
UNITED STATES
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 March 31, 2008

Commission File Number 1-9608

NEWELL RUBBERMAID INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

36-3514169
(I.R.S. Employer
Identification No.)

10B Glenlake Parkway, Suite 300
Atlanta, Georgia 30328
(Address of principal executive offices)
(Zip Code)

(770) 407-3800
(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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Number of shares of common stock outstanding (net of treasury shares) as of March 31, 2008: 276.9 million.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

NEWELL RUBBERMAID INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(Amounts in millions, except per share data)

	Three Months Ended March 31,	
	2008	2007
Net sales	\$1,433.7	\$1,384.4
Cost of products sold	943.2	909.7
GROSS MARGIN	490.5	474.7
Selling, general and administrative expenses	361.0	338.4
Restructuring costs	18.4	15.5
OPERATING INCOME	111.1	120.8
Nonoperating expenses:		
Interest expense, net	25.8	27.4
Other expense, net	0.2	0.8
Net nonoperating expenses	26.0	28.2
INCOME BEFORE INCOME TAXES	85.1	92.6
Income taxes	27.7	27.5
INCOME FROM CONTINUING OPERATIONS	57.4	65.1
Loss from discontinued operations, net of tax	(0.5)	(15.8)
NET INCOME	\$ 56.9	\$ 49.3
Weighted average shares outstanding:		
Basic	276.9	275.9
Diluted	278.2	277.9
Earnings (loss) per share:		
Basic —		
Income from continuing operations	\$ 0.21	\$ 0.24
Loss from discontinued operations	—	(0.06)
Earnings per common share	\$ 0.21	\$ 0.18
Diluted —		
Income from continuing operations	\$ 0.21	\$ 0.23
Loss from discontinued operations	—	(0.05)
Earnings per common share	\$ 0.20	\$ 0.18
Dividends per share	\$ 0.21	\$ 0.21

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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NEWELL RUBBERMAID INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)
(Amounts in millions)

	March 31, 2008	December 31, 2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 752.1	\$ 329.2
Accounts receivable, net	1,029.6	1,166.4
Inventories, net	1,091.7	940.4
Deferred income taxes	102.1	102.0
Prepaid expenses and other	127.6	113.7
TOTAL CURRENT ASSETS	3,103.1	2,651.7
PROPERTY, PLANT AND EQUIPMENT, NET	690.3	688.6
DEFERRED INCOME TAXES	24.6	29.4
GOODWILL	2,665.3	2,608.7
OTHER INTANGIBLE ASSETS, NET	508.2	501.8
OTHER ASSETS	214.3	202.7
TOTAL ASSETS	<u>\$7,205.8</u>	<u>\$ 6,682.9</u>

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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NEWELL RUBBERMAID INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) (CONTINUED)
(Amounts in millions, except par value)

	March 31, 2008	December 31, 2007
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 571.6	\$ 616.9
Accrued compensation	100.4	170.7
Other accrued liabilities	703.8	744.7
Income taxes payable	15.3	44.0
Notes payable	11.4	15.3
Current portion of long-term debt	900.3	972.2
TOTAL CURRENT LIABILITIES	2,302.8	2,563.8
LONG-TERM DEBT	1,946.9	1,197.4
OTHER NONCURRENT LIABILITIES	706.2	674.4
STOCKHOLDERS' EQUITY:		
Preferred Stock, authorized shares, 10.0 at \$1.00 par value	—	—
None issued and outstanding		
Common stock, authorized shares, 800.0 at \$1.00 par value	292.9	292.6
Outstanding shares, before treasury:		
2008 - 292.9		
2007 - 292.6		
Treasury stock, at cost;	(417.1)	(415.1)
Shares held:		
2008 - 16.0		
2007 - 15.9		
Additional paid-in capital	578.5	570.3
Retained earnings	1,919.6	1,922.7
Accumulated other comprehensive loss	(124.0)	(123.2)
TOTAL STOCKHOLDERS' EQUITY	2,249.9	2,247.3
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$7,205.8	\$ 6,682.9

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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NEWELL RUBBERMAID INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Amounts in millions)

	Three Months Ended March 31,	
	2008	2007
OPERATING ACTIVITIES:		
Net income	\$ 56.9	\$ 49.3
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	44.2	46.1
Deferred income taxes	24.5	37.6
Non-cash restructuring costs	(3.8)	1.2
(Gain) loss on sale of assets	(0.1)	0.3
Stock-based compensation expense	7.5	8.5
Loss on disposal of discontinued operations	0.5	15.6
Income tax benefits	—	(1.9)
Other	0.4	(1.9)
Changes in operating assets and liabilities, excluding the effects of acquisitions:		
Accounts receivable	156.0	140.2
Inventories	(131.9)	(77.7)
Accounts payable	(53.4)	3.1
Accrued liabilities and other	(223.4)	(205.9)
Discontinued operations	(0.6)	—
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(123.2)	14.5
INVESTING ACTIVITIES:		
Acquisitions, net of cash acquired	(28.9)	(8.3)
Capital expenditures	(40.0)	(32.6)
Disposals of noncurrent assets and sales of businesses	0.5	(7.3)
NET CASH USED IN INVESTING ACTIVITIES	(68.4)	(48.2)
FINANCING ACTIVITIES:		
Proceeds from issuance of debt, net of debt issuance costs	747.3	349.7
Payments on notes payable and long-term debt	(79.6)	(253.0)
Cash dividends	(58.8)	(58.6)
Proceeds from exercised stock options and other	(1.0)	11.7
NET CASH PROVIDED BY FINANCING ACTIVITIES	607.9	49.8
Currency rate effect on cash and cash equivalents	6.6	0.7
INCREASE IN CASH AND CASH EQUIVALENTS	422.9	16.8
Cash and cash equivalents at beginning of period	329.2	201.0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 752.1	\$ 217.8

See Notes to Condensed Consolidated Financial Statements (Unaudited).

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Footnote 1 — Basis of Presentation and Significant Accounting Policies

The accompanying unaudited condensed consolidated financial statements of Newell Rubbermaid Inc. (collectively with its subsidiaries, the “Company”) have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission and do not include all the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, the unaudited condensed consolidated financial statements include all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the financial position and the results of operations. It is recommended that these unaudited condensed consolidated financial statements be read in conjunction with the financial statements and the footnotes thereto included in the Company’s latest Annual Report on Form 10-K.

Seasonal Variations: The Company’s sales and operating income in the first quarter are generally lower than any other quarter during the year, driven principally by reduced volume and the mix of products sold in the quarter.

Reclassifications: Certain amounts in the prior period have been reclassified to conform to the current year presentation.

New Accounting Pronouncements: In September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 157, “Fair Value Measurements” (“SFAS 157”). SFAS 157 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and requires expanded disclosures about fair value measurements. The Company prospectively adopted the effective provisions of SFAS 157 on January 1, 2008, as required for financial assets and liabilities. The adoption did not have a material impact on the consolidated financial statements. The FASB deferred the effective date of SFAS 157 for one year as it relates to fair value measurement requirements for nonfinancial assets and nonfinancial liabilities that are not recognized or disclosed at fair value on a recurring basis. The implementation of SFAS 157 for the Company’s nonfinancial assets and nonfinancial liabilities is not expected to have a material impact on the Company’s consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), “Business Combinations” (“SFAS 141(R)”). SFAS 141(R) significantly changes the accounting for business combination transactions by requiring an acquiring entity to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition-date fair value. Additionally, SFAS 141(R) modifies the accounting treatment for certain specified items related to business combinations and requires a substantial number of new disclosures. SFAS 141(R) is effective for business combinations with an acquisition date in fiscal years beginning on or after December 15, 2008, and earlier adoption is prohibited. The Company expects to prospectively adopt SFAS 141(R) on January 1, 2009.

In December 2007, the FASB issued SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements — An Amendment of ARB No. 51” (“SFAS 160”). SFAS 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent’s ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS 160 also establishes reporting requirements that require sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS 160 is effective for fiscal years beginning on or after December 15, 2008, and earlier adoption is prohibited. SFAS 160 is effective for the Company on January 1, 2009. The Company is still in the process of evaluating the impact SFAS 160 will have on the Company’s consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities, an amendment to FASB Statement No. 133” (“SFAS 161”). SFAS 161 is intended to improve financial reporting by requiring enhanced disclosures for derivative instruments and hedging activities to enable investors to better

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understand how derivative instruments are accounted for under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133") and their effects on an entity's financial position, financial performance and cash flows. SFAS 161 is effective for the Company beginning January 1, 2009. The adoption of SFAS 161 is not expected to have a significant impact on the Company's consolidated financial statements.

Footnote 2 — Discontinued Operations

The following table summarizes the results of businesses reported as discontinued operations for the three months ended March 31, *(in millions)*:

	2008	2007
Net sales	\$ —	\$ 3.6
Loss from operations of discontinued operations, net of an income tax benefit of \$- million for each of the three months ended March 31, 2008 and 2007	\$ —	\$ (0.2)
Loss on disposal of discontinued operations, net of an income tax benefit of \$0.5 million and \$4.0 million for the three months ended March 31, 2008 and 2007, respectively	(0.5)	(15.6)
Loss from discontinued operations, net of tax	\$(0.5)	\$(15.8)

No amounts related to interest expense have been allocated to discontinued operations.

