



THE MARKET

Gardening is the number-one leisure-time activity in America today, enjoyed in some form by 85 million households.

The Scotts Company LLC — owner of the Miracle-Gro® brand — is the most widely recognized marketer and manufacturer of consumer lawn and garden products and has helped grow the market to nearly \$7 billion globally. The Miracle-Gro brand is the largest, most trusted brand in gardening and has been instrumental in shaping this leisure activity for more than 55 years. The company's leading market share is driven by the industry-leading Miracle-Gro brand, consumer-focused marketing, superior product performance, supply chain competency, and the strength of extensive relationships with major retailers.

ACHIEVEMENTS

From an initial \$2,000 investment in 1950, Miracle-Gro brand sales grew to more than \$100 million annually by the early 1990s, when Stern's Miracle-Gro Products merged with The Scotts Company. The Miracle-Gro brand, and the powerful advertising behind it, has played a major role in the growth of the entire lawn and garden industry. Before the introduction of Miracle-Gro plant food, home gardeners had to buy large bags of agricultural fertilizers for their plants without knowing how much to use. But Miracle-Gro water-soluble plant food was easy to use, and it guaranteed results. Suddenly growing beautiful plants and flowers was easy, and gardeners loved it. In the late 1990s, Miracle-Gro branded products expanded into the potting and garden soil market by introducing "soil enriched with Miracle-Gro Plant Food," helping gardeners "Grow Plants Twice as Big".

This innovation reinvented the soil category, driving Miracle-Gro brand sales to over \$350 million by 2005.



Today, at 96 percent awareness among gardening consumers, the Miracle-Gro brand is the most recognized in the gardening category. Consumers believe the Miracle-Gro brand is a friend, there to help them achieve the best gardening results possible. The success consumers experience with Miracle-Gro branded products builds their confidence and inspires them to do even more in the garden. As Stern's Miracle-Gro Products founder Horace Hagedorn liked to say, "Miracle-Gro doesn't have customers. It has fans. Ours is a brand name built on trust earned by a long record of superior performance."

HISTORY

Miracle-Gro plant food was born in 1950, when Horace, an advertising executive, and his business partner, nurseryman Otto Stern, invested \$2,000 to introduce a new product to make plants and vegetables stronger, healthier, and more beautiful. Horace realized a greater opportunity existed in marketing a consumable product, rather than just selling plants and trees. They began shipping a small



packet of water-soluble fertilizer with each plant they sold, and soon customers were asking for more plant food. They ran a full-page ad in a New York newspaper, telling readers about Miracle-Gro plant food and what it would do for their plants. Three days after the ad appeared, the mail brought \$22,000 in orders, and the Miracle-Gro brand was on the road to success.

In 1985, a new innovation was brought to market with the Miracle-Gro No-Clog 4 in 1™ Feeder. With this hose-end feeder, gardeners could quickly and easily feed larger areas of their garden as opposed to the previous method of applying one watering can at a time.

In 1995, the Miracle-Gro brand companies merged with The Scotts Company, creating the world's leading lawn and garden company and opening up new opportunities to apply the Miracle-Gro brand to a variety of superior gardening products. The distinctive Miracle-Gro logo — with its yellow, green, and black bull's-eye color scheme — now appears on a wide range of popular gardening products.

THE PRODUCT

From the initial product — the now-familiar blue-powder plant food — the Miracle-Gro branded product line has grown to include indoor and outdoor plant foods, potting mixes, and garden soils as well as a line of popular gardening books.

Miracle-Gro Water Soluble All Purpose Plant Food — still America's favorite plant food — is a convenient powder that dissolves in water to create a diluted nutrient solution. The solution can be poured or sprayed over plants, where it is rapidly absorbed by the roots and leaves. It begins working instantly for quick, beautiful results and is guaranteed not to burn when used as directed.

