

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: February 21, 2007

**Re: Scotts Miracle-Gro Company (SMG) - Special Cash Dividend**

Scotts Miracle-Gro Company (SMG) has declared a special cash dividend of \$8.00 payable to share holders of record on Monday, February 26, 2007. Distribution date for the special cash dividend will be Monday, March 5, 2007.  
**The NYSE has set the ex-distribution date for the special cash dividend to be Thursday, February 22, 2007.**

**EFFECTIVE DATE:** Thursday, February 22, 2007  
**SYMBOL(s):** SMG/WOF/ORY remain unchanged  
**STRIKE PRICE:** Reduced by \$8.00  
**POS/EXERCISE LIMITS:** Limits will remain unchanged  
**MULTIPLIER:** 100 \* (e.g., premium of 1.00 = \$100)  
**NEW DELIVERABLE:** Deliverable will remain unchanged (100 shares SMG)

**GOOD-TILL-CANCELLED (GTC) ORDERS:**

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the ex-distribution or effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

The resulting list of adjusted strike prices and symbols is as follows:

Scotts Miracle-Gro Company (SMG) (Before 2/22/2007) (100 shrs SMG)					Scotts Miracle-Gro Company (SMG) (Beginning 2/22/2007) (100 shrs SMG)				
			Calls	Puts			Calls	Puts	
SMG	MAR	35	CG	OG	SMG	MAR	27	CU	OU
SMG	MAR	40	CH	OH	SMG	MAR	32	CV	OV
SMG	MAR	45	CI	OI	SMG	MAR	37	CW	OW
SMG	MAR	50	CJ	OJ	SMG	MAR	42	CX	OX
SMG	MAR	55	CK	OK	SMG	MAR	47	CY	OY
SMG	MAR	60	CL	OL	SMG	MAR	52	CZ	OZ
SMG	MAR	65	CM	OM	SMG	MAR	57	CA	OA
SMG	MAR	70	CN	ON	SMG	MAR	62	CB	OB
SMG	APR	50	DJ	PJ	SMG	APR	42	DX	PX
SMG	APR	55	DK	PK	SMG	APR	47	DY	PY
SMG	APR	60	DL	PL	SMG	APR	52	DZ	PZ
SMG	JUN	40	FH	RH	SMG	JUN	32	FV	RV
SMG	JUN	45	FI	RI	SMG	JUN	37	FW	RW
SMG	JUN	50	FJ	RJ	SMG	JUN	42	FX	RX
SMG	JUN	55	FK	RK	SMG	JUN	47	FY	RY
SMG	JUN	60	FL	RL	SMG	JUN	52	FZ	RZ
SMG	JUN	65	FM	RM	SMG	JUN	57	FA	RA
SMG	JUN	70	FN	RN	SMG	JUN	62	FB	RB
SMG	SEP	50	IJ	UJ	SMG	SEP	42	IX	UX
SMG	SEP	55	IK	UK	SMG	SEP	47	IY	UY
SMG	SEP	60	IL	UL	SMG	SEP	52	IZ	UZ

Scotts Miracle-Gro Company - 2008 Leap (WOF)  
 (Before 2/22/2007)  
 (100 shrs SMG)

			Calls	Put
WOF	JAN	25	AE	ME
WOF	JAN	30	AF	MF
WOF	JAN	35	AG	MG
WOF	JAN	40	AH	MH
WOF	JAN	45	AI	MI
WOF	JAN	50	AJ	MJ
WOF	JAN	55	AK	MK

Scotts Miracle-Gro Company - 2008 Leap (WOF)  
 (Beginning 2/22/2007)  
 (100 shrs SMG)

			Calls	Put
WOF	JAN	17	AD	MD
WOF	JAN	22	AE	ME
WOF	JAN	27	AU	MU
WOF	JAN	32	AV	MV
WOF	JAN	37	AW	MW
WOF	JAN	42	AX	MX
WOF	JAN	47	AY	MY

Scotts Miracle-Gro Company - 2009 Leap (ORY)  
 (Before 2/22/2007)  
 (100 shrs SMG)

			Calls	Put
ORY	JAN	20	AD	MD
ORY	JAN	30	AF	MF
ORY	JAN	40	AH	MH
ORY	JAN	50	AJ	MJ
ORY	JAN	60	AL	ML

Scotts Miracle-Gro Company - 2009 Leap (ORY)  
 (Beginning 2/22/2007)  
 (100 shrs SMG)

			Calls	Put
ORY	JAN	12	AC	MC
ORY	JAN	22	AE	ME
ORY	JAN	32	AV	MV
ORY	JAN	42	AX	MX
ORY	JAN	52	AZ	MZ

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2,  
 or (215) 496-1508.