Home Décor Europe

The Home Décor Europe business designed, manufactured and sold drapery hardware and window treatments in Europe under Gardinia® and other local brands. In September 2006, the Company entered into an agreement for the intended sale of portions of the Home Décor Europe business to a global manufacturer and marketer of window treatments and furnishings. The Central and Eastern European, Nordic and Portuguese operations of this business were sold on December 1, 2006. The sale of the operations in Poland and the Ukraine closed on February 1, 2007. In October 2006, the Company received a binding offer for the intended sale of the Southern European region of the Home Décor Europe business to another party. The sale of operations in France and Spain closed on January 1, 2007 and in Italy on January 31, 2007.

In connection with these transactions, the Company recorded a loss of \$13.0 million, net of tax, to complete the divestiture of Home Décor Europe in the first quarter of 2007. The first quarter 2007 net loss is reported in the table above as part of the loss on disposal of discontinued operations. The remainder of the loss on disposal of discontinued operations, approximately \$2.6 million, net of tax, in the first quarter of 2007 related to contingencies associated with other prior divestitures.

Footnote 3 — Restructuring Costs*Project Acceleration Restructuring Activities*

In the third quarter of 2005, the Company announced a global initiative referred to as Project Acceleration aimed at strengthening and transforming the Company's portfolio. In connection with Project Acceleration, the Board of Directors of the Company approved a restructuring plan (the "Plan") that commenced in the fourth quarter of 2005. The Plan is designed to reduce manufacturing overhead, to better align the Company's distribution and transportation processes to achieve logistical excellence, and to reorganize the Company's overall business structure to align with the Company's core organizing concept, the Global Business Unit. The savings generated from the Plan will allow the Company to increase investment in new product development, brand building and marketing. Project Acceleration includes the anticipated closures of approximately one-third of the Company's 64 manufacturing facilities, thereby optimizing the Company's geographic manufacturing footprint. Since the Plan's inception, the Company has announced the closure of 19 manufacturing facilities and approximately five additional facilities remain to be closed. In total through March 31, 2008, the Company has recorded \$220.7 million of costs

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related to Project Acceleration, of which \$90.1 million related to facility and other exit costs, \$99.1 million related to employee severance and termination benefits and \$31.5 million related to exited contractual commitments and other restructuring costs. Total restructuring costs exclude costs associated with discontinued operations. The Plan is expected to result in cumulative restructuring costs over the life of the initiative of approximately \$375 million to \$400 million (\$315 million to \$340 million after tax), with between \$125 million and \$150 million (\$100 million to \$125 million after tax) expected to be incurred in 2008. Approximately two-thirds of the cumulative costs are expected to be cash costs.

The table below shows the restructuring costs recognized for Project Acceleration restructuring activities for the three months ended March 31, (*in millions*):

	2008	2007
Facility and other exit costs	\$ (3.8)	\$ 2.4
Employee severance and termination benefits	18.0	12.3
Exited contractual commitments and other	2.8	0.8
	<u>\$17.0</u>	<u>\$15.5</u>

Restructuring provisions were determined based on estimates prepared at the time the restructuring actions were approved by management, are periodically updated for changes and also include amounts recognized as incurred. Costs incurred include cash payments and the impairment of assets associated with vacated facilities. A summary of the Company's accrued restructuring reserves for continuing operations as of and for the three months ended March 31, 2008 is as follows (*in millions*):

	12/31/07 Balance	Provision	Costs Incurred	3/31/08 Balance
Facility and other exit costs	\$ —	\$ (3.8)	\$ 3.8	\$ —
Employee severance and termination benefits	22.5	18.0	(14.0)	26.5
Exited contractual commitments and other	16.2	2.8	(2.8)	16.2
	<u>\$ 38.7</u>	<u>\$ 17.0</u>	<u>\$(13.0)</u>	<u>\$42.7</u>

The following table depicts the changes in accrued restructuring reserves for the Plan for the three months ended March 31, 2008 aggregated by reportable business segment (*in millions*):

Segment	12/31/07 Balance	Provision	Costs Incurred	3/31/08 Balance
Cleaning, Organization & Décor	\$ 0.8	\$ 0.8	\$ (0.9)	\$ 0.7
Office Products	23.1	9.8	(11.2)	21.7
Tools & Hardware	13.9	0.4	(1.3)	13.0
Other (Home & Family)	—	(0.5)	0.7	0.2
Corporate	0.9	6.5	(0.3)	7.1
	<u>\$ 38.7</u>	<u>\$ 17.0</u>	<u>\$(13.0)</u>	<u>\$42.7</u>

The table below shows total restructuring costs for the Plan since inception through March 31, 2008, aggregated by reportable business segment (*in millions*):

Segment	Provision
Cleaning, Organization & Décor	\$ 56.6
Office Products	102.1
Tools & Hardware	40.5
Other (Home & Family)	9.1
Corporate	12.4
	<u>\$ 220.7</u>

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Pre-Project Acceleration Restructuring Activities

The Company announced a restructuring plan in 2001 (the “2001 Plan”). The specific objectives of the 2001 Plan were to streamline the Company’s supply chain to become the best-cost global provider throughout the Company’s portfolio by reducing worldwide headcount and consolidating duplicative manufacturing facilities. During the three months ended March 31, 2008, the Company recorded an additional provision relating to the 2001 Plan of \$1.4 million, which is included in total restructuring costs for the three months ended March 31, 2008. Approximately \$2.4 million of pre-Acceleration restructuring reserves remain as of March 31, 2008.

Cash paid for restructuring activities was \$17.9 million and \$13.3 million for the three months ended March 31, 2008 and 2007, respectively.

Footnote 4 — Inventories, Net

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

	March 31, 2008	December 31, 2007
Materials and supplies	\$ 192.8	\$ 178.8
Work in process	231.4	179.8
Finished products	667.5	581.8
	<u>\$1,091.7</u>	<u>\$ 940.4</u>

Footnote 5 — Long-Term Debt

The following is a summary of long-term debt (*in millions*):

	March 31, 2008	December 31, 2007
Medium-term notes	\$1,825.0	\$ 1,075.0
Commercial paper	125.0	197.0
Floating rate note	448.0	448.0
Junior convertible subordinated debentures	436.7	436.7
Other long-term debt	12.5	12.9
Total Debt	2,847.2	2,169.6
Current portion of long-term debt	(900.3)	(972.2)
Long-Term Debt	<u>\$1,946.9</u>	<u>\$ 1,197.4</u>

In late March 2008, the Company completed the offering and sale of senior unsecured notes, consisting of \$500 million in 5.50% senior unsecured notes with a maturity of April 15, 2013 and \$250 million in 6.25% senior unsecured notes with a maturity of April 15, 2018 (collectively, the “Notes”). Net proceeds from this offering will be used to fund acquisitions, repay debt, and for general corporate purposes. The Notes are unsecured and unsubordinated obligations of the Company and equally ranked with all of its existing and future senior unsecured debt. The Notes may be redeemed by the Company at any time, in whole or in part, at a redemption price plus accrued interest to the date of redemption. The redemption price is equal to the greater of (1) 100% of the principal amount of the Notes being redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest thereon, discounted to the date of redemption on a semi-annual basis at a specified rate. The Notes also contain a provision that allows holders of the Notes to require the Company to repurchase all or any part of the Notes if a change of control triggering event occurs. Under this provision, the repurchase of the Notes will occur at a purchase price of 101% of the outstanding principal amount, plus accrued and unpaid interest, if any, on such Notes to the date of purchase.

In 1997, a 100% owned finance subsidiary (the “Subsidiary”) of the Company issued 10.0 million shares of 5.25% convertible preferred securities (the “Preferred Securities”). Each of these Preferred Securities is convertible into

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0.9865 of a share of the Company's common stock. As of March 31, 2008, the Company fully and unconditionally guarantees the 8.4 million shares of the Preferred Securities issued by the Subsidiary that were outstanding at March 31, 2008, which are callable at 100.0% of the liquidation preference. The proceeds received by the Subsidiary from the issuance of the Preferred Securities were invested in the Company's 5.25% Junior Convertible Subordinated Debentures (the "Debentures"), which mature on December 1, 2027. The Preferred Securities are mandatorily redeemable upon the repayment of the Debentures at maturity or upon acceleration of the Debentures. As of March 31, 2008, the Company has not elected to defer interest payments on the \$436.7 million of outstanding Debentures.

On March 15, 2007, the Company paid off a five-year, \$250 million, 6% fixed rate note, at maturity, with available cash and through the issuance of commercial paper.

Footnote 6 — Employee Benefit and Retirement Plans

Effective January 1, 2008, the Company prospectively adopted the measurement date provisions of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans — an amendment of FASB Statements No. 87, 88, 106 and 132(R)" ("SFAS 158"). Beginning with the year ended December 31, 2008, SFAS 158 requires the measurement date for defined benefit plan assets and obligations to coincide with the date of the employer's fiscal year end statement of financial position, which for the Company is December 31. The Company has historically measured defined benefit plan assets and liabilities for the majority of its plans on September 30 for its year-end statement of financial position. The impact on the Condensed Consolidated Financial Statements of the adoption of the change in measurement date for the Company's defined benefit and postretirement plans with September 30 plan year-ends resulted in an adjustment to decrease retained earnings at January 1, 2008 by \$1.1 million.

