SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
for the Quarterly Period Ended June 30, 2001

Commission File Number 1-9608

NEWELL RUBBERMAID INC.

(Exact name of registrant as specified in its charter)

DELAWARE	36-3514169
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

29 East Stephenson Street
Freeport, Illinois 61032-0943
(Address of principal executive offices)
(Zip Code)

(815) 235-4171
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes /x/   No / /

Number of shares of Common Stock outstanding (net of treasury shares) as of August 6, 2001: 266,663,290

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited, in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Net sales	$1,724,653	$1,787,025	$3,335,389	$3,416,004
Cost of products sold	1,271,118	1,299,549	2,490,078	2,520,044
GROSS INCOME	453,535	487,476	845,311	895,960
Selling, general and administrative expenses	278,459	221,589	543,066	461,197
Restructuring costs	7,695	7,774	17,674	8,537
Goodwill amortization and other	14,182	12,496	28,255	25,718
OPERATING INCOME	153,199	245,617	256,316	400,508
Nonoperating expenses:				
Interest expense	35,596	33,988	74,917	61,837
Other, net	3,306	3,475	6,115	6,582
Net nonoperating expenses	38,902	37,463	81,032	68,419
INCOME BEFORE INCOME TAXES	114,297	208,154	175,284	332,089
Income taxes	42,290	80,139	64,856	127,854

NET INCOME	$ 72,007	$ 128,015	$ 110,428	$ 204,235
Weighted average shares outstanding:				
Basic	266,648	266,542	266,633	270,300
Diluted	266,648	276,492	266,633	280,255
Earnings per share:				
Basic	$ 0.27	$ 0.48	$ 0.41	$ 0.76
Diluted	0.27	0.48	0.41	0.76
Dividends per share	$ 0.21	$ 0.21	$ 0.42	$ 0.42

See notes to consolidated financial statements.

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited, in thousands)

	June 30, 2001	December 31, 2000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 15,790	$ 22,525
Accounts receivable, net	1,246,645	1,183,363
Inventories, net	1,271,658	1,262,551
Deferred income taxes	237,248	231,875
Prepaid expenses and other	164,677	180,053
TOTAL CURRENT ASSETS	2,936,018	2,880,367
MARKETABLE EQUITY SECURITIES	10,094	9,215
OTHER LONG-TERM INVESTMENTS	76,963	72,763
OTHER ASSETS	319,902	352,629
PROPERTY, PLANT AND EQUIPMENT, NET	1,702,000	1,756,903
TRADE NAMES AND GOODWILL	2,155,713	2,189,948
TOTAL ASSETS	$7,200,690	$7,261,825

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONT.)
(Unaudited, dollars in thousands)

	June 30, 2001	December 31, 2000
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable	$ 25,581	$ 23,492
Accounts payable	429,131	342,406
Accrued compensation	91,897	126,970
Other accrued liabilities	782,195	781,122
Income taxes	161,827	73,122
Current portion of long-term debt	174,040	203,714
TOTAL CURRENT LIABILITIES	1,664,671	1,550,826
LONG-TERM DEBT	2,215,505	2,319,552
OTHER NON-CURRENT LIABILITIES	368,544	347,855
DEFERRED INCOME TAXES	95,008	93,165
MINORITY INTEREST	602	1,788
COMPANY-OBLIGATED MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED SECURITIES OF A SUBSIDIARY TRUST	499,998	499,998
STOCKHOLDERS' EQUITY		
Common stock - authorized shares, 800.0 million at $1 par value;	282,284	282,174
Outstanding shares:		
2001 282.3 million		
2000 282.2 million		
Treasury stock, at cost;	(408,459)	(407,456)
Shares held:		
2001 15.6 million		
2000 15.6 million		
Additional paid-in capital	217,925	215,911
Retained earnings	2,529,175	2,530,864
Accumulated other comprehensive loss	(264,563)	(172,852)
TOTAL STOCKHOLDERS' EQUITY	2,356,362	2,448,641
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$7,200,690	$7,261,825

See notes to consolidated financial statements.

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	Six Months Ended June 30, 2001	Six Months Ended June 30, 2000
OPERATING ACTIVITIES:		
Net income	$ 110,429	$ 204,235
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	167,404	154,153
Deferred income taxes	3,395	6,270
Non-cash restructuring charges	7,972	-
Other	1,620	(4,851)
Changes in current accounts, excluding the effects of acquisitions:		
Accounts receivable	(71,259)	(37,745)
Inventories	(26,739)	(171,959)
Other current assets	14,876	6,824
Accounts payable	88,332	(39,742)

	2001	2000
Accrued liabilities and other	63,727	(13,910)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 359,757	$ 103,275
INVESTING ACTIVITIES:		
Acquisitions, net	$ (16,383)	$ (68,147)
Expenditures for property, plant and equipment	(124,273)	(159,067)
Disposals of non-current assets and other	17,684	8,302
NET CASH USED IN INVESTING ACTIVITIES	$(122,972)	$ (218,912)

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT.)
(Unaudited, in thousands)

	Six Months Ended June 30, 2001	Six Months Ended June 30, 2000
FINANCING ACTIVITIES:		
Proceeds from issuance of debt	$ 12,675	$ 768,075
Payments on notes payable and long-term debt	(143,531)	(219,176)
Proceeds from exercised stock options and other	992	(989)
Common stock repurchase	-	(402,962)
Cash dividends	(111,990)	(113,121)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	$ (241,854)	$ 31,827
Exchange rate effect on cash	(1,666)	(2,457)
DECREASE IN CASH AND CASH EQUIVALENTS	$ (6,735)	$ (86,267)
Cash and cash equivalents at beginning of year	22,525	102,164
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 15,790	$ 15,897
Supplemental cash flow disclosures -		
Cash paid during the period for:		
Income taxes, net of refunds	$ (27,643)	$ 25,981
Interest	$ 81,457	$ 79,199

See notes to consolidated financial statements.