Miracle-Gro Shake 'n Feed® Continuous Release Plant Food is perfect for new or less-involved gardeners. It shakes on dry in minutes and feeds up to three months from one application.

If you want to grow a great garden, the best place to start is with the soil, and Miracle-Gro Garden Soil



grows plants twice as big as topsoil. For container gardening — which continues to grow in popularity with home gardeners short on time and space — the secret is in the mix. Miracle-Gro branded products offer a variety of potting mixes for superior results with all types of container plants. Miracle-Gro branded potting mixes and garden soils are made with rich organic ingredients and are the only ones enriched with Miracle-Gro Continuous Release Plant Food.

RECENT DEVELOPMENTS

For 2006, The Scotts Company LLC introduced a revolutionary new way of feeding garden plants. The Miracle-Gro LiquaFeed™ Ready-to-Use Plant Feeding system makes feeding as easy as watering. There's no mixing, no measuring, no guesswork. Simply attach the feeder to a garden hose, insert a LiquaFeed Plant Food bottle, and feed your plants while you water. Because the

Miracle-Gro Continuous Release Plant Food to feed plants for up to three months.

The Scotts Company LLC recently created the Miracle-Gro Organic Choice® line for consumers who want to use organic garden products without paying a premium or giving up the performance of Miracle-Gro branded products. The line includes potting mix, garden soil, and garden fertilizer as well as bone meal and blood meal.

The Miracle-Gro brand is well on its way to becoming the world's first \$1 billion gardening brand.



Miracle-Gro is a one-of-a-kind product that gardeners cannot do without.”

With the growing media category's largest advertising and promotion program, Miracle-Gro branded potting mixes and garden soils have a 90 percent share of voice in the category. National Repot Your Plant Day in April helps remind consumers of the importance of properly potting their houseplants, while offering merchandising and promotional opportunities to retailers.

To help home gardeners keep abreast of what to do in their gardens and which products to use for best results, the “Timely Gardening Tips from Miracle-Gro” e-newsletter provides regionalized gardening advice throughout the year. You can subscribe to the free monthly reminders at www.miracle-gro.com.

BRAND VALUES

The Miracle-Gro brand's mission is to help consumers unlock their potential and achieve gardening success by providing them with simple, innovative, and superior-performing products that fit into their lifestyles. The core values of the Miracle-Gro brand are

- Superior results
- Simplicity
- Innovation
- Quality
- Trust

THINGS YOU DIDN'T KNOW ABOUT MIRACLE-GRO BRANDED PRODUCTS

- University studies found that a home with beautiful landscaping will command an 11 percent higher selling price.
- Numerous health studies have shown the benefits of gardening, including contributing to physical health, lowering stress and anxiety, and providing a relaxation response.
- The Scotts Company LLC is one of the nation's largest recyclers of organic waste, recycling more than 6 billion pounds annually in the production of growing media products.
- Gardening basics and techniques, step-by-step projects, a gardeners' discussion forum, and handy interactive tools for identifying and handling weed and insect problems are available online at www.miracle-gro.com.



feeder automatically mixes the plant food and water, there's no risk of overfeeding or burning the plants. One bottle feeds about 400 square feet of garden, and refill bottles are available in convenient four-packs.

Because improper watering is the leading problem in growing container plants, Miracle-Gro Moisture Control® Potting Mix is made with an exclusive AquaCoir® formula that holds 33 percent more water than ordinary soils. It protects against both over- and underwatering and contains

PROMOTION

The enduring franchise of the Miracle-Gro brand was built with aggressive marketing and advertising, which continue to drive the products' popularity with consumers. Television ads feature testimonials from gardeners across the country growing beautiful flowers and amazing vegetables with Miracle-Gro Plant Food. Miracle-Gro has become the most preferred gardening brand with highest brand awareness. It has also become part of the American language, synonymous with the growth of good things. The Miracle-Gro brand's founder, Horace Hagedorn, challenged future brand stewards to “build into each advertisement your underlying belief that