The following table presents the components of the Company's pension cost, including the supplemental retirement plans, for the three months ended March 31, *(in millions)*:

	U.S.		International	
	2008	2007	2008	2007
Service cost-benefits earned during the period	\$ 1.1	\$ 0.9	\$ 1.6	\$ 1.8
Interest cost on projected benefit obligation	13.0	12.8	7.7	6.8
Expected return on plan assets	(14.4)	(14.6)	(7.6)	(6.7)
Amortization of:				
Prior service cost	0.3	—	—	—
Actuarial loss	1.8	2.2	1.0	1.1
Curtailment & special termination benefit gains	—	—	—	(2.4)
Net periodic pension cost	\$ 1.8	\$ 1.3	\$ 2.7	\$ 0.6

In the first quarter of 2007, the Company recorded a \$2.4 million curtailment gain resulting from the closure of a European manufacturing facility within the Company's Office Products segment. In addition, the Company recorded a \$1.4 million curtailment gain resulting from the sale of the Company's Home Décor Europe business. This gain was included in the loss on disposal of discontinued operations for the three months ended March 31, 2007.

The following table presents the components of the Company's other postretirement benefit costs for the three months ended March 31, *(in millions)*:

	2008	2007
Service cost-benefits earned during the period	\$ 0.4	\$ 0.4
Interest cost on projected benefit obligation	2.4	2.7
Amortization of prior service benefit	(0.6)	(0.6)
Net other postretirement benefit costs	\$ 2.2	\$ 2.5

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The Company made a cash contribution to the Company sponsored profit sharing plan of \$19.4 million and \$18.4 million in the three months ended March 31, 2008 and 2007, respectively.

Footnote 7 — Income Taxes

As of March 31, 2008, there were no significant changes to the Company's unrecognized tax benefits as reported in its Form 10-K for the year ended December 31, 2007.

The Company's income tax expense and resulting effective tax rate are based upon the respective estimated annual effective tax rates applicable for the respective years adjusted for the effect of items required to be treated as discrete interim period items. This rate differs from the U.S. federal corporate income tax rate primarily due to foreign tax rate differentials and other items.

Footnote 8 — Earnings per Share

The calculation of basic and diluted earnings per share is shown below for the three months ended March 31, *(in millions, except per share data)*:

	2008	2007
Numerator for basic and diluted earnings per share:		
Income from continuing operations	\$ 57.4	\$ 65.1
Loss from discontinued operations	(0.5)	(15.8)
Net income for basic and diluted earnings per share	\$ 56.9	\$ 49.3
Denominator:		
Denominator for basic earnings per share — weighted-average shares	276.9	275.9
Dilutive securities (1)	1.3	2.0
Convertible preferred securities (2)	—	—
Denominator for diluted earnings per share	278.2	277.9
Basic earnings (loss) per share:		
Income from continuing operations	\$ 0.21	\$ 0.24
Loss from discontinued operations	—	(0.06)
Earnings per common share	\$ 0.21	\$ 0.18
Diluted earnings (loss) per share:		
Income from continuing operations	\$ 0.21	\$ 0.23
Loss from discontinued operations	—	(0.05)
Earnings per common share	\$ 0.20	\$ 0.18

- (1) Dilutive securities include "in the money options" and restricted stock awards. The weighted-average shares outstanding for the three months ended March 31, 2008 and 2007 exclude the effect of approximately 16.8 million and 7.2 million stock options, respectively, because such options were anti-dilutive.
- (2) The convertible preferred securities are anti-dilutive for each of the three months ended March 31, 2008 and 2007, and therefore have been excluded from diluted earnings per share. Had the convertible preferred securities been included in the diluted earnings per share calculation, net income would be increased by \$3.6 million for each of the three months ended March 31, 2008 and 2007. Weighted-average shares outstanding would have increased by 8.3 million shares for each of the three months ended March 31, 2008 and 2007.

Footnote 9 — Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss is recorded within stockholders' equity and encompasses foreign currency translation adjustments, gains/(losses) on derivative instruments and unrecognized pension and other post retirement costs.

The following table displays the components of accumulated other comprehensive loss *(in millions)*:

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	Foreign Currency Translation Gain/(Loss)	Unrecognized Pension & Other Postretirement Costs, net of tax	After-tax Derivative Hedging Gain	Accumulated Other Comprehensive Loss
Balance at December 31, 2007	\$ 69.8	\$ (202.4)	\$ 9.4	\$ (123.2)
Current period change	(10.3)	1.6	7.9	(0.8)
Balance at March 31, 2008	\$ 59.5	\$ (200.8)	\$ 17.3	\$ (124.0)

Comprehensive income amounted to the following for the three months ended March 31, *(in millions)*:

	2008	2007
Net income	\$ 56.9	\$ 49.3
Foreign currency translation loss	(10.3)	(12.9)
Unrecognized pension & other postretirement costs, net of tax	0.9	—
After-tax derivative hedging gain	7.9	0.8
Comprehensive income	\$ 55.4	\$ 37.2

The Company recorded an adjustment at January 1, 2008 to accumulated other comprehensive loss of \$0.7 million related to the adoption of the change in measurement date for the Company's defined benefit and postretirement plans. The adjustment is therefore included in the accumulated other comprehensive loss balance at March 31, 2008, but is excluded from comprehensive income for the three months ended March 31, 2008.

Footnote 10 — Stock-Based Compensation

The Company accounts for stock-based compensation pursuant to SFAS No. 123(R), "Share-Based Payment," which requires measurement of compensation cost for all stock awards at fair value on the date of grant and recognition of compensation, net of estimated forfeitures, over the requisite service period for awards expected to vest.

The following table presents the impact of stock-based compensation expense, which is recorded in selling, general and administrative expenses, for the three months ended March 31, *(in millions)*:

	2008	2007
Reduction to income before income taxes	\$7.5	\$8.5
Reduction to net income	\$4.7	\$5.3

The fair value of stock option awards granted during the three months ended March 31, was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2008	2007
Weighted-average fair value of grants	\$ 4	\$ 7
Risk-free interest rate	2.7%	4.8%
Dividend yield	3.6%	2.8%
Expected volatility	25%	25%
Expected life (in years)	5.5	5.5

The Company utilized its historical experience to estimate the expected life of the options and volatility.

The following table summarizes the changes in the number of shares of common stock under option for the three months ended March 31, 2008 *(shares in millions)*:

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	Shares	Weighted Average Exercise Price	Exercisable
Outstanding at December 31, 2007	16.0	\$ 27	7.3
Granted	3.9	23	
Exercised	(0.1)	23	
Forfeited / expired	(1.9)	29	
Outstanding at March 31, 2008	17.9	\$ 26	7.6

At March 31, 2008, the aggregate intrinsic value of exercisable options was \$0.7 million.

The following table summarizes the changes in the number of shares of restricted stock for the three months ended March 31, 2008 (*shares in millions*):

	Shares	Weighted- Average Grant Date Fair Value
Outstanding at December 31, 2007	2.6	\$ 26
Granted	0.9	23
Vested	(0.3)	22
Forfeited	(0.3)	26
Outstanding at March 31, 2008	2.9	\$ 26

Footnote 11 — Fair Value

In the first quarter of 2008, the Company adopted SFAS 157, which defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and requires expanded disclosures about fair value measurements. SFAS 157 does not require any new fair value measurements, but rather generally applies to other accounting pronouncements that require or permit fair value measurements.

SFAS 157 emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and defines fair value as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. SFAS 157 utilizes a fair value hierarchy that prioritizes these two inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices for identical assets or liabilities in active markets.
- Level 2: Observable inputs other than quoted prices that are directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets; quoted prices for similar or identical assets or liabilities in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

The FASB issued FSP 157-2 which delayed the effective date of SFAS 157 for all non-financial assets and liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis, until January 1, 2009. The Company's assets and liabilities adjusted to fair value at least annually are its commercial paper investments included in cash and cash equivalents, mutual fund investments and derivative instruments, and these assets and liabilities are therefore subject to the measurement and disclosure requirements of SFAS 157. As the Company held no investments included in cash and cash equivalents at January 1, 2008 and the

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Company adjusts the value of its mutual fund investments and derivative instruments to fair value each reporting period, no adjustment to retained earnings resulted from the adoption of SFAS 157.

The value of the Company's mutual fund investments included in its December 31, 2007 balance sheet was \$12.8 million. The Company determines the fair value of its mutual fund investments based on quoted market prices (Level 1).

The Company generally uses derivatives for hedging purposes pursuant to SFAS 133, and the Company's derivatives are primarily foreign currency forward contracts and interest rate swaps. The aggregate values of derivative assets and liabilities included in the Company's December 31, 2007 balance sheet were \$3.0 million and \$67.0 million, respectively. The Company determines the fair value of its derivative instruments based on Level 2 inputs in the SFAS 157 fair value hierarchy. Level 2 fair value determinations are derived from directly or indirectly observable (market based) information. Such inputs are the basis for the fair values of the Company's derivative instruments.

The following table presents the Company's financial assets and liabilities which are measured at fair value on a recurring basis and that are subject to the disclosure requirements of SFAS 157 as of March 31, 2008 (*in millions*):

Description	Fair Value at 3/31/2008	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Commercial paper investments	\$ 387.0	\$ 387.0	\$ —	\$ —
Mutual fund investments	12.5	12.5	—	—
Interest rate swaps	9.5	—	9.5	—
Foreign currency derivatives	1.5	—	1.5	—
Total	\$ 410.5	\$ 399.5	\$ 11.0	\$ —
Liabilities				
Foreign currency derivatives	\$ 118.4	\$ —	\$ 118.4	\$ —
Total	\$ 118.4	\$ —	\$ 118.4	\$ —

Consistent with the Company's risk management strategies and business initiatives, the Company generally does not enter into financial contracts or invest in financial assets whose values are not readily determinable using either Level 1 or Level 2 inputs.