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - GENERAL INFORMATION

The condensed financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission, and reflect all adjustments necessary to present a fair statement of the results for the periods reported, subject to normal recurring year-end adjustments, none of which is expected to be material. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these condensed financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's latest Annual Report on Form 10-K.

NOTE 2 - ACQUISITIONS

The Company made only minor acquisitions in 2001, for $6.5 million in cash and $0.1 million of assumed debt. In 2000, the Company acquired the following:

BUSINESS	BUSINESS DESCRIPTION	ACQUISITION DATE	INDUSTRY SEGMENT
Mersch SA	Picture Frames	January 24, 2000	Levolor/Hardware
Brio	Picture Frames	May 24, 2000	Levolor/Hardware
Paper Mate/Parker	Writing Instruments	December 29, 2000	Parker/Eldon

For these and for other minor acquisitions in 2000, the Company paid $595.1 million in cash and assumed $15.0 million of debt.

The transactions summarized above were accounted for as purchases; therefore, results of operations are included in the accompanying consolidated financial statements since their respective acquisition dates. The acquisition costs for the 2001 acquisitions were allocated on a preliminary basis to the fair market value of the assets acquired and liabilities assumed. The Company's finalized integration plans may include exit costs for certain plants and product lines and employee termination costs. The final adjustments to the purchase price allocations are not expected to be material to the consolidated financial statements.

The preliminary purchase price allocations for the 2001 acquisitions and the finalized purchase price allocations for the 2000 acquisitions resulted in trade names and goodwill of approximately $285.7 million.

The unaudited consolidated results of operations for the six months ended June 30, 2001 and 2000 on a pro forma basis, as though

the Mersch, Brio and Paper Mate/Parker businesses had been acquired on January 1, 2000, are as follows (in millions, except per share amounts):

	Six Months Ended June 30,	
	2001	2000
Net sales	$3,335.4	$3,700.2
Net income	$ 110.4	$ 187.9
Basic earnings per share	$ 0.41	$ 0.70

NOTE 3 - RESTRUCTURING COSTS

Certain expenses incurred in the reorganization of the Company's operations are considered to be restructuring expenses. Pre-tax restructuring costs consisted of the following (in millions):

	Six Months Ended June 30, 2001	2000
Employee severance and termination benefits	$ 9.8	$ 3.4
Facility and product line exit costs	3.3	4.4
Contractual future maintenance costs	-	0.7
Other Rubbermaid merger transaction costs	4.6	-
	$17.7	$ 8.5

Restructuring provisions were determined based on estimates prepared at the time the restructuring actions were approved by management. Reserves that remained for restructuring provisions consisted of the following (in millions):

	June 30, 2001	December 31, 2000
Facility and product line exit costs	$ 8.0	$11.4
Employee severance and termination benefits	6.4	3.3
Contractual future maintenance costs	3.3	4.6
Other Rubbermaid merger transaction costs	4.8	2.6
	$22.5	$21.9

NOTE 4 - INVENTORIES

Inventories are stated at the lower of cost or market value. The components of inventories, net of LIFO reserve, were as follows (in millions):

	June 30, 2001	December 31, 2000
Materials and supplies	$ 230.6	$ 244.8
Work in process	180.2	165.3
Finished products	860.9	852.5
	$ 1,271.7	$ 1,262.6

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following (in millions):

	June 30, 2001	December 31, 2000
Land	$ 59.4	$ 60.7
Buildings and improvements	744.8	736.1
Machinery and equipment	2,462.6	2,421.6
	$ 3,266.8	$ 3,218.4
Allowance for depreciation	(1,564.8)	(1,461.5)
	$ 1,702.0	$ 1,756.9

Replacements and improvements are capitalized. Expenditures for maintenance and repairs are charged to expense. The components of depreciation are provided by annual charges to income calculated to amortize, principally on the straight-line basis, the cost of the depreciable assets over their depreciable lives. Estimated useful lives determined by the Company are: buildings and improvements (5-40 years) and machinery and equipment (2-15 years).

NOTE 6 - LONG-TERM DEBT

Long-term debt consisted of the following (in millions):

	June 30, 2001	December 31, 2000
Medium-term notes	$ 1,012.5	$ 1,012.5
Commercial paper	1,371.5	1,503.7
Other long-term debt	5.5	7.1

	$ 2,389.5	$ 2,523.3
Current portion	(174.0)	(203.7)
	$ 2,215.5	$ 2,319.6

At June 30, 2001, $1,371.5 million (principal amount) of commercial paper was outstanding. Of this amount, $1,300.0 million is classified as long-term debt because it is supported by a $1,300.0 million long-term revolving credit agreement, and the remainder of $71.5 million is classified as current portion of long-term debt.

NOTE 7 - EARNINGS PER SHARE

Basic and diluted earnings per share for the second quarter and the first six months of 2001 and 2000 are calculated as follows (in millions, except per share data):

	Basic Method	"In the money" stock options	Convertible Preferred Securities	Diluted Method
Three months ended June 30, 2001:				
Net Income	$ 72.0	-	$ -	$ 72.0
Weighted average shares outstanding	266.6	-	-	266.6
Earnings per share (1)	$ 0.27	-	-	$ 0.27
Three months ended June 30, 2000:				
Net Income	$ 128.0	-	4.1	$ 132.1
Weighted average shares outstanding	266.5	0.1	9.9	276.5
Earnings per share	$ 0.48	-	-	$ 0.48
Six months ended June 30, 2001:				
Net Income	$ 110.4	-	-	$ 110.4
Weighted average shares outstanding	266.6	-	-	266.6
Earnings per share (1)	$ 0.41	-	-	$ 0.41
Six months ended June 30, 2000:				
Net Income	$ 204.2	-	8.2	$ 212.4
Weighted average shares outstanding	270.3	-	10.0	280.3
Earnings per share	$ 0.76	-	$ -	$ 0.76

(1) Diluted earnings per share for these periods exclude the impact of "in the money" stock options and convertible preferred securities because they are antidilutive.

