingly, the assets, liabilities and equity of the individual entities have been combined. All material intercompany transactions and balances have been eliminated in combination. Another company similarly controlled, Necessary Organics, Inc., has not been included in the presentation as it is not part of the group of companies acquired.

The combined balance sheets as of March 31, 1995, the related combined statements of income and retained earnings, and cash flows for the six months ended March 31, 1994 and 1995 are unaudited; however, in the opinion of Miracle-Gro's management, such financial statements contain all adjustments necessary for the fair presentation of the Company's financial position and results of operations. Interim results reflect all normal recurring adjustments and are not necessarily indicative of results for a full year. The interim financial statements and notes are presented as specified by Regulation S-X of the Securities Exchange Act of 1934, and should be read in conjunction with the financial statements and the accompanying notes in the Company's fiscal 1994 annual financial statements filed in the Registrant's S-4.

NOTE 2 INVENTORIES
(in thousands)

Inventories are valued at the lower of cost or market under the Last-In First-Out (LIFO) method. Inventories at March 31, 1995 were comprised of the following:

Raw Materials	\$ 7,705
Finished Goods	13,484
	\$21,189

NOTE 3 INCOME TAXES

Each of the affiliated companies in the combined financial statements (except for Stern's) has elected to be treated as a Subchapter S corporation under the Internal Revenue Code. Therefore, federal and most state income taxes are paid by their stockholders. As a result, the combined financial statements include only those state and local income taxes payable directly by the affiliated companies.

Had the affiliated companies been C corporations, additional provisions for income taxes of \$7,140,000 and \$6,090,000 would have been incurred for the six months ended March 31, 1994 and 1995, respectively.

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STERN'S MIRACLE-GRO PRODUCTS, INC. AND AFFILIATED COMPANIES

NOTES TO COMBINED FINANCIAL STATEMENTS

As the entities are not taxable under the Internal Revenue Code, no deferred taxes have been provided in the combined statements. Effective April 1, 1995, each of the affiliated Companies (except for Stern's) elected to be treated as a C corporation under the Internal Revenue Code.

NOTE 4 SIGNIFICANT TRANSACTIONS

On December 31, 1994, MG Limited 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, depending on the circumstances defined in the license agreement. MG Limited is entitled to annual royalties for the first five years of the license.

The exchange is being accounted for at historical cost, with MG Ltd's investment being equal to the book value of its assets contributed to the new company. The investment will be accounted for on the equity method, with MG Limited recognizing its proportionate share of the new company's net income and/or losses, as well as royalty income.

On January 26, 1995, the Company entered into a merger agreement with The Scotts Company ("Scotts") whereby Scotts would purchase all the outstanding stock of the Company in exchange for \$195,000,000 face amount of convertible preferred stock and warrants to purchase 3,000,000 common shares of Scotts. Such securities have been registered on Form S-4 in connection with this transaction. The preferred stock will have a dividend yield of 5.0% and will be convertible to 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.

NOTE 5 SUBSEQUENT EVENTS

On May 19, 1995, the merger agreement between the Company and The Scotts Company was completed. The total purchase price was based on the estimated fair value of the convertible preferred stock and warrants as of closing and was \$226,000,000.

An action was commenced against the Company on March 2, 1995 in a U. S. District Court in Alabama by Pursell Industries. This action alleges, among other things, that the Company breached an alleged joint venture contract with the Plaintiff, committed fraud and breached an alleged fiduciary duty owed to the Plaintiff by not informing it of the negotiations concerning the merger with The Scotts Company described in Note 5. The Plaintiff seeks compensatory and punitive damages in excess of \$10 million. Prior to that, the Company had filed suit in New York seeking a declaratory judgment there was no enforceable joint venture agreement. The cases are presently in discovery and there are several motions pending. The Company does not believe the Alabama action has any merit and intends to defend it vigorously. The financial statements do not include any adjustments that might result from the outcome of this litigation.

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PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following unaudited Pro Forma Consolidated Statements of Income give effect to the acquisition of the Miracle-Gro Companies as if the transaction, which occurred on May 19, 1995, had taken place on October 1, 1993. The following unaudited Pro Forma Consolidated Balance Sheet gives effect to the acquisition as if the transaction had occurred on April 1, 1995.

The unaudited pro forma consolidated financial statements should be read in conjunction with the accompanying historical financial statements located elsewhere herein and in the Registrant's S-4. These statements do not purport to be indicative of the results of operations which actually would have occurred had the acquisition taken place on October 1, 1993 nor do they purport to indicate the results of future operations of The Scotts Company.