Footnote 12 — Industry Segment Information

The Company's reporting segments reflect the Company's focus on building large consumer brands, promoting organizational integration, achieving operating efficiencies in sourcing and distribution and leveraging its understanding of similar consumer segments and distribution channels. The reportable segments are as follows:

Segment	Description of Products
Cleaning, Organization & Décor	Material handling, cleaning, refuse, indoor/outdoor organization, home storage, food storage, drapery hardware, window treatments
Office Products	Ball point/roller ball pens, markers, highlighters, pencils, correction fluids, office products, art supplies, on-demand labeling products, card-scanning solutions, on-line postage
Tools & Hardware	Hand tools, power tool accessories, manual paint applicators, cabinet, window and convenience hardware, propane torches, soldering tools and accessories
Other (Home & Family)	Premium cookware and related kitchenware, beauty and style accessory products, infant and juvenile products, including high chairs, car seats, strollers and play yards, and other products within operating segments that are individually immaterial and do not meet aggregation criteria

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The Company's segment results are as follows as of and for the three months ended March 31, *(in millions)*:

	Three Months Ended March 31,	
	2008	2007
Net Sales (1)		
Cleaning, Organization & Décor	\$ 464.7	\$ 457.4
Office Products	421.7	406.3
Tools & Hardware	290.3	293.9
Other (Home & Family)	257.0	226.8
	<u>\$1,433.7</u>	<u>\$1,384.4</u>
Operating Income (Loss) (2)		
Cleaning, Organization & Décor	\$ 48.1	\$ 57.2
Office Products	34.5	35.2
Tools & Hardware	35.1	34.2
Other (Home & Family)	30.6	30.4
Corporate	(18.8)	(20.7)
Restructuring Costs	(18.4)	(15.5)
	<u>\$ 111.1</u>	<u>\$ 120.8</u>
	March 31, 2008	December 31, 2007
Identifiable Assets		
Cleaning, Organization & Décor	\$ 770.6	\$ 785.3
Office Products	1,343.2	1,352.7
Tools & Hardware	723.2	712.2
Other (Home & Family)	531.4	344.6
Corporate (3)	3,837.4	3,488.1
	<u>\$7,205.8</u>	<u>\$ 6,682.9</u>

Geographic Area Information

	Three Months Ended March 31,	
	2008	2007
Net Sales		
U.S.	\$ 998.4	\$1,019.9
Canada	89.1	79.1
North America	1,087.5	1,099.0
Europe	227.6	192.5
Central and South America	61.2	48.7
Other	57.4	44.2
	<u>\$1,433.7</u>	<u>\$1,384.4</u>
Operating Income (Loss) (2,4)		
U.S.	\$ 91.3	\$ 99.1
Canada	17.9	16.4
North America	109.2	115.5
Europe	(11.8)	1.8
Central and South America	3.3	(4.1)
Other	10.4	7.6
	<u>\$ 111.1</u>	<u>\$ 120.8</u>

- 1) All intercompany transactions have been eliminated. Sales to Wal-Mart Stores, Inc. and subsidiaries amounted to approximately 12% and 13% of consolidated net sales for the three months ended March 31, 2008 and 2007, respectively, substantially across all business units. Sales to no other customer exceeded 10% of consolidated net sales for either period.
- 2) Operating income is net sales less cost of products sold, selling, general and administrative expenses and restructuring costs. Certain headquarters expenses of an operational nature are allocated to business segments and geographic areas primarily on a net sales basis.
- 3) Corporate assets primarily include tradenames and goodwill, capitalized software, investments and deferred tax assets.
- 4) The restructuring costs have been reflected in the appropriate geographic regions.

Footnote 13 — Litigation and Contingencies

The Company is involved in legal proceedings in the ordinary course of its business. These proceedings include claims for damages arising out of use of the Company's products, allegations of infringement of intellectual property, commercial disputes and employment matters, as well as environmental matters. Some of the legal proceedings include claims for punitive as well as compensatory damages, and certain proceedings may purport to be class actions.

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

In the normal course of business and as part of its acquisition and divestiture strategy, the Company may provide certain representations and indemnifications related to legal, environmental, product liability, tax or other types of issues. Based on the nature of these representations and indemnifications, it is not possible to predict the maximum potential payments under all of these agreements due to the conditional nature of the Company's obligations and the unique facts and circumstances involved in each particular agreement. Historically, payments made by the Company under these agreements did not have a material effect on the Company's business, financial condition or results of operations.

Footnote 14 — Subsequent Events

On April 1, 2008, the Company completed the acquisition of substantially all of the assets of Aprica Childcare Institute Aprica Kassai, Inc. ("Aprica"), a leading maker of strollers, car seats and other children's products, headquartered in Osaka, Japan. For the most recent fiscal year ended July 31, 2007, Aprica reported net sales of approximately \$122 million. The Company acquired Aprica for approximately \$210 million, including the assumption of Aprica's liabilities, of which certain debt obligations assumed were repaid at closing. The final purchase price is subject to post-closing adjustments for working capital and other matters. Closing for the purchase of Aprica's operations in China is expected to occur in the second quarter of 2008.

On April 1, 2008, the Company completed the acquisition of Technical Concepts Holdings, LLC, ("Technical Concepts"), a leading global provider of innovative restroom hygiene systems for several high-growth segments of the away-from-home washroom category, based in Mundelein, Illinois. The Company acquired Technical Concepts for approximately \$445 million plus acquisition costs. The purchase price includes the repayment of Technical Concepts' outstanding debt obligations and is subject to post-closing adjustments for working capital and other matters. For the year ended December 31, 2007, Technical Concepts reported net sales of approximately \$137 million.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Business Overview

Newell Rubbermaid is a global marketer of consumer and commercial products that touch the lives of people where they work, live and play. With annual sales of over \$6 billion, the Company's products are marketed under a strong portfolio of brands, including Rubbermaid®, Sharpie®, Graco®, Calphalon®, Irwin®, Lenox®, Levolor®, Paper Mate®, Dymo®, Waterman®, Parker®, Goody®, BernzOmatic® and Amerock®. The Company's multi-product offering consists of well-known name-brand consumer and commercial products in four business segments: Cleaning, Organization & Décor; Office Products; Tools & Hardware; and Home & Family.

The Company's vision is to become a global company of Brands That Matter™ and great people, known for best-in-class results. The Company remains committed to investing in strategic brands and new product development, strengthening its portfolio of businesses and products, reducing its supply chain costs and streamlining non-strategic selling, general and administrative expenses (SG&A).

Market Overview

The Company operates in the consumer and commercial products markets, which are generally impacted by overall economic conditions in the regions in which the Company operates. While the Company's strategy is to expand globally, the Company currently derives 75% of its sales in North America. The U.S. macroeconomic environment is very weak, driven largely by the steep decline in the residential housing market, reduced access to credit, rising oil and gas prices, and the resulting decline in consumer confidence. The weakness in the U.S. economy adversely affects the Company's domestic businesses, most notably the Tools & Hardware and Office Products segments; however, the Company continues to realize strong growth in these segments internationally.

The operating results of sourcers and manufacturers of consumer and commercial products are generally impacted by changes in raw materials (including commodity prices), labor costs, and foreign exchange rates. During the first quarter of 2008, the Company experienced a significantly higher than expected rate of inflation for raw materials, primarily resin and metals, and sourced finished goods. The primary driver for the increase was record-high energy prices, including the price of oil and natural gas, which are inputs to the cost of resin, which represents a little over 10% of the Company's cost of products sold. The Company now expects the impact of inflation to be approximately \$160 million to \$180 million higher in 2008 compared to 2007. The impact of inflation and the weakened dollar have also negatively impacted the costs for many commodities, especially in China, which has eroded the margin advantages of product sourced from that region. The Company has pricing initiatives planned for the remainder of 2008 which will help offset some of the inflation.

The Company's sales and operating income in the first quarter are generally lower than any other quarter during the year, driven principally by reduced volume and the mix of products sold in the quarter.

Business Strategy

The key tenets of the Company's strategy are as follows: Create Consumer-Meaningful Brands, Leverage One Newell Rubbermaid, Achieve Best Total Cost and Nurture 360° Innovation. The Company's results depend on the ability of its individual business units to succeed in their respective categories, each of which has some unique consumers, customers and competitors.

The following section details the Company's performance in each of its transformational initiatives:

Create Consumer-Meaningful Brands

The Company is continuing to move from its historical focus on push marketing and excellence in manufacturing and distributing products, to a new focus on consumer pull marketing and creating competitive advantage through better understanding its consumers, innovating to deliver great performance, investing in advertising and promotion

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to create demand and leveraging its brands in adjacent categories around the world. The Company's progress in implementing this brand building and marketing initiative is exhibited by the following:

- The Company's Home & Family segment achieved double digit sales growth for the quarter ended March 31, 2008 due partly to new demand creation activities and new product launches within its Baby & Parenting Essentials and Beauty & Style businesses.
- The Rubbermaid Commercial Products business is seeing results from its end user driven marketing focus. This business delivered another strong quarterly performance with double digit sales growth. Rubbermaid Commercial continues to expand and deliver innovative product offerings, such as decorative refuse, smoking management, micro-fiber cleaning and professional vacuums, all within the past 12 months.
- The Company remains committed to increasing selective television, print, direct mail and online advertising, and using sampling and product demonstrations where appropriate, to increase brand awareness and trials among end-users of its brands, including Dymo® and Endicia™. During the first quarter 2008, the Company signed a two-year global partnership with David Beckham, one of the world's most popular soccer players, for a fully integrated Sharpie® marketing campaign that will feature advertising, promotions, in-store displays and online advertising. Throughout 2008, the Company also plans to sponsor the Lenox®, Irwin® and Sharpie® cars in select NASCAR races to increase awareness for these brands.