NOTE 8 - COMPREHENSIVE INCOME (LOSS)

The following tables display Comprehensive Income and the components of Accumulated Other Comprehensive Loss (in millions):

	Six Months Ended June 30	
	2001	2000
Comprehensive Income:		
Net income	$110.4	$204.2
Unrealized gain (loss) on marketable securities	0.5	(1.4)

Derivatives hedging loss	(8.2)	-
Foreign currency translation loss	(84.0)	(39.6)
Total Comprehensive Income	$ 18.7	$163.2

	After-tax Unrealized Loss on Securities	Foreign Currency Translation Loss	Derivatives Hedging Loss	Accumulated Other Comprehensive Loss
Accumulated Other Comprehensive Loss:				
Balance at December 31, 2000	$ (1.1)	$ (171.8)	$ -	$ (172.9)
Change during six months ended June 30, 2001	0.5	(84.0)	(8.2)	(91.7)
Balance at June 30, 2001	$ (0.6)	$ (255.8)	$ (8.2)	$(264.6)

NOTE 9 - INDUSTRY SEGMENTS

On April 2, 2001, the Company announced the realignment of its operating segment structure. This realignment reflects the Company's focus on building large consumer brands, promoting organizational integration and operating efficiencies and aligning the businesses with the Company's key account strategy. The five new segments have been named for leading worldwide brands in the Company's product portfolio. The realignment streamlines what had previously been six operating segments. Based on this management structure, the Company's segment results are as follows (in millions):

	Six Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Net Sales				
Rubbermaid	$ 475.9	$ 507.0	$ 907.9	$ 986.6
Parker/Eldon	469.5	378.0	804.0	641.7
Levolor/Hardware	349.4	389.0	680.4	743.9
Calphalon/WearEver	241.7	269.3	518.0	552.3
Little Tikes/Graco	188.2	243.7	425.1	491.5
	$1,724.7	$1,787.0	$3,335.4	$3,416.0

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Operating Income				
Rubbermaid	$ 44.9	$ 53.4	$ 89.5	$ 98.4
Parker/Eldon	92.6	96.4	125.0	133.2
Levolor/Hardware	35.3	62.6	57.6	97.7
Calphalon/WearEver	9.0	29.3	31.1	58.3
Little Tikes/Graco	1.3	30.9	14.5	61.5
Corporate	(22.2)	(19.3)	(43.7)	(40.1)
	$ 160.9	$ 253.3	$ 274.0	$ 409.0
Restructuring costs	(7.7)	(7.7)	(17.7)	(8.5)
	$ 153.2	$ 245.6	$ 256.3	$ 400.5

	June 30, 2001	December 31, 2000

Identifiable Assets		
Rubbermaid	$1,109.4	$1,185.2
Parker/Eldon	1,243.3	1,050.9
Levolor/Hardware	763.0	775.9
Calphalon/WearEver	774.1	849.3
Little Tikes/Graco	503.5	537.5
Corporate	2,807.4	2,863.0
	$7,200.7	$7,261.8

Operating income is net sales less cost of products sold and selling, general and administrative expenses. Certain headquarters expenses of an operational nature are allocated to business segments primarily on a net sales basis. Trade names and goodwill amortization is considered a corporate expense and not allocated to business segments. All intercompany transactions have been eliminated and transfers of finished goods between areas are not significant. Corporate assets primarily include trade names and goodwill, equity investments and deferred tax assets.

NOTE 10 - ACCOUNTING PRONOUNCEMENTS

At the beginning of the year, the Company adopted Financial Accounting Standard No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("FAS 133"). This statement requires companies to record derivatives on the balance sheet as assets or liabilities, measured at fair value. Any changes in fair value of these instruments are recorded in the income statement or other comprehensive income. The impact of adopting FAS 133 on January 1, 2001 resulted in a cumulative after-tax gain of approximately $13.0 million, recorded in accumulated other comprehensive income. The cumulative effect of adopting FAS 133 on the results of operations had no material impact.

In 2001 and 2000, the Emerging Issues Task Force ("EITF") discussed a number of topics related to product merchandising expenses that the Company reports as a reduction of gross sales. Ultimately, the EITF issued EITF No. 00-14 "Accounting for Certain Sales Incentives" and EITF No. 00-25 "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products," and reached a consensus on an element of EITF No. 00-22 "Accounting for Points and Certain Other Time-Based Sales Incentives or Volume-Based Sales Incentive Offers, and Offers of Free Products or Services to Be Delivered in the Future." These EITF's prescribe guidance regarding the timing of recognition and income statement classification of costs incurred for certain sales incentive programs to retailers and end consumers. These EITF's had no impact on the Company as the Company currently recognizes these costs and classifies them as reductions of gross sales in accordance with the prescribed rules. EITF No. 00-14 and 00-25 are effective for the first quarter beginning after December 15, 2001 and EITF No. 00-22 was effective for the first quarter ended after February 15, 2001.

In June 2001, the FASB issued SFAS No. 141, "Business Combinations" and No. 142, "Goodwill and Other Intangible Assets" effective for fiscal years beginning after December 31, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to periodic impairment tests in accordance with the Statements. Other intangible assets will continue to be amortized over their useful lives. The statement also requires business combinations initiated after June 30, 2001 to be accounted for using the purchase method of

accounting, and broadens the criteria for recording intangible assets separate from goodwill.