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THE SCOTTS COMPANY AND SUBSIDIARIES

PRO FORMA CONSOLIDATED STATEMENT OF INCOME
For the Year Ended September 30, 1994
(Unaudited)

(in thousands except share data)

	The Scotts Company	Sierra Pro Forma	Subtotal Pro Forma As Previously Presented	Miracle- Gro Historical	Pro Forma Adjustments	Pro Forma
	Historical	See Note (A)				
Net sales	\$606,339	\$20,826	\$627,165	\$107,421	\$ (8,355) (1)	\$726,231
Cost of sales	319,730	10,642	330,372	52,255	(7,355) (1)(2)	375,272
Gross profit	286,609	10,184	296,793	55,166	(1,000)	350,959

Marketing	100,106	5,233	105,339	18,551	(129)	(1)(3)	123,761
Distribution	84,407	989	85,396	-	2,957	(4)	88,353
General and administrative	30,189	2,086	32,275	6,541	(2,075)	(1)(5)	36,741
Research and development	10,352	906	11,258	-	-		11,258
Other expense, net	2,283	582	2,865	550	2,617	(1)(6)	6,032
Income from operations	59,272	388	59,660	29,524	(4,370)		84,814
Interest expense	17,450	1,460	18,910	125	-		19,035
Income before income taxes	41,822	(1,072)	40,750	29,399	(4,370)		65,779
Income taxes	17,947	(965)	16,982	490	11,172	(7)	28,644
Net income	\$ 23,875	\$ (107)	\$ 23,768	\$28,909	\$ (15,542)		\$ 37,135
Net income per common share	\$1.27		\$1.27				\$1.27

See Notes to Pro Forma Consolidated Statement of Income

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THE SCOTTS COMPANY AND SUBSIDIARIES

NOTES TO PRO FORMA CONSOLIDATED STATEMENT OF INCOME For the fiscal year ended September 30, 1994 (Unaudited)

(in thousands, except share amounts)

I. Pro Forma Adjustments

- (A) On December 17, 1993, Scotts purchased Grace-Sierra Horticultural Products Company ("Sierra"). The pro forma consolidated statement of income for the year ended September 30, 1994 reflects this acquisition as if it had occurred on October 1, 1992, as previously reported, giving effect to pro forma adjustments for depreciation and amortization of tangible and intangible assets, interest and expenses on acquisition indebtedness, and income taxes. The Company's consolidated balance sheet as of April 1, 1995 and consolidated statement of income for the six months ended April 1, 1995 include Sierra for the entire period.

Miracle-Gro Limited Transaction

- (1) The historical combined financial statements of Miracle-Gro include the revenues and expenses of Miracle-Gro Products Limited ("Limited"). On December 31, 1994, Limited 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. In future periods, this investment will be accounted for on the equity method. Accordingly, the Pro Forma Consolidated Statement of Income has been adjusted to reflect the net income of Limited for the year ended September 30, 1994 as if it had been accounted for as an equity investment.

To reclassify Limited income statement accounts:

Net sales	\$8,355
Cost of sales	4,456
Marketing expense	1,868
General and administrative expense	304
Other expense	807
Net income as reclassified to pro forma other expense, net	\$ 920

This reclassification reflects the historical Limited results and not the results that would have been reported had the 32.5% interest in the U.K. based garden products company been held for the year. The historical income of Limited reflected on the equity method of accounting is not necessarily indicative of Limited's share of future earnings attributable to its equity investment.

Miracle-Gro Acquisition

The following pro forma adjustments are made to reflect the application of purchase accounting and certain adjustments to conform the Miracle-Gro financial statement classifications to the Scotts presentation.

- (2) To reclassify distribution expense (\$2,957) recorded as cost of sales to distribution; and to reclassify depreciation (\$58) to cost of sales from general and administrative.

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THE SCOTTS COMPANY AND SUBSIDIARIES

NOTES TO PRELIMINARY PRO FORMA CONSOLIDATED STATEMENT OF INCOME For the fiscal year ended September 30, 1994 (Unaudited)

(in thousands, except share amounts)

- (3) To reclassify sales and marketing related salaries and fringe benefits (\$1,739) from general and administrative to marketing.
- (4) To reclassify distribution expense (\$2,957) from cost of sales.
- (5) To record additional depreciation on buildings and amortization of a favorable land lease (\$26); to reclassify sales and marketing salaries (\$1,739) to marketing; and to reclassify depreciation (\$58) to cost of sales.
- (6) To record amortization of acquired trademarks and goodwill (\$4,343) over 40 years.
- (7) To record additional income tax expense assuming Miracle-Gro had been taxed as C corporations (\$11,180) and to record the tax benefit of pro forma adjustments (\$8); historically Miracle-Gro had elected Subchapter S status under the Internal Revenue Code.