Leverage One Newell Rubbermaid

The Company strives to leverage the common business activities and best practices of its business units, and to build one common culture of shared values, with a focus on collaboration and teamwork. The Company continuously explores ways to leverage common functional capabilities, such as Human Resources, Information Technology, Customer Service, Supply Chain Management and Finance, to improve efficiency and reduce costs. This broad reaching initiative already includes projects such as the corporate consolidation of the distribution and transportation function and consolidating company-wide purchasing efforts.

To leverage information and best practices across the Company's business units, the Company is implementing SAP globally to enable the Company to integrate and manage its worldwide business and reporting processes more efficiently. In that effort, the Company's North American operations of its Home & Family segment successfully went live with its SAP implementation on April 1, 2008. This SAP go-live marks the completion of the second phase in a multi-year rollout aimed at migrating multiple legacy systems and users to a common SAP global information platform. The Company's Office Products segment previously went live on October 1, 2007 for its North American operations.

Achieve Best Total Cost

The Company's objective is to reduce the cost of manufacturing, sourcing and supplying product on an ongoing basis, and to leverage the Company's size and scale, in order to achieve a best total cost position. Achieving best cost positions in its categories allows the Company to increase investment in strategic brand building initiatives.

Through Project Acceleration and other initiatives, the Company has made significant progress in reducing its supply chain costs and delivering productivity savings. Project Acceleration includes the closure of approximately one-third of the Company's 64 manufacturing facilities, optimizing the Company's geographic manufacturing footprint. Since the inception of Project Acceleration, the Company has announced the closure of 19 manufacturing facilities and expects that approximately five additional facilities will be closed under this program. Project Acceleration is projected to result in cumulative restructuring costs of approximately \$375 million to \$400 million (\$315 million to \$340 million after tax). Approximately two-thirds of the cumulative costs are expected to be cash. Annualized savings are still on track to exceed \$150 million upon conclusion of the project in 2009.

Additionally, in its move toward logistical excellence, the Company continues to evaluate its supply chain efforts to identify opportunities to realize efficiencies in purchasing, distribution and transportation. For example, the

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Company recently announced the creation of a new Southeast distribution center, which will consolidate four smaller warehouses, as part of its efforts to achieve a best cost structure. This distribution center will be located in Atlanta, Georgia and is expected to open in the third quarter of 2008.

Nurture 360° Innovation

The Company has broadened its definition of innovation beyond product invention. The Company defines innovation as both consumer driven product invention and the successful commercialization of invention. It is a rigorous, consumer-centric process that permeates the entire development cycle. It begins with a deep understanding of how consumers interact with the Company's brands and categories, and all the factors that drive their purchase decisions and in-use experience. That understanding must then be translated into innovative products that deliver unique features and benefits, at a best-cost position, providing the consumer with great value. Lastly, formulating how and where to create awareness and trial use and measuring the effectiveness of advertising and promotion spending complete the process. The Company has pockets of excellence using this expanded definition of innovation and continues to build on this competency in its effort to create consumer meaningful brands.

During the first quarter of 2008, the Company announced the introduction of Rubbermaid Produce Saver™ food storage containers, which will help consumers reduce food waste, save money and live healthier lives by keeping produce fresh up to 33 percent longer than traditional Rubbermaid containers.

The Rubbermaid Commercial Products business introduced two new consumer-driven innovations during the first quarter of 2008 to address growing trends in facilities maintenance. The Rubbermaid Pulse™ Floor Cleaning System and Rubbermaid Flow™ Floor Finishing System incorporate advancements in commercial mop technology to address public concerns about transmission of infectious diseases, as well as promote custodial worker well-being and productivity.

Acquisitions

On April 1, 2008, the Company closed on two acquisitions, Aprica and Technical Concepts, which expand its product categories and geographic footprint as well as provide the Company an opportunity to leverage innovation and branding capabilities. Aprica is a leading Japanese brand of premium strollers, car seats and other related juvenile products. This acquisition provides the opportunity to broaden the Company's Baby & Parenting Essentials presence across Asia, as well as to expand the scope of Aprica's sales outside of Asia. The Aprica acquisition also provides the critical mass needed for more shared resources in Japan, which will help accelerate investment in the Asia-Pacific region by other business units. The Technical Concepts acquisition gives the Company's Commercial Products business an entry into the rapidly growing, \$2.5 billion away-from-home washroom market. Technical Concepts is a leading global provider of innovative touch-free and automated restroom hygiene systems. This acquisition fits within the Company's strategy of leveraging its existing sales and marketing capabilities across additional product categories where performance matters and customers will pay a premium for innovation. In addition, with approximately 40% of its sales outside the U.S., Technical Concepts significantly increases the global footprint of the Commercial Products business.

Conclusion

Despite a challenging economic environment, particularly with respect to significant inflation for raw materials and sourced products, and a weak U.S. economy and housing market, the Company believes it is making the necessary investments now for the long-term success of its business. The Company is committed to driving its key strategic initiatives, investing in strategic brand building to strengthen its brands and drive sales growth, delivering gross margin expansion fueled by improved productivity and better mix, and achieving operating income and earnings per share growth over the long term. During 2008, the Company will continue to focus on developing best-in-class practices and building brands that really matter to its consumers.

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Results of Operations

The following table sets forth for the periods indicated items from the Condensed Consolidated Statements of Income as reported and as a percentage of net sales for the three months ended March 31, *(in millions, except percentages)*:

	2008		2007	
Net sales	\$1,433.7	100.0%	\$1,384.4	100.0%
Cost of products sold	943.2	65.8	909.7	65.7
Gross margin	490.5	34.2	474.7	34.3
Selling, general and administrative expenses	361.0	25.2	338.4	24.4
Restructuring costs	18.4	1.3	15.5	1.1
Operating income	111.1	7.7	120.8	8.7
Nonoperating expenses:				
Interest expense, net	25.8	1.8	27.4	2.0
Other expense, net	0.2	—	0.8	—
Net nonoperating expenses	26.0	1.8	28.2	2.0
Income from continuing operations before income taxes	85.1	5.9	92.6	6.7
Income taxes	27.7	1.9	27.5	2.0
Income from continuing operations	57.4	4.0	65.1	4.7
Loss from discontinued operations, net of tax	(0.5)	—	(15.8)	(1.1)
Net income	\$ 56.9	4.0%	\$ 49.3	3.6%

Three Months Ended March 31, 2008 vs. Three Months Ended March 31, 2007
Consolidated Operating Results:

Net sales for the three months ended March 31, 2008 were \$1,433.7 million, representing an increase of \$49.3 million, or 3.6%, from \$1,384.4 million for the three months ended March 31, 2007. Sales growth excluding foreign currency was 0.2%. Overall sales growth for the three months ended March 31, 2008 was led by double digit growth in the Home & Family segment and Rubbermaid Commercial and Rubbermaid Food businesses. Partially offsetting these positive sales trends was softness in the Tools & Hardware segment and North American Office Products business as these are the businesses most affected by the weakness in the U.S. economy.

Gross margin, as a percentage of net sales, for the three months ended March 31, 2008 was 34.2%, or \$490.5 million, versus 34.3%, or \$474.7 million, for the three months ended March 31, 2007. Raw material cost inflation, primarily resin, and sourced product cost inflation was offset by ongoing productivity initiatives, savings from Project Acceleration and favorable pricing and mix.

SG&A expenses for the three months ended March 31, 2008 were 25.2% of net sales, or \$361.0 million, versus 24.4% of net sales, or \$338.4 million, for the three months ended March 31, 2007. Brand building investments across all segments and spending on corporate initiatives, primarily SAP, drove the year-over-year increase.

The Company recorded restructuring costs of \$18.4 million and \$15.5 million for the three months ended March 31, 2008 and 2007, respectively. The Company has announced the closure of 19 manufacturing facilities since Project Acceleration's inception. The Company continues to expect cumulative pre-tax costs of \$375 million to \$400 million, approximately two-thirds of which are expected to be cash costs, over the life of the initiative. Annualized savings are projected to exceed \$150 million upon completion of the project, with an approximate \$60 million of savings realized in 2007, and additional projected benefits of \$60 million and \$30 million in 2008 and 2009, respectively. The first quarter 2008 restructuring costs included \$(3.8) million of facility and other exit costs, \$18.0 million of employee severance and termination benefits and \$4.2 million of exited contractual commitments and other restructuring costs, of which \$1.4 million relates to the Company's 2001 Plan. The first quarter 2007

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restructuring costs included \$2.4 million of facility and other exit costs, \$12.3 million of employee severance and termination benefits and \$0.8 million of exited contractual commitments and other restructuring costs. See Footnote 3 of the Notes to Condensed Consolidated Financial Statements for further information on these restructuring costs.

Operating income for the three months ended March 31, 2008 was \$111.1 million, or 7.7% of net sales, versus \$120.8 million, or 8.7% of net sales, for the three months ended March 31, 2007. Strong productivity and favorable pricing during the 2008 quarter were offset by raw material inflation and increased strategic selling, general, and administrative spending related to new product launches and brand building investments.