The nonamortization provisions of the Statement will not initially impact amortization expense related to acquisitions initiated prior to June 30, 2001, but any goodwill or indefinite lived intangibles acquired subsequent to June 30, 2001 will not be amortized. Effective January 1, 2002, all amortization expense on goodwill and intangible assets with indefinite lives will stop. During fiscal 2002, the Company will perform the first of the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002. The Company has not yet determined what effect these tests or the application of the nonamortization provisions will have on its net income and financial position.

PART I

Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

The following table sets forth for the periods indicated items from the Consolidated Statements of Income as a percentage of net sales.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of products sold	73.7%	72.7%	74.7%	73.8%
GROSS INCOME	26.3%	27.3%	25.3%	26.2%
Selling, general and administrative expenses	16.1%	12.4%	16.3%	13.5%
Restructuring costs	0.5%	0.5%	0.5%	0.2%
Trade names and goodwill amortization and other	0.8%	0.7%	0.8%	0.8%
OPERATING INCOME	8.9%	13.7%	7.7%	11.7%
Nonoperating expenses:				
Interest expense	2.1%	1.9%	2.2%	1.8%
Other, net	0.2%	0.1%	0.2%	0.2%
Net nonoperating expenses	2.3%	2.0%	2.4%	2.0%

INCOME (LOSS) BEFORE INCOME TAXES	6.6%	11.7%	5.3%	9.7%
Income taxes	2.4%	4.5%	2.0%	3.7%
NET INCOME (LOSS)	4.2%	7.2%	3.3%	6.0%

See notes to consolidated financial statements.

Three Months Ended June 30, 2001 vs. Three Months Ended June 30, 2000

Net sales for the three months ended June 30, 2001 ("second quarter") were $1,724.7 million, representing a decrease of $62.3 million or 3.5% from $1,787.0 million in the comparable quarter of 2000. The decrease in net sales primarily resulted from internal declines of 10.7% due to slowness in the economy, inventory adjustments at retail and competitive pressures. These declines were partially offset by contributions from PaperMate/Parker (acquired in December 2000).

	2001	2000	Percentage Increase Decrease
Rubbermaid	$ 475.9	$ 507.0	(6.1)%(1)
Parker/Eldon	469.5	378.0	24.2 (2)
Levolor/Hardware	349.4	389.0	(10.2) (1)
Calphalon/WearEver	241.7	269.3	(10.2) (1)
Little Tikes/Graco	188.2	243.7	(22.8) (1)
Total	$1,724.7	$1,787.0	(3.5%)

(1) Internal sales decline.
(2) Internal sales decline of 10.0% plus sales from the PaperMate/Parker acquisition.

Gross income as a percentage of net sales in the second quarter was 26.3% or $453.5 million versus 27.3% or $487.5 million in the comparable quarter of 2000. Excluding charges of $3.1 million relating to recent acquisitions, gross income in the second quarter of 2000 was $490.6 million or 27.5% of net sales. Excluding charges, gross income declined as a result of decreased sales volume and the absorption impact related to slowed production as part of the further implementation of the Company's working capital management initiatives.

Selling, general and administrative expenses ("SG&A") in the second quarter were 16.1% of net sales or $278.5 million versus 12.4% or $221.7 million in the comparable quarter of 2000. Excluding charges of $0.5 million relating to recent acquisitions, SG&A expenses were $278.0 million or 16.1% of net sales for the second quarter. Excluding charges of $5.9 million relating to recent acquisitions, SG&A in the second quarter of 2000 were $215.8 million or 12.4% of sales. Excluding charges, SG&A increased as a result of the PaperMate/Parker acquisition and the Company's increased marketing initiatives.

In the second quarter, the Company recorded a pre-tax restructuring charge of $7.7 million ($4.8 million after taxes). The pre-tax charge included $3.9 million of severance costs, $2.1 million of facility exit costs, and $1.7 million of other transaction costs.

In the second quarter of 2000, the Company recorded a pre-tax restructuring charge of $7.7 million ($4.8 million after taxes). The pre-tax charge included $3.2 million of facility exit costs, $3.4 million of severance costs and $1.1 million of other transaction costs.

Trade names and goodwill amortization and other in the second quarter were 0.8% of net sales or $14.2 million versus 0.7% or $12.5 million in the comparable quarter of 2000.

Operating income in the second quarter was 8.9% of net sales or $153.2 million versus operating income of 13.7% or $245.6 million in the comparable quarter of 2000. Excluding restructuring costs and other charges in 2000 and 2001, operating income in the second quarter was 9.4% or $161.4 million versus 14.7% or $262.3 million in the second quarter of 2000. The decrease in operating income was primarily due to lower than expected sales volume and the further implementation of the Company's working capital management initiatives.

Net nonoperating expenses in the second quarter were 2.3% of net sales or $38.9 million versus net nonoperating income of 2.0% of net sales or $37.4 million in the comparable quarter of 2000. Not nonoperating expenses increased from the prior year due to higher interest expenses as a result of the Company's increased level of debt.

Excluding restructuring costs and other charges in 2001 and 2000, the effective tax rate was 37.0% in the second quarter versus 38.5% in the second quarter of 2000.

Net income for the second quarter was $72.0 million, compared to net income of $128.0 million in the second quarter of 2000. Diluted earnings per share were $0.27 in the second quarter compared to $0.48 in the second quarter of 2000. Excluding 2001 restructuring costs of $7.7 million ($4.8 million after taxes), other 2001 pre-tax charges of $0.5 million ($0.3 million after taxes), 2000 restructuring costs of $7.8 million ($4.8 million after taxes), and other 2000 pre-tax charges of $9.0 million ($5.5 million after taxes), net income decreased $56.0 million or 44.3% to $77.1 million in the second quarter from $138.3 million in 2000. Diluted earnings per share, calculated on the same basis, decreased 44.2% to $0.29 in the second quarter from $0.52 in the second quarter of 2000. The decrease in net income and earnings per share was primarily due to internal sales declines and the further implementation of the Company's working capital management initiatives.

