



THE MARKET

Through product innovation, industry-leading advertising, and its trusted brands, the company now known as The Scotts Miracle-Gro Company has helped grow the consumer lawn and garden market to nearly \$7 billion globally. Who knows how different — or how much smaller — the lawn and garden market would be without Scotts? Before Scotts began selling grass seed to homeowners in the early 1900s, there was no lawn care industry. Today, Scotts is the most widely recognized marketer and manufacturer of lawn and garden products. The Scotts® brand's market leadership in the lawn products category is driven by consumer-focused marketing and innovation, superior product performance, supply-chain competency, and the strength of extensive relationships with major American retailers.



later, Turf Builder products are still helping homeowners grow thick, green lawns, and the brand is rightly known as “America’s favorite lawn fertilizer.” The year 1928 also brought volume one, number one of a digest-size, black-and-white *Lawn Care*® magazine, which Scotts mailed to 5,000 people. Through the years, the publication’s expert advice has guided millions of readers in growing healthy lawns, and the mailing list for today’s full-color magazine includes 9 million homeowners.

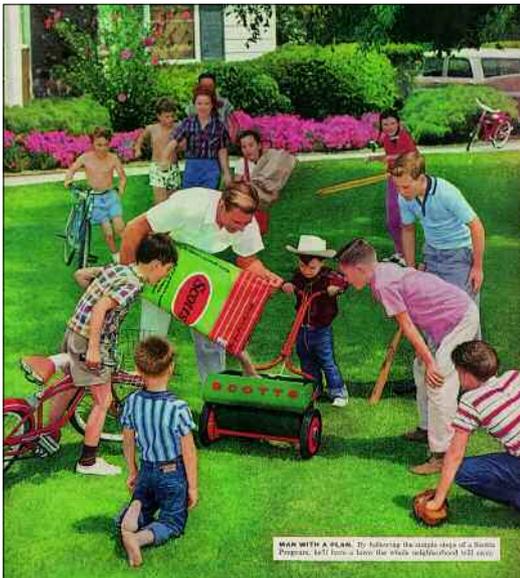
Since those early days, Scotts has made a long series of important introductions to

ACHIEVEMENTS

From its appearance on the earliest products for home lawns, the Scotts brand has become the most recognized in the lawn care category, with amazing 99 percent brand recognition. Consumers have learned to trust Scotts to help them achieve a beautiful lawn, because Scotts does much more than provide high-quality products that give great results. Its toll-free Consumer Helpline answers more than a million phone calls, letters, and e-mails each year. The award-winning Scotts Web site and e-mailed lawn care reminders are filled with helpful information, available free to everyone, and research indicates that 70 percent of visitors to the site will bookmark it.

American lawn-owners, including the following:

- In the 1930s, the first Scotts lawn spreader
- In the 1940s, the first selective weed control and fertilizer combination (sometimes known as Weed & Feed)
- In the 1950s, the first preemergent crabgrass control
- In the 1960s, the first patented grass seed variety, called Windsor Kentucky bluegrass
- In the 1970s, the toll-free Consumer Helpline and the Scotts No-Quibble Guarantee®
- In the 1980s, the Scotts Lawn Pro® Annual Program, making it simple for consumers to know what to do with their lawns and when to do it
- In the 1990s, PatchMaster® Lawn Repair Mix, combining Scotts grass seed with Starter® Fertilizer and mulch to make bare spot repairs simple and easy



MAN WITH A PLAN. To illustrate the steps of a Scotts Program, call from a lawn the whole neighborhood will love.

Building an enduring franchise means creating a relationship with the consumer that is unrivaled by the competition. The Scotts brand enjoys that advantage in today’s marketplace. Through almost a century of preeminence in lawn care, Scotts has developed a unique understanding of homeowners’ motivations to have a beautiful, healthy lawn, then applied that to creating the lawn care products and information they need. By increasing investment in advertising and delivering meaningful product innovation, Scotts continues to drive business and overall lawn category growth.

HISTORY

After serving in the Civil War, Orlando McLean Scott managed a seed elevator in Marysville, Ohio. He purchased a hardware store and seed business in 1868, and soon became known for providing farmers with clean, weed-free seed. After the turn of the century, the business evolved to include processing and selling grass seed. As the sales of Scotts brand grass and lawn seed grew due to successful marketing and advertising, Scotts introduced two new items in 1928 that would change home lawn maintenance forever.

Scotts was the first to recognize that grass has special nutritional needs that require a specifically designed fertilizer, and so Scotts Turf Builder® products were born. Now, nearly 80 years





THE PRODUCT

The legacy of the seed business that O. M. Scott founded more than 130 years ago lives on today in Scott's Pure Premium® Grass Seed. Scott's has a Pure Premium brand grass seed mixture for every type of lawn and growing condition, in all regions of the country. Because Pure Premium seed is 99.99 percent weed-free, it grows into a lush, green lawn without weeds.

From the original Turf Builder lawn fertilizer, the Scott's business has grown to include a broad range of lawn products that are popular brands in their own right — including Starter® fertilizer, Halts® crabgrass preventer, Turf Builder with Plus 2® weed control, Bonus® S weed-and-feed, and GrubEx® season-long grub control. The Scott's patented All-In-One Particles® technology combines the proper ratio of timed-release feeding in every Scott's lawn fertilizer particle, meaning that the grass receives consistent, even feeding day after day, across the entire lawn.