Net nonoperating expenses for the three months ended March 31, 2008 were 1.8% of net sales, or \$26.0 million, versus 2.0% of net sales, or \$28.2 million, for the three months ended March 31, 2007. The decrease in net nonoperating expenses is mainly attributable to a decrease in interest expense, driven by favorable interest rates and lower debt levels year-over-year, as the additional borrowings used to fund the April 2008 acquisitions were drawn in the latter part of the 2008 quarter.

The effective tax rate was 32.5% for the three months ended March 31, 2008 versus 29.7% for the three months ended March 31, 2007. The change in the effective tax rate is primarily related to the \$1.9 million income tax benefit recorded for the three months ended March 31, 2007 relating to the receipt of an income tax refund, resulting in a reduction in the valuation allowance for deferred tax assets. The Company did not record any similar income tax benefits for the three months ended March 31, 2008. See Footnote 7 of the Notes to Condensed Consolidated Financial Statements for further information.

The Company did not recognize a loss from operations of discontinued operations for the three months ended March 31, 2008, compared to a loss of \$0.2 million, net of tax, for the three months ended March 31, 2007. The 2007 loss related to the results of the remaining operations of the Home Décor Europe business. The loss on disposal of discontinued operations for the three months ended March 31, 2008 was \$0.5 million, net of tax, compared to \$15.6 million, net of tax, for the three months ended March 31, 2007. The 2007 loss related primarily to the disposal of the remaining operations of the Home Décor Europe business. The total loss from discontinued operations, net of tax, was \$0.5 million and \$15.8 million for the three months ended March 31, 2008 and 2007, respectively. Diluted loss per share from discontinued operations was \$- and \$0.05 for the three months ended March 31, 2008 and 2007, respectively. See Footnote 2 of the Notes to Condensed Consolidated Financial Statements for further information.

Business Segment Operating Results:

Net sales by segment were as follows for the three months ended March 31, *(in millions, except percentages)*:

	2008	2007	% Change
Cleaning, Organization & Décor	\$ 464.7	\$ 457.4	1.6%
Office Products	421.7	406.3	3.8
Tools & Hardware	290.3	293.9	(1.2)
Home & Family	257.0	226.8	13.3
Total Net Sales	\$1,433.7	\$1,384.4	3.6%

Operating income (loss) by segment was as follows for the three months ended March 31, *(in millions, except percentages)*:

	2008	2007	% Change
Cleaning, Organization & Décor	\$ 48.1	\$ 57.2	(15.9)%
Office Products	34.5	35.2	(2.0)
Tools & Hardware	35.1	34.2	2.6
Home & Family	30.6	30.4	0.7
Corporate	(18.8)	(20.7)	9.2
Restructuring Costs	(18.4)	(15.5)	(18.7)
Total Operating Income	\$111.1	\$120.8	(8.0)%

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Cleaning, Organization & Décor

Net sales for the three months ended March 31, 2008 were \$464.7 million, an increase of \$7.3 million, or 1.6%, from \$457.4 million for the three months ended March 31, 2007. Driving the year-over-year improvement was double digit growth in the Rubbermaid Commercial and Rubbermaid Food businesses, partially offset by softness in the Rubbermaid Home and Décor businesses.

Operating income for the three months ended March 31, 2008 was \$48.1 million, or 10.4% of sales, a decrease of \$9.1 million, or 15.9%, from \$57.2 million for the three months ended March 31, 2007. Higher raw material inflation, primarily resin, and strategic brand building investments more than offset the contribution from higher sales during the quarter ended March 31, 2008.

Office Products

Net sales for the three months ended March 31, 2008 were \$421.7 million, an increase of \$15.4 million, or 3.8%, from \$406.3 million for the three months ended March 31, 2007. The sales improvement was driven by favorable foreign currency, double digit growth in the Office Technology business, and high single digit growth in the segment's international businesses in local currency, partially offset by softness in the domestic writing instrument market driven by weaker foot traffic at U.S. retailers.

Operating income for the three months ended March 31, 2008 was \$34.5 million, or 8.2% of sales, a decrease of \$0.7 million, or 2.0%, from \$35.2 million for the three months ended March 31, 2007. Operating income was relatively flat year-over-year as improvements in sales and gross margin were offset by higher brand building SG&A.

Tools & Hardware

Net sales for the three months ended March 31, 2008 were \$290.3 million, a decrease of \$3.6 million, or 1.2%, from \$293.9 million for the three months ended March 31, 2007. The year-over-year decrease was due to softness in the segment's domestic businesses affected by the U.S. housing market, partially offset by double digit growth in the European and Latin American businesses.

Operating income for the three months ended March 31, 2008 was \$35.1 million, or 12.1% of sales, an increase of \$0.9 million, or 2.6%, from \$34.2 million for the three months ended March 31, 2007, driven by strong productivity and favorable pricing and mix, which more than offset raw material inflation and softness in the domestic tools businesses.

Home & Family

Net sales for the three months ended March 31, 2008 were \$257.0 million, an increase of \$30.2 million, or 13.3%, from \$226.8 million for the three months ended March 31, 2007. Approximately 4% of the increase in net sales represented a shift from second quarter to first quarter due to the SAP implementation and the timing of certain promotional activities. The remaining high single digit growth was driven by the Baby & Parenting Essentials and Beauty & Style businesses primarily resulting from new product launches and demand creation activities.

Operating income for the three months ended March 31, 2008 was \$30.6 million, or 11.9% of sales, an increase of \$0.2 million, or 0.7%, from \$30.4 million for the three months ended March 31, 2007, essentially flat to last year as volume gains were offset by increased strategic SG&A spending for new product launches and brand building investments.

Liquidity and Capital Resources

Cash and cash equivalents increased as follows for the three months ended March 31, *(in millions)*:

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	2008	2007
Cash (used in) provided by operating activities	\$(123.2)	\$ 14.5
Cash used in investing activities	(68.4)	(48.2)
Cash provided by financing activities	607.9	49.8
Currency effect on cash and cash equivalents	6.6	0.7
Increase in cash and cash equivalents	\$ 422.9	\$ 16.8

Sources:

Historically, the Company's primary sources of liquidity and capital resources have included cash provided by operations, proceeds from divestitures and use of available borrowing facilities.

In the first three months of 2008, the Company received net proceeds from the issuance of debt of \$747.3 million, compared to \$349.7 million in the first three months of 2007. In late March 2008, the Company completed the offering and sale of senior unsecured notes, consisting of \$500 million in 5.50% senior unsecured notes due April 2013 and \$250 million in 6.25% senior unsecured notes due April 2018 (collectively, the "Notes"). Net proceeds from this offering will be used to fund acquisitions, repay debt, and for general corporate purposes. The Notes are unsecured and unsubordinated obligations of the Company and equally ranked with all existing and future senior unsecured debt. Proceeds from the issuance of debt in 2007 include the issuance of commercial paper used to fund the repayment of a five-year, \$250 million, 6% fixed rate medium term note that came due on March 15, 2007. See Footnote 5 of the Notes to Condensed Consolidated Financial Statements for additional information.

On November 14, 2005, the Company entered into a \$750.0 million five-year syndicated revolving credit facility (the "Revolver"). As a result of subsequent extensions, the Revolver will now expire in November 2012. Since one lender elected not to participate in the extensions the Company has a \$750.0 million facility through November 2010, and a \$725.0 million facility from November 2010 to November 2012. At March 31, 2008 and 2007, there were no borrowings under the Revolver.

In lieu of borrowings under the Revolver, the Company may issue up to \$750.0 million of commercial paper through 2010 and \$725.0 million thereafter through 2012. The Revolver provides 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 Revolver. The Revolver also provides for the issuance of up to \$100.0 million of standby letters of credit so long as there is a sufficient amount available for borrowing under the Revolver. At March 31, 2008, there was \$125.0 million of commercial paper outstanding, classified as current portion of long-term debt, and no standby letters of credit issued under the Revolver.

The Company received cash of \$0.5 million for the first three months of 2008 relating to the sale of non-current assets, compared to a use of \$7.3 million in the first three months of 2007 relating to the divestiture of the Home Décor Europe businesses.

Uses:

Historically, the Company's primary uses of liquidity and capital resources have included acquisitions, dividend payments, capital expenditures and payments on debt.

Cash used in operating activities for the three months ended March 31, 2008 was \$123.2 million, compared to \$14.5 million provided for the comparable period of 2007. The decrease is attributable primarily to an increase in inventory resulting largely from inventory builds within the Company's Office Products and Home & Family segments and secondarily to foreign currency effects. Office Products' inventory levels reflect efforts to avoid service level interruptions during the critical back-to-school season as the Company continues to execute on Project Acceleration. The increase in Home & Family inventory was due to a temporary build-up of safety stock in anticipation of the April 1, 2008 SAP go-live.

The Company made payments on notes payable, commercial paper and long-term debt of \$79.6 million and \$253.0 million in the three months ended March 31, 2008 and 2007, respectively. The use of cash during the quarter ended

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March 31, 2008 mainly represents the pay down of commercial paper while during the first quarter of 2007, the Company paid-off a five-year, \$250 million, 6% fixed rate note, at maturity, with available cash and through the issuance of commercial paper.

Dividends paid were \$58.8 million and \$58.6 million in the first three months of 2008 and 2007, respectively.

Capital expenditures were \$40.0 million and \$32.6 million in the first three months of 2008 and 2007, respectively.