Six Months Ended June 30, 2001 vs. Six Months Ended June 30, 2000

Net sales for the first six months of 2001 were $3,335.4 million, representing a decrease of $80.6 million or 2.4% from $3,416.0 million in the comparable period of 2000. The decrease in net sales primarily resulted from internal declines of 8.9% due to slowness in the economy, inventory adjustments at retail and competitive pressures. These declines were partially offset by contributions from PaperMate/Parker (acquired in December 2000). Segment results for the six months ended June 30, 2001 were as follows, in millions:

	2001	2000	Percentage Increase/ Decrease
Rubbermaid	$ 907.9	$ 986.6	(8.0)%(1)
Parker/Eldon	804.0	641.7	25.3 (2)
Levolor/Hardware	680.4	743.9	(8.5) (1)
Calphalon/WearEver	518.0	552.3	(6.2) (1)
Little Tikes/Graco	425.1	491.5	(13.5) (1)
Total	$3,335.4	$3,416.0	(2.4)%

(1) Internal sales decline.
(2) Internal sales decline of 9.4% plus sales from the PaperMate/ Parker acquisition.

Gross income as a percentage of net sales in the first six months of 2001 was 25.3% or $845.3 million versus 26.2% or $896.0 million in the comparable period of 2000. Excluding charges of $3.1 million relating to recent acquisitions, gross income in the first six months of 2001 was $848.4 million or 25.4% of net sales. Excluding 2000 charges of $3.1 million relating to the recent acquisitions, gross income for the six months ended June 30, 2000 was $899.1 million or 26.3% of net sales. Excluding charges, gross income declined as a result of decreased sales volume and the absorption impact related to slowed production as part of the further implementation of the Company's working capital management initiatives.

SG&A in the first six months of 2001 were 16.3% of net sales or $543.0 million versus 13.5% or $461.3 million in the comparable period of 2000. Excluding charges of $1.6 million relating to recent acquisitions, SG&A in the first six months of 2001 was $541.4 million or 16.2% of net sales. Excluding 2000 charges of $5.9 million relating to the recent acquisitions, SG&A for the six months ended June 30, 2000 was $455.4 million or 13.3% of net sales. Excluding charges, SG&A increased as a result of the PaperMate/Parker acquisition and the Company's increased marketing initiatives.

In the first six months of 2001, the Company recorded a pre-tax restructuring charge of $17.7 million ($11.1 million after taxes). The pre-tax charge included $9.8 million of severance costs, $3.2 million of facility exit costs and $4.7 million of other transaction costs.

In the first six months of 2000, the Company recorded a pre-tax restructuring charge of $8.5 million ($5.2 million after taxes). The pre-tax change related primarily to costs associated with facility closures from non-Rubbermaid acquisitions.

Trade names and goodwill amortization and other in the first six months of 2001 were 0.8% of net sales or $28.3 million versus 0.8% or $25.7 million in the first six months of 2000.

Operating income in the first six months of 2001 was 7.7% of net sales or $256.3 million versus 11.7% or $400.5 million in the comparable period of 2000. Excluding restructuring costs and other charges in 2000 and 2001, operating income in the first six months of 2001 was 8.4% or $278.7 million versus 12.2% or $418.0 million in the first six months of 2000. The decrease in net income and earnings per share was due to internal sales declines, increased interest expense and further implementation of the Company's working capital management initiatives.

Net nonoperating expenses in the first six months of 2001 were 2.4% of net sales or $81.0 million versus net nonoperating income of 2.0% of net sales or $68.4 million in the comparable period of 2000. Net nonoperating expenses increased from the prior year due to higher interest expense as a result of the Company's increased level of debt.

Excluding restructuring costs and other gains and charges in 2001 and 2000, the effective tax rate was 37.0% in the first six months of 2001 versus 38.5% in the first six months of 2000.

Net income for the first six months of 2001 was $110.4 million, compared to net income of $204.2 million in the first six months of 2000. Diluted earnings per share were $0.41 in the first six months of 2001 compared to $0.76 in the first six months of 2000. Excluding 2001 restructuring costs of $17.7 million ($11.1 million after taxes), other 2001 pre-tax charges of $4.7 million ($3.0 million after taxes), 2000 restructuring costs of $8.5 million ($5.2 million after taxes), and other 2000 pre-tax charges of $9.0 million ($5.5 million after taxes), net income decreased $90.5 million or 42.1% to $124.5 million the first six months of 2001 versus $215.0 million in 2000. Diluted earnings per share, calculated on the same basis, decreased 41.3% to $0.47 in the first six months of 2001 versus $0.80 in the first six months of 2000. The decrease in net income and earnings per share was due to internal sales declines, increased interest expense and further implementation of the Company's working capital management initiatives.

Liquidity and Capital Resources

Sources:

The Company's primary sources of liquidity and capital resources include cash provided from operations and use of available borrowing facilities.

Net cash provided from operating activities in the first six months ended June 30, 2001 was $359.8 million compared to $103.3 million for the comparable period of 2000. The increase in net cash provided from operating activities in 2001 versus 2000 is primarily due to improved working capital management, primarily in the areas of inventory and accounts payable.

The Company has short-term foreign and domestic uncommitted lines of credit with various banks which are available for short-term financing. Borrowings under the Company's uncommitted lines of credit are subject to the discretion of the Lender. The Company's uncommitted lines of credit do not have a material impact on the Company's liquidity. Borrowings under the Company's uncommitted lines of credit at June 30, 2001 totaled $25.6 million.