II. Earnings Per Common Share

For purposes of computing earnings per share, the convertible preferred stock is considered a common stock equivalent. Pro forma primary and fully-diluted earnings per share for the year ended September 30, 1994 are calculated using the weighted average common shares outstanding for Scotts of 18,784,729 and the common shares that would have been issued assuming conversion of preferred stock at the beginning of the year of 10,263,158 common shares. The computation of pro forma primary earnings per share assuming reduction of earnings for preferred dividends and no conversion of preferred stock was anti-dilutive.

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THE SCOTTS COMPANY AND SUBSIDIARIES

PRO FORMA CONSOLIDATED STATEMENT OF INCOME For the Six Months Ended April 1, 1995

(Unaudited)

(in thousands except share data)

	The Scotts Company Historical	Miracle-Gro Historical	Pro Forma Adjustments		Pro Forma
Net Sales	\$334,111	\$62,722	\$ (3,216)	(1)	\$393,617
Cost of Sales	177,410	30,614	(1,809)	(1)(2)	206,215
Gross profit	156,701	32,108	(1,407)		187,402
Marketing	56,670	8,180	747	(1)(3)	65,597
Distribution	45,019	1,938	-		46,957
General and administrative	12,964	4,788	(1,670)	(1)(4)	16,082
Research and development	5,728	-	-		5,728
Other expense, net	2,553	705	1,250	(1)(5)	4,508
Income from operations	33,767	16,497	(1,734)		48,530
Interest expense	13,808	489	-		14,297
Income before income taxes	19,959	16,008	(1,734)		34,233
Income taxes	8,282	295	4,999	(6)	13,576
Net income	\$ 11,677	\$15,713	\$ (6,733)		\$ 20,657
Net income per common share	\$ 0.62				\$ 0.71

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THE SCOTTS COMPANY AND SUBSIDIARIES

NOTES TO PRELIMINARY PRO FORMA CONSOLIDATED STATEMENT OF INCOME For the six months ended April 1, 1995 (Unaudited)

(in thousands, except share amounts)

I. Pro Forma Adjustments

- (A) Certain reclassifications have been made to Miracle-Gro's historical statement of income to conform to The Scotts Company classifications.

Miracle-Gro Limited Transaction

- (1) The historical combined financial statements of Miracle-Gro include the revenues and expenses of Miracle-Gro Products Limited ("Limited"). On December 31, 1994, Limited 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. In future periods, this investment will be accounted for on the equity method. Accordingly, the Preliminary Pro Forma Consolidated Statement of Income has been adjusted to reflect the net income of Limited for the six months ended April 1, 1995 as if it had been accounted for as an equity investment.

To reclassify Limited income statement accounts:

Net sales	\$3,216
Cost of sales	1,839
Marketing expense	123
General and administrative expense	332

Net income as reclassified to pro forma \$ 167
other expense, net

This reclassification reflects the historical Limited results and not the results that would have been reported had the 32.5% interest in the U.K. based garden products company been held for the period. The historical income of Limited reflected on the equity method of accounting is not necessarily indicative of Limited's share of future earnings attributable to its equity investment.

Miracle-Gro Acquisition

The following pro forma adjustments are made to reflect the application of purchase accounting and certain adjustments to conform the Miracle-Gro financial statement classifications to the Scotts presentation.

- (2) To reclassify depreciation (\$30) to cost of sales from general and administrative.
- (3) To reclassify sales and marketing related salaries and fringe benefits (\$870) from general and administrative to marketing.

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THE SCOTTS COMPANY AND SUBSIDIARIES

NOTES TO PRELIMINARY PRO FORMA CONSOLIDATED STATEMENT OF INCOME For the six months ended April 1, 1995 (Unaudited)

(in thousands, except share amounts)

- (4) To record additional depreciation on buildings and amortization of a favorable land lease (\$12); to reclassify sales and marketing salaries (\$870) to marketing; to eliminate (\$450) of Miracle-Gro deal costs; and to reclassify depreciation (\$30) to cost of sales.
- (5) To record amortization of acquired trademarks and goodwill (\$2,172) over 40 years.
- (6) To record additional income tax expense assuming Miracle-Gro had been taxed as C corporation (\$4,866) and to record the income tax of pro forma adjustments (\$133); historically Miracle-Gro had elected Subchapter S status under the Internal Revenue Code.