Cash used for acquisitions was \$28.9 million and \$8.3 million for the three months ended March 31, 2008 and 2007, respectively. The Company did not invest in significant acquisitions in either period.

Cash used for restructuring activities was \$17.9 million and \$13.3 million in the first three months of 2008 and 2007, respectively. These payments relate primarily to employee termination benefits. The Company continues to expect to use approximately \$100 million of cash on restructuring activities in 2008 related to Project Acceleration. See Footnote 3 of the Notes to Condensed Consolidated Financial Statements for additional information.

Liquidity Metrics

Working capital (defined as current assets less current liabilities) at March 31, 2008 was \$800.3 million compared to \$87.9 million at December 31, 2007. The current ratio was 1.35:1 at March 31, 2008 and 1.03:1 at December 31, 2007. The increase in working capital is primarily attributable to increased cash levels as of March 31, 2008 resulting from the issuance of \$750 million medium term notes in March 2008. See Footnote 5 of the Notes to Condensed Consolidated Financial Statements for additional information.

Total debt to total capitalization (total debt is net of cash and cash equivalents, and total capitalization includes total debt and stockholders' equity) was 0.48:1 at March 31, 2008 and 0.45:1 at December 31, 2007.

The Company believes that available cash, cash flows generated from future operations, and availability under its revolving credit facility, including issuing commercial paper, will be adequate to support the cash needs of existing businesses and the repayment of maturing debt on a short-term basis; however, certain events, such as significant acquisitions, could require additional external financing on a long-term basis.

Fair Value Measurements

In the first quarter of 2008, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157, which defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and requires expanded disclosures about fair value measurements. SFAS 157 does not require any new fair value measurements, but rather generally applies to other accounting pronouncements that require or permit fair value measurements.

SFAS 157 emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and defines fair value as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. SFAS 157 utilizes a fair value hierarchy that prioritizes these two inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices for identical assets or liabilities in active markets.
- Level 2: Observable inputs other than quoted prices that are directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets; quoted prices for similar or identical assets or liabilities in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

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- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

The Financial Accounting Standards Board ("FASB") issued FSP 157-2 which delayed the effective date of SFAS 157 for all non-financial assets and liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis, until January 1, 2009. The Company's assets and liabilities adjusted to fair value at least annually are its commercial paper investments included in cash and cash equivalents, mutual fund investments, included in other assets, and derivative instruments, primarily included in other accrued liabilities and other noncurrent liabilities, and these assets and liabilities are therefore subject to the measurement and disclosure requirements of SFAS 157. As the Company held no investments included in cash and cash equivalents at January 1, 2008 and the Company adjusts the value of its mutual fund investments and derivative instruments to fair value each reporting period, no adjustment to retained earnings resulted from the adoption of SFAS 157.

The Company determines the fair value of its mutual fund investments based on quoted market prices (Level 1).

The Company generally uses derivatives for hedging purposes pursuant to SFAS 133, and the Company's derivatives are primarily foreign currency forward contracts and interest rate swaps. The Company determines the fair value of its derivative instruments based on Level 2 inputs in the SFAS 157 fair value hierarchy. Level 2 fair value determinations are derived from directly or indirectly observable (market based) information. Such inputs are the basis for the fair values of the Company's derivative instruments.

Critical Accounting Policies

There have been no significant changes to the Company's critical accounting policies since the filing of its Form 10-K for the year ended December 31, 2007.

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 rates and prices. The Company does not hold or issue derivative instruments for trading purposes.

The Company manages interest rate exposure through its conservative debt ratio target and its mix of fixed and floating rate debt. 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. Gains and losses related to qualifying forward exchange contracts, which hedge intercompany loans, are recognized in other comprehensive income as an asset or liability until the underlying transaction occurs.

The Company purchases certain raw materials, including resin, corrugate, steel, stainless steel, aluminum and other metals, which are subject to price volatility caused by unpredictable factors. While future movements of raw material costs are uncertain, a variety of programs, including periodic raw material purchases, purchases of raw materials for future delivery and customer price adjustments help the Company address this risk. Where practical, the Company uses derivatives as part of its risk management process.

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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 that are based on a variance/covariance approach and includes 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, but are shown as an illustration of the impact of potential adverse changes in interest and foreign currency exchange rates. The following table indicates the calculated amounts for the three months ended March 31, (*dollars in millions*):

	2008 Three Month Average	March 31, 2008	2007 Three Month Average	March 31, 2007	Confidence Level
Market Risk (1)					
Interest rates	\$ 13.2	\$ 13.2	\$ 7.8	\$ 7.8	95%
Foreign exchange	\$ 7.4	\$ 7.4	\$ 3.6	\$ 3.6	95%

- (1) The Company generally does not enter into material derivative contracts for commodities; therefore, commodity price risk is not shown because the amounts are not material.

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, because actual results may differ significantly depending upon activity in the global financial markets.

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, information or assumptions about the effects of Project Acceleration, sales (including pricing), income/(loss), earnings per share, operating income or gross margin improvements, return on equity, return on invested capital, capital expenditures, working capital, cash flow, dividends, capital structure, debt to capitalization ratios, interest rates, internal growth rates, restructuring, impairment and other charges, potential losses on divestitures, impact of changes in accounting standards, pending legal proceedings and claims (including environmental matters), future economic performance, costs and cost savings (including raw material and sourced product inflation, productivity and streamlining), synergies, management's plans, goals and objectives for future operations, performance and growth or the assumptions relating to any of the forward-looking statements. These statements generally are accompanied by words such as "intend," "anticipate," "believe," "estimate," "project," "target," "plan," "expect," "will," "should," "would" or similar statements. The Company cautions that forward-looking statements are not guarantees because 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 generally and Exhibit 99.1 to this Report. Some of these factors are described as criteria for success. The Company's 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 the Company has correctly identified and assessed all of the factors affecting the Company or that the publicly available and other information the Company receives with respect to these factors is complete or correct.

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 Financial Condition and Results of Operations (Part I, Item 2).

Item 4. Controls and Procedures

As of March 31, 2008, an evaluation was performed by the Company's management, under the supervision and with the participation of the Company's chief executive officer and chief financial officer, of the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the chief executive officer and the chief financial officer concluded that the Company's disclosure controls and procedures were effective.

There were no changes in the Company's internal control over financial reporting that occurred during the quarter ended March 31, 2008 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company is in the process of replacing various business information systems worldwide with an enterprise resource planning system from SAP. Subsequent to the end of the quarter, the North American operations of the Home & Family segment successfully launched SAP. Implementation will continue to occur over several years in phases, primarily based on geographic region and segment. This activity involves the migration of multiple legacy systems and users to a common SAP information platform. In addition, this conversion will impact certain interfaces with the Company's customers and suppliers, resulting in changes to the tools the Company uses to take orders, procure material, schedule production, remit billings, make payments and perform other business functions.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information required under this Item is contained above in Part I. Financial Information, Item 1 and is incorporated herein by reference.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

ISSUER PURCHASES OF EQUITY SECURITIES

The following table provides information about the Company's purchases of equity securities during the quarter ended March 31, 2008:

Period	Total Number of Shares Purchased(1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number / Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
1/1/08-1/31/08	—	—	—	—
2/1/08-2/29/08	98,646	\$ 22.61	—	—
3/1/08-3/31/08	8	\$ 22.89	—	—
Total	<u>98,654</u>	<u>\$ 22.61</u>	<u>—</u>	<u>—</u>

- (1) None of these transactions were made pursuant to a publicly announced repurchase plan. All shares purchased for the quarter were acquired by the Company to satisfy employees' tax withholding and payment obligations in connection with the vesting of awards of restricted stock, which are repurchased by the Company based on their fair market value on the vesting date.

Item 5. Other Information

Restricted Stock Unit Agreement

As previously reported, on February 13, 2008, the Board of Directors adopted the Newell Rubbermaid Inc. Long-Term Incentive Plan, which provides a methodology for determining the amount of stock options and restricted stock units made to key employees in 2009 and subsequent years under the Company's 2003 Stock Plan, as amended and restated effective as of February 8, 2006 and further amended August 9, 2006. The program is intended to provide eligible employees long-term incentive compensation with a target value at approximately the 50th percentile of such compensation paid to employees holding comparable job positions at the companies within the Company's general industry group. Of this value, 40% is paid in an award of non-qualified stock options, 30% is paid in an award of time-based restricted stock units, and 30% is paid in an award of performance-based restricted stock units.

The number of time-based restricted stock units granted to each participant is determined by dividing 30% of the participant's target value by an amount equal to the fair market value of the common stock on the date of grant, discounted to reflect the potential risk of forfeiture due to the time-based vesting provision. These restricted stock units vest on the third anniversary of the date of grant. At the end of the vesting period, a participant will receive a share of common stock for each restricted stock unit that has vested.

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The number of performance-based restricted stock units granted to each participant is determined by dividing 30% of the participant's target value by an amount equal to the fair market value of the common stock on the date of grant, discounted to reflect the risk of attaining performance goal results at below the target levels as well as the risk of forfeiture. These restricted stock units also vest on the third anniversary of the date of grant. Of this performance-based restricted stock unit grant, 50% is subject to a performance goal based on total shareholder return as compared to the total shareholder return of a comparator group of companies over the three-year vesting period and 50% is subject to a performance goal based on the Company's increase in total shareholder return over the three-year vesting period. At the end of the vesting period, the number of restricted stock units, and thus the number of shares of common stock actually issued to the participant, will be adjusted depending on the level of achievement of the performance goals, to a maximum of 200% of the initial number of performance-based restricted stock units granted and a minimum of 0% of the initial number of performance-based restricted stock units granted.