The Company has a revolving credit agreement of $1,300.0 million that will terminate in August 2002. During 2000, the Company entered into a new 364-day revolving credit agreement in the amount of $700.0 million. This revolving credit agreement will terminate in October 2001. At June 30, 2001, there were no borrowings under these revolving credit agreements.

In lieu of borrowings under the Company's revolving credit agreements, the Company may issue up to $2,000 million of commercial paper. The Company's revolving credit agreements provide the committed backup liquidity required to issue commercial paper. Accordingly, commercial paper may only be issued up to the amount available for borrowing under the Company's revolving credit agreements. At June 30, 2001, $1,371.5 million (principal amount) of commercial paper was outstanding. Of this amount, $1,300 million is classified as long-term debt and the remaining $71.5 million is classified as current portion of long-term debt.

The revolving credit agreements permit the Company to borrow funds on a variety of interest rate terms. These agreements require, among other things, that the Company maintain a certain Total Indebtedness to Total Capital Ratio, as defined in the agreements. As of June 30, 2001, the Company was in compliance with these agreements.

The Company had outstanding at June 30, 2001 a total of $1,012.5 million (principal amount) of medium-term notes. The maturities on these notes range from 3 to 30 years at an average interest rate of 6.34%.

A universal shelf registration statement became effective in July 1999. As of June 30, 2001, $449.5 million of Company debt and equity securities may be issued under the shelf.

Uses:

The Company's primary uses of liquidity and capital resources include acquisitions, dividend payments and capital expenditures.

Cash used in acquiring businesses was $16.4 million and $68.1 million in the first six months of 2001 and 2000, respectively. In the first six months of 2001, the Company made minor acquisitions for cash purchase prices totaling $6.5 million. In the first six months of 2000, the Company acquired Mersch and Brio and made other minor acquisitions for cash purchase prices totaling $47.3 million. All of these acquisitions were accounted for as purchases and were paid for with proceeds obtained from the issuance of commercial paper.

Cash used for restructuring activities was $9.7 million and $8.5 million in the first six months of 2001 and 2000, respectively. Such cash payments represent primarily employee termination benefits and other merger expenses.

Capital expenditures were $124.3 million and $159.1 million in the first six months of 2001 and 2000, respectively.

Aggregate dividends paid during the first six months of 2001 and 2000 were $112.0 million ($0.42 per share) and $113.0 million ($0.42 per share), respectively.

During the first three months of 2000, the Company repurchased

15.5 million shares of its common stock at an average price of $26 per share, for a total cash price of $403.0 million.

Retained earnings decreased in the first six months of 2001 by $1.7 million. Retained earnings increased in the first six months of 2000 by $91.0 million. The difference between 2000 and 2001 was primarily due to weak operating results.

Working capital at June 30, 2001 was $1,271.3 million compared to $1,329.6 million at December 31, 2000. The current ratio at June 30, 2001 was 1.76:1 compared to 1.86:1 at December 31, 2000.

Total debt to total capitalization (total debt is net of cash and cash equivalents, and total capitalization includes total debt, convertible preferred securities and stockholders equity) was .46:1 at June 30, 2001 and .46:1 at December 31, 2000.

The Company believes that cash provided from operations and available borrowing facilities will continue to provide adequate support for the cash needs of existing businesses; however, certain

events, such as significant acquisitions, could require additional external financing.

Market Risk

The Company's market risk is impacted by changes in interest rates, foreign currency exchange rates and certain commodity prices. Pursuant to the Company's policies, natural hedging techniques and derivative financial instruments may be utilized to reduce the impact of adverse changes in market prices. The Company does not hold or issue derivative instruments for trading purposes.

The Company's primary market risk is interest rate exposure, primarily in the United States. The Company manages interest rate exposure through its conservative debt ratio target and its mix of fixed and floating rate debt. Interest rate exposure was reduced significantly in 1997 from the issuance of $500.0 million 5.25% Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust, the proceeds of which reduced commercial paper. Interest rate swaps may be used to adjust interest rate exposures when appropriate based on market conditions, and, for qualifying hedges, the interest differential of swaps is included in interest expense.

The Company's foreign exchange risk management policy emphasizes hedging anticipated intercompany and third-party commercial transaction exposures of one year duration or less. The Company focuses on natural hedging techniques of the following form: 1) offsetting or netting of like foreign currency flows, 2) structuring foreign subsidiary balance sheets with appropriate levels of debt to reduce subsidiary net investments and subsidiary cash flows subject to conversion risk, 3) converting excess foreign currency deposits into U.S. dollars or the relevant functional currency and 4) avoidance of risk by denominating contracts in the appropriate functional currency. In addition, the Company utilizes forward contracts and purchased options to hedge commercial and intercompany transactions. Gains and losses related to qualifying hedges of commercial and intercompany transactions are deferred and included in the basis of the underlying transactions. Derivatives used to hedge intercompany loans are marked to market with the corresponding gains or losses included in the consolidated statements of income.

Due to the diversity of its product lines, the Company does not have material sensitivity to any one commodity. The Company manages commodity price exposures primarily through the duration and terms of its vendor contracts.

The amounts shown below represent the estimated potential economic loss that the Company could incur from adverse changes in either interest rates or foreign exchange rates using the value-at-risk estimation model. The value-at-risk model uses historical foreign exchange rates and interest rates to estimate the volatility and correlation of these rates in future periods. It estimates a loss in fair market value using statistical modeling techniques and including substantially all market risk exposures (specifically excluding equity-method investments). The fair value losses shown in the table below have no impact on results of operations or financial condition as they represent economic, not financial losses.

The 95% confidence interval signifies the Company's degree of confidence that actual losses would not exceed the estimated losses shown above. The amounts shown here disregard the possibility that interest rates and foreign currency exchange rates could move in the Company's favor. The value-at-risk model assumes that all movements in these rates will be adverse. Actual experience has shown that gains and losses tend to offset each other over time, and it is highly unlikely that the Company could experience losses such as these over an extended period of time. These amounts should not be considered projections of future losses, since actual results may differ significantly depending upon activity in the global financial markets.