II. Earnings Per Common Share

For purposes of computing earnings per share, the convertible preferred stock is considered a common stock equivalent. Pro forma primary and fully-diluted earnings per share for the six months ended April 1, 1995 are calculated using the weighted average common shares outstanding for Scotts of 18,762,358 and the common shares that would have been issued assuming conversion of preferred stock at the beginning of the year of 10,263,158 common shares. The computation of pro forma primary earnings per share assuming reduction of earnings for preferred dividends and no conversion of preferred stock was anti-dilutive.

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THE SCOTTS COMPANY AND SUBSIDIARIES

PRO FORMA CONSOLIDATED BALANCE SHEET As of April 1, 1995 (Unaudited)

(in thousands)

ASSETS

	The Scotts Company Historical	Miracle-Gro Historical	Pro Forma Adjustments	Pro Forma
Current Assets:				
Cash	\$ 6,619	\$ 459	\$ -	\$ 7,078
Accounts receivable, net	252,509	44,806	(4,572) (1)(2)	292,743
Inventories	143,574	21,189	(184) (3)	164,579
Prepaid and other current assets	22,841	221		23,062
Total current assets	425,543	66,675	(4,756)	487,462
Property, plant and equipment, net	143,791	1,259	659 (4)	145,709
Trademarks, patents and other intangibles	26,529	-	90,000 (5)	116,529
Goodwill	103,224	-	83,739 (5)	186,963
Other assets	9,755	411	10,226 (1)(6)	20,392
Total Assets	\$708,842	\$68,345	\$ 179,868	\$957,055

LIABILITIES AND SHAREHOLDERS EQUITY

Current Liabilities:				
Revolving credit line	\$39,852	\$23,100	\$ -	\$ 62,952
Accounts payable	79,591	6,107	-	85,698
Other current liabilities	46,589	5,317	21,689 (1)(7)(8) (9)(10)	73,595
Total current liabilities	166,032	34,524	21,689	222,245
Long-term debt	324,630	3,500	(3,500)(1)	324,630
Postretirement benefits other than pensions	27,218	-	-	27,218
Other noncurrent liabilities	7,622	-	-	7,622
Total Liabilities	525,502	38,024	18,189	581,715
Shareholders' Equity:				
Preferred stock	-	-	178,200 (11)	178,200
Common stock	211	9,455	(9,455)(11)	211
Capital in excess of par value	193,155	240	13,560 (11)	206,955
Retained earnings	25,552	20,626	(20,626)(11)	25,552
Cumulative translation gain	5,863	-	-	5,863
Treasury stock	(41,441)	-	-	(41,441)
Total Shareholders' Equity	183,340	30,321	161,679	375,340
Total Liabilities and Shareholders' Equity	\$708,842	\$ 68,345	\$179,868	\$957,055

See Notes to Pro Forma Consolidated Balance Sheet

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THE SCOTTS COMPANY AND SUBSIDIARIES

Notes to Pro Forma Consolidated Balance Sheet
As of April 1, 1995
(Unaudited)

(in thousands)

- (1) On December 31, 1994, Limited 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. Current assets, comprised primarily of accounts receivable and inventories will be used to liquidate current liabilities and long-term debt, with any residual cash remaining with Limited.

To record the investment in the new company at fair value:

Other assets	\$ 10,186
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To reflect disposition of assets in satisfaction of liabilities:

Accounts receivable	\$ (4,072)
Accounts payable	\$ 572
Accrued liabilities	-
Long-term debt	\$ 3,500

- (2) To adjust estimate for allowance for doubtful accounts (\$500).
- (3) To record inventory at estimated fair value (\$344).
- (4) To record buildings and equipment (\$659) at estimated fair value.
- (5) To record the estimated fair value of Miracle-Gro trademarks (\$90,000) and to record the excess of purchase price over the underlying value of net assets acquired (goodwill).
- (6) To record a non-current deferred tax asset (\$40) for differences in the financial reporting and tax bases of certain liabilities and fixed assets.
- (7) To record the estimated liability (\$16,600) for distribution to be made to Miracle-Gro shareholders pursuant to the purchase agreement. The total liability will be \$21,014 based on the increase in Miracle-Gro's net assets from normal operations through the transaction closing date.
- (8) To record the excess of the projected benefit obligation over the plan assets (\$791) of the Miracle-Gro defined benefit pension plan.
- (9) To adjust estimated vacation accrual (\$163), incentive accrual (\$675) and payroll accrual (\$32).
- (10) To record for estimated transaction costs (\$4,000).
- (11) To record the issuance of 5% convertible preferred stock with an estimated market value of \$178,200 and a face amount of \$195,000 and warrants to purchase common stock with an estimated market value of \$13,800 as consideration to acquire Miracle-Gro, and to eliminate the historical shareholders' equity of Miracle-Gro.