Even the best lawn fertilizer is only as good as the spreader used to apply it. Scott's lawn spreaders are the most recognized and trusted spreaders because they are engineered for accuracy, built for durability, and designed for easy use. The Scott's Deluxe™ EdgeGuard® broadcast spreader has a patented feature that prevents fertilizer and other lawn products from being thrown onto flowerbeds, landscaping, and pavement. It not only protects the landscaping, but also keeps fertilizer from being washed into storm drains and surface waters.

The Scott's brand also extends to other lawn and garden products, including plant foods, soil/growing media products, and several popular lawn care books.

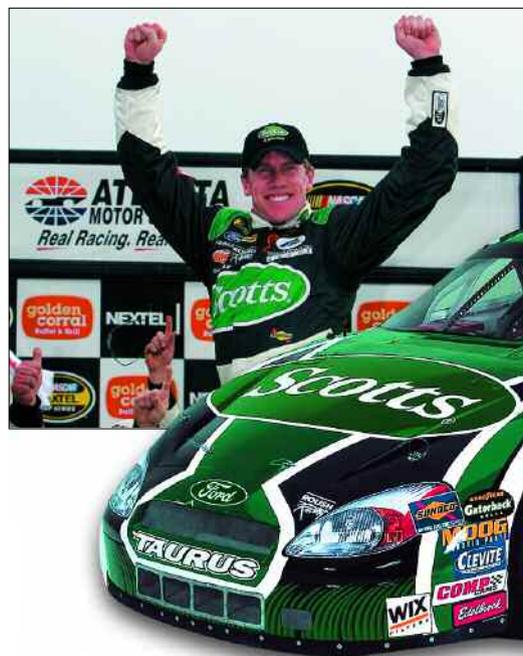
RECENT DEVELOPMENTS

Scott's is continually developing new and improved products. Its dedicated chemistry, formulation, packaging, and applicator Research and Development Center in Marysville, Ohio, includes an 18,000-square-foot greenhouse and a 150-acre outdoor research area. For larger-scale field research, the company has a turf testing site in Florida, plus a seed testing site in Oregon.

In recent years, Scott's has introduced region-specific products and marketing programs — including Scott's Southern Turf Builder® fertilizer and Turf Builder® fertilizer with Fire Ant Killer for southern lawns — as well as bilingual packaging and in-store signage to meet the needs of the growing Hispanic community in the United States.

Only Scott's offers Heat-Tolerant Blue™ brand grass seed, a unique mixture of top-rated tall fescues and Thermal Blue Kentucky Bluegrass™ grass seed that makes it easy to grow a beautiful tall fescue lawn in hot climates. Thermal Blue™ grass seed is a Scott's revolution, an exclusive variety that stays green when exposed to hot summer temperatures and spreads aggressively to fill in bare spots.

To meet the needs of consumers in the do-it-for-me category who want a green, healthy, and



weed-free lawn, Scott's

LawnService has expanded to offer services in the top 100 lawn care markets. By delivering high levels of customer service, Scott's LawnService achieved a customer retention rate of 71 percent in 2005, significantly higher than industry standards.

The Scott's brand is the company's flagship brand in the United States, offering the broadest array of products and services in lawn and garden.

PROMOTION

Scott's is dedicated to meeting the needs of its retail partners and consumers by clearly communicating with consumers as well as offering superior products. The Scott's Miracle-Gro Company communicates with consumers via the largest advertising investment in the lawn and garden market. The company continues to see a direct correlation between its television and radio advertising and consumer purchases of Scott's products. And now, the amazing popularity of NASCAR® is also exposing the Scott's brand to its 75 million

loyal fans, both on television and at the track, through the company's sponsorship with Roush Racing.

Scott's packaging, point-of-purchase displays, branded books, and other communications are designed to help consumers select the right products and use them properly for best results. In keeping with its commitment to environmental stewardship and community involvement, Scott's has partnered with Keep America Beautiful® and its Great American Cleanup™ initiative to foster the development of community greenspaces across the United States.

BRAND VALUES

The Scott's mission is to be the premier provider in every market the company serves. Scott's is committed to

- Supplying high-quality products and services that help consumers enjoy healthy lawns.
- Developing environmentally friendly products and packaging that consumers can use with confidence.
- Delivering meaningful consumer innovation.
- Forging a true partnership with retail customers, taking their lawn and garden departments to new heights and contributing to their overall profitability.

Scott's associates worldwide are dedicated to helping consumers and retail partners achieve success with Scott's products.

THINGS YOU DIDN'T KNOW ABOUT SCOTT'S

- Scott's products can be applied to the nearly 20 million acres of lawns in the United States.
- A 50- by 50-foot area of healthy lawn turf can provide enough oxygen for a family of four, day after day. A healthy lawn cools the environment, improves air quality, stabilizes the soil to prevent erosion, and decreases runoff. An average lawn can absorb more than 6,000 gallons of water from a rainfall event.
- It takes less than 30 minutes to feed the average-size lawn with Scott's branded products.
- Subscribers to Scott's E-Mail Reminder Service receive customized lawn care advice at appropriate times for their area throughout the growing season. Consumers can enroll for free at www.scotts.com.