Euro Currency Conversion

On January 1, 1999, the "Euro" became the common legal currency for 11 of the 15 member countries of the European Union. On that date, the participating countries fixed conversion rates between their existing sovereign currencies ("legacy currencies") and the Euro. On January 4, 1999, the Euro began trading on currency exchanges and became available for non-cash transactions, if the parties elected to use it. The legacy currencies will remain legal tender through December 31, 2001. Beginning January 1, 2002, participating countries will introduce Euro-denominated bills and coins, and effective July 1, 2002, legacy currencies will no longer be legal tender.

After the dual currency phase, all businesses in participating countries must conduct all transactions in the Euro and must convert their financial records and reports to be Euro-based. The Company has commenced an internal analysis of the Euro conversion process to prepare its information technology systems for the conversion and analyze related risks and issues, such as the benefit of the decreased exchange rate risk in cross-border transactions involving participating countries and the impact of increased price transparency on cross-border competition in these countries.

The Company believes that the Euro conversion process will not have a material impact on the Company's businesses or financial condition on a consolidated basis.

Forward Looking Statements

Forward-looking statements in this Report are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may relate to, but are not limited to, such matters as sales, income, earnings per share, return on equity, return on invested capital, capital expenditures, working capital, dividends, capital structure, free cash flow, debt to capitalization ratios, interest rates, internal growth rates, Euro conversion plans and related risks, pending legal proceedings and claims (including environmental matters), future economic performance, operating income improvements, synergies, management's plans, goals and objectives for future operations and growth or the assumptions relating to any of the forward-looking statements. The Company cautions that forward-looking statements are not guarantees since there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. Factors that could cause actual results to differ include, but are not limited to, those matters set forth in this Report and Exhibit 99 to this Report.

PART I.

Item 3.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by this item is incorporated herein by reference to the section entitled "Market Risk" in the Company's

Management's Discussion and Analysis of Results of Operations and Financial Condition (Part I, Item 2).

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is subject to certain legal proceedings and claims, including the environmental matters described below, that have arisen in the ordinary conduct of its business or have been assumed by the Company when it purchased certain businesses.

As of June 30, 2001, the Company was involved in various matters concerning federal and state environmental laws and regulations, including matters in which the Company has been identified by the U.S. Environmental Protection Agency and certain state environmental agencies as a potentially responsible party ("PRP") at contaminated sites under the Federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and equivalent state laws.

In assessing its environmental response costs, the Company has considered several factors, including: the extent of the Company's

volumetric contribution at each site relative to that of other PRPs; the kind of waste; the terms of existing cost sharing and other applicable agreements; the financial ability of other PRPs to share in the payment of requisite costs; the Company's prior experience with similar sites; environmental studies and cost estimates available to the Company; the effects of inflation on cost estimates; and the extent to which the Company's and other parties' status as PRPs is disputed.

The Company's estimate of environmental response costs associated with these matters as of June 30, 2001 ranged between $16.6 million and $20.5 million. As of June 30, 2001, the Company had a reserve equal to $18.9 million for such environmental response costs in the aggregate. No insurance recovery was taken into account in determining the Company's cost estimates or reserve, nor do the Company's cost estimates or reserve reflect any discounting for present value purposes, except with respect to two long-term (30 years) operation and maintenance CERCLA matters which are estimated at present value.

Because of the uncertainties associated with environmental investigations and response activities, the possibility that the Company could be identified as a PRP at sites identified in the future that require the incurrence of environmental response costs and the possibility of additional sites as a result of businesses acquired, actual costs to be incurred by the Company may vary from the Company's estimates.

Subject to difficulties in estimating future environmental response costs, the Company does not expect that any amount it may be required to pay in connection with environmental matters in excess of amounts reserved will have a material adverse effect on its consolidated financial statements.

Although management of the Company cannot predict the ultimate outcome of these legal proceedings and claims with certainty, it believes that their ultimate resolution, including any amounts it may be required to pay in excess of amounts reserved, will not have a material effect on the Company's consolidated financial statements.

Item 4. Submission of Matters to a Vote of the Security-Holders

On May 9, 2001, the 2001 Annual Meeting of Stockholders of the Company was held. The following is a brief description of the matters voted upon at the meeting and tabulation of the voting therefor:

Proposal 1. Election of a Board of Directors to hold office for a term of three years.

Nominee	Number of Shares For	Withheld
Scott S. Cowen	233,067,222	4,148,732
Elizabeth Cuthbert Millett	233,001,453	4,214,501
Cynthia A. Montgomery	233,189,624	4,026,330
Allan P. Newell	233,035,782	4,180,172
Gordon R. Sullivan	233,076,064	4,139,890

Proposal 2. Ratification of Appointment of Independent Accountants. A proposal to ratify the appointment of Arthur Andersen LLP as independent accountants to audit the consolidated balance sheet and related consolidated statements of income, stockholder's equity and comprehensive income and cash flows of the Company for 2001 was adopted, with 235,429,604 votes cast for, 999,563 votes cast against, 786,787 votes abstained and 0 broker non-votes.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

12. Statement of Computation of Ratio of Earnings to Fixed Charges

99. Safe Harbor Statement

(b) Reports on Form 8-K:

None.

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 thereunto duly authorized.

NEWELL RUBBERMAID INC.
Registrant

Date: August 10, 2001

/s/ William T. Alldredge
William T. Alldredge
Chief Financial Officer

Date: August 10, 2001

/s/ Brett E. Gries
Brett E. Gries
Vice President - Accounting & Audit

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EXHIBIT 12

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
STATEMENT OF COMPUTATION OF
RATIO OF EARNINGS TO FIXED CHARGES

	Three Months Ended June 30,		Six Months Ended June 30,	
Earnings available to fixed charges:	2001	2000	2001	2000
	(In thousands, except ratio data)			
Income before income taxes	$114,297	$208,154	$175,284	$332,089
Fixed charges:				
Interest expense	35,596	33,988	74,917	61,837
Portion of rent determined to be interest (1)	8,637	5,953	17,579	16,561
Minority interest in income of subsidiary trust	6,677	6,678	13,354	13,363
Eliminate equity in earnings of unconsolidated entities	(1,422)	(2,703)	(3,728)	(4,877)
	$163,785	$252,070	$277,406	$418,973
Fixed charges:				
Interest expense	$ 35,596	$ 33,988	$ 74,917	$ 61,837
Portion of rent determined to be interest (1)	8,637	5,953	17,579	16,561
Minority interest in income of subsidiary trust	6,677	6,678	13,354	13,363
	$ 50,910	$ 46,619	$105,850	$ 91,761
Ratio of earnings to fixed charges	3.22	5.41	2.62	4.57

(1) A standard ratio of 33% was applied to gross rent expense to approximate the interest portion of short-term and long-term leases.

EXHIBIT 99

NEWELL RUBBERMAID INC. SAFE HARBOR STATEMENT

The Company has made statements in its Annual Report on Form 10-K for the year ended December 31, 2000, and the documents incorporated by reference therein, as well as in its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2001 and June 30, 2001, that constitute forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties. The statements relate to, and other forward-looking statements that may be made by the Company may relate to, information or assumptions about sales, income, earnings per share, return on equity, return on invested capital, capital expenditures, working capital, dividends, capital structure, free cash flow, debt to capitalization ratios, interest rates, internal growth rates, Euro conversion plans and related risks, pending legal proceedings and claims (including environmental matters), future economic performance, operating income improvements, synergies, management's plans, goals and objectives for future operations and growth. These statements generally are accompanied by words such as "intend," "anticipate," "believe," "estimate," "project," "target," "expect," "should" or similar statements. You should understand that forward-looking statements are not guarantees since there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. The factors that are discussed below, as well as the matters that are set forth generally in the 2000 Form 10-K and the documents incorporated by reference therein and in the 2001 Forms 10-Q, could cause actual results to differ. Some of these factors are described as criteria for success. Our failure to achieve, or limited success in achieving, these objectives could result in actual results differing materially from those expressed or implied in the forward-looking statements. In addition, there can be no assurance that we have correctly identified and assessed all of the factors affecting the Company or that the publicly available and other information we receive with respect to these factors is complete or correct.

Retail Economy

Our business depends on the strength of the retail economies in various parts of the world, primarily in North America and to a lesser extent Europe, Central and South America and Asia.

These retail economies are affected primarily by such factors as consumer demand and the condition of the consumer products retail industry, which, in turn, are affected by general economic conditions. In recent years, the consumer products retail industry in the U.S.

and, increasingly, elsewhere has been characterized by intense competition and consolidation among both product suppliers and retailers.

Nature of the Marketplace

We compete with numerous other manufacturers and distributors of consumer products, many of which are large and well-established. Our principal customers are large mass merchandisers, such as discount stores, home centers, warehouse clubs and office superstores. The rapid growth of these large mass merchandisers, together with changes in consumer shopping patterns, have contributed to the formation of dominant multi-category retailers, many of which have strong bargaining power with suppliers. This environment significantly limits our ability to recover cost increases through selling prices. Other trends among retailers are to foster high levels of competition among suppliers, to demand that manufacturers supply innovative new products and to require suppliers to maintain or reduce product prices and deliver products with shorter lead times. Another trend is for retailers to import generic products directly from foreign sources.

The combination of these market influences has created an intensely competitive environment in which our principal customers continuously evaluate which product suppliers to use, resulting in pricing pressures and the need for strong end-user brands, the continuing introduction of innovative new products and constant improvements in customer service.

New Product Development

Our long-term success in this competitive retail environment depends on our consistent ability to develop innovative new products that create consumer demand for our products. Although many of our businesses have had notable success in developing new products, we need to improve our new product development capability. There are numerous uncertainties inherent in successfully developing and introducing innovative new products on a consistent basis.

Marketing

Our competitive success also depends increasingly on our ability to develop, maintain and strengthen our end-user brands so that our retailer customers will need our products to meet consumer demand. Our success also requires increased focus on serving our largest customers through key account management efforts. We will need to devote more marketing resources to achieving these objectives.

Productivity and Streamlining

Our success also depends on our ability to improve productivity and streamline operations to control and reduce costs. We need to do this while maintaining consistently high customer service levels and making substantial investments in new product development and in marketing our end-user brands. Our objective is to become our retailer customers' low-cost provider and global supplier of choice. To do this, we will need to continuously improve our manufacturing efficiencies and develop alternative sources of supply on a world-wide basis.

The Company has recently added or promoted more than 60 executives. The Company's long-term success depends on its ability to integrate these management changes.

Acquisition Integration

The acquisition of companies that sell name-brand, staple consumer product lines to volume purchasers has historically been one of the foundations of our growth strategy. Over time, our ability to continue to make sufficient strategic acquisitions at reasonable prices and to integrate the acquired businesses successfully, obtaining anticipated cost savings and operating income improvements within a reasonable period of time, will be important factors in our future growth.

Foreign Operations

Foreign operations, which include manufacturing and/or sourcing in many countries in Europe, Asia, Central and South America and Canada, are increasingly important to our business. Foreign operations can be affected by factors such as currency devaluation, other currency fluctuations and the Euro currency conversion, tariffs, nationalization, exchange controls, interest rates, limitations on foreign investment in local business and other political, economic and regulatory risks and difficulties.