The restricted stock units, whether time-based or performance-based, contain accelerated vesting provisions for terminations due to death, disability and retirement. On May 7, 2008, the Board approved a form of Restricted Stock Unit Agreement for employees to reflect the above provisions. A complete copy of the form of Restricted Stock Unit Agreement is filed with this Quarterly Report on Form 10-Q at Exhibit 10.1, and is incorporated herein by this reference.

On May 7, 2008, the Board also approved a form of Restricted Stock Unit Agreement to be used in connection with equity-based compensation for Non-Employee Directors. Under this form of agreement, time-based restricted stock units vest on the first anniversary of the date of grant and have accelerated vesting provisions for termination of service on the Board due to death, disability and retirement. A complete copy of the form of Restricted Stock Unit Agreement for Non-Employee Directors is filed with this Quarterly Report on Form 10-Q at Exhibit 10.1, and is incorporated herein by this reference.

Newell Rubbermaid Inc. Management Cash Bonus Plan

On February 13, 2008, the Board of Directors of Newell Rubbermaid Inc. adopted a Management Cash Bonus Plan, effective as of January 1, 2008 (the "Bonus Plan"). The Bonus Plan provides for the payment of annual cash bonuses to eligible employees, and was approved by stockholders at the Company's May 6, 2008 Annual Meeting of Stockholders.

The Bonus Plan is administered by the Organizational Development & Compensation Committee of the Board, which has full authority to select the employees eligible for bonus awards under the Bonus Plan, determine when the employee's participation in the Bonus Plan will begin, and determine the performance goals pursuant to which bonus amounts will be determined.

For each calendar year, the Committee will establish corporate, group and division performance goals and a bonus payment schedule detailing the amount that may be paid to each participant based upon the level of attainment of the applicable performance goals. The performance goals may be based on one or more of the following business criteria: earnings per share; total shareholder return; cash flow; operating income; sales growth; common stock price; return on equity; return on assets; return on investment; net income; and expense management. Performance goals may be absolute in their terms or measured against or in relationship to the performance of other companies or indices selected by the Committee. The performance goals may be particular to one or more subsidiaries, groups or divisions or may be based on the performance of the Company as a whole.

Bonus payments for the 2008 calendar year will be based on a combination of the following business criteria. For Corporate participants, 100% of the bonus payment will be based on the Company's earnings per share, cash flow and sales growth. For Group participants, 50% of the bonus payment will be based on Corporate performance criteria, and 50% of the bonus payment will be based on Group operating income, cash flow and sales growth. Bonus payments for calendar years subsequent to 2008 will be based on the same performance criteria described above, unless the Committee establishes different criteria.

The bonus amount payable is a percentage of salary based upon an employee's participation category and the level of attainment of the applicable performance goals, as set forth in the Bonus Plan. Performance below the target levels will result in lower or no bonus payments. The Committee may not increase the amount payable, but has discretionary authority to decrease the amount, in the aggregate or with respect to one or more individual components, taking into account individual and/or corporate performance. No award will be paid for any calendar year or portion thereof to a participant whose employment with the Company terminates during the year for a reason other than retirement, disability, death or other reason approved by the Committee. The Executive Vice President of Human Resources, or the Board in the case of the CEO, retains the right to terminate an employee's participation in the Bonus Plan at any time, in which case no bonus may be paid.

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Because the Bonus Plan is intended to meet the requirements of Section 162(m) of the Internal Revenue Code, it was subject to stockholder approval. A complete copy of the Bonus Plan was filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 13, 2008, and is incorporated herein by this reference.

Retirement of Director

General Gordon Sullivan retired as a director at the Company's May 6, 2008 Annual Meeting of Stockholders in accordance with the Company's Corporate Governance Guidelines as described in the Proxy Statement for the meeting. The Corporate Governance Guidelines provide for mandatory director retirement at the annual meeting immediately following the attainment of age 70.

Item 6. Exhibits

- 3.1 Certificate of Elimination of the Junior Participating Preferred Stock, Series B of Newell Rubbermaid Inc. dated as of March 11, 2008 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated March 11, 2008).
- 3.2 Restated Certificate of Incorporation of Newell Rubbermaid Inc. as amended as of May 6, 2008.
- 4.1 Restated Certificate of Incorporation of Newell Rubbermaid Inc. as amended as of May 6, 2008, is included in Item 3.2.
- 4.2 Form of 5.50% Notes due 2013 issued pursuant to an Indenture dated as of November 1, 1995, between Newell Rubbermaid Inc. and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank, formerly known as The Chase Manhattan Bank (National Association)), as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated March 25, 2008).
- 4.3 Form of 6.25% Notes due 2018 issued pursuant to an Indenture dated as of November 1, 1995, between Newell Rubbermaid Inc. and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank, formerly known as The Chase Manhattan Bank (National Association)), as trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated March 25, 2008).
- 10.1 Forms of Restricted Stock Unit Award Agreement under the Newell Rubbermaid Inc. 2003 Stock Plan.
- 10.2 Form of Restricted Stock Award Agreement under the Newell Rubbermaid Inc. 2003 Stock Plan, as revised February 13, 2008 (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K dated February 13, 2008).
- 10.3 Newell Rubbermaid Inc. 2008 Deferred Compensation Plan (incorporated by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K for the year ended December 31, 2007).
- 10.4 Newell Rubbermaid Supplemental Executive Retirement Plan, effective January 1, 2008 (incorporated by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended December 31, 2007).
- 10.5 Separation Agreement and General Release dated February 28, 2008, between the Company and Steven G. Marton (incorporated by reference to Exhibit 10.25 to the Company's Annual Report on Form 10-K for the year ended December 31, 2007).

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10.6	Newell Rubbermaid Inc. Management Cash Bonus Plan, effective January 1, 2008 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 13, 2008).
10.7	Newell Rubbermaid Inc. Long Term Incentive Plan under the Newell Rubbermaid Inc. 2003 Stock Plan adopted February 13, 2008 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated February 13, 2008).
10.8	Forms of Stock Option Agreement under the Newell Rubbermaid Inc. 2003 Stock Plan, as revised February 13, 2008 (incorporated by reference to Exhibits 10.3 and 10.4 to the Company's Current Report on Form 8-K dated February 13, 2008).
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Safe Harbor Statement.

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: May 12, 2008

/s/ J. Patrick Robinson

J. Patrick Robinson
Chief Financial Officer

State of Delaware
Secretary of State
Division of Corporations
Delivered 12:36 pm 05/06/2008
FILED 12:36 pm 05/06/2008
SRV 080508722 — 2118347 FILE

RESTATED
CERTIFICATE OF INCORPORATION
OF
NEWELL RUBBERMAID INC.

Newell Rubbermaid Inc. (the "Corporation"), a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

A. The name of the Corporation is Newell Rubbermaid Inc. The Corporation was originally incorporated under the name NEW NEWELL CO. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on February 23, 1987.

B. This Restated Certificate of Incorporation, which amends and restates the Corporation's Restated Certificate of Incorporation in its entirety, was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware.

C. The Restated Certificate of Incorporation of the Corporation shall read in its entirety as follows:

FIRST: The name of the Corporation is Newell Rubbermaid Inc.

SECOND: The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, DE 19801. The name of the Corporation's registered agent at such address is Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares which the Corporation shall have authority to issue is 810,000,000, consisting of 800,000,000 shares of Common Stock of the par value of \$1.00 per share and 10,000,000 shares of Preferred Stock, consisting of 10,000 shares without par value, and 9,990,000 shares of the par value of \$1.00 per share. The designations and the powers, preferences and rights, and the qualifications, limitations and restrictions thereof, of each of the classes of stock of the Corporation are as follows:

A. Common Stock. Each holder of Common Stock shall be entitled to one (1) vote for each such share of Common Stock.

B. Preferred Stock. The Preferred Stock shall be issued from time to time in one or more series with such distinctive serial designations and (a) may have such voting powers, full or limited, or may be without voting powers; (b) may be subject to redemption at such time or times and at such price or prices; (c) may be entitled to receive dividends (which may be cumulative or noncumulative) at such rate or rates, on such conditions, and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes of stock; (d) may have such rights upon the dissolution of, or upon any distribution of the assets of, the Corporation; (e) may be made convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock of the Corporation, at such price or prices or at such rates of exchange and with such adjustments; and (f) shall have such other relative, participating, optional or other special rights, qualifications, limitations or restrictions thereof, all as shall hereafter be stated and expressed in the resolution or resolutions providing for the issue of such Preferred Stock from time to time adopted by the Board of Directors pursuant to authority so to do which is hereby expressly vested in the Board.

C. Increase in Authorized Shares. The number of authorized shares of any class of stock of the Corporation may be increased by the affirmative vote of a majority of the stock of the Corporation entitled to vote thereon, without a vote by class or by series.

FIFTH: [Reserved].

SIXTH: A. The Board of Directors shall be divided into three classes (which at all times shall be as nearly equal in number as possible). The initial term of office of the first class ("Class I") shall expire at the 1988 annual meeting of stockholders, the initial term of office of the second class ("Class II") shall expire at the 1989 annual meeting of stockholders, and the initial term of office of the third class ("Class III") shall expire at the 1990 annual meeting of stockholders. At each annual meeting of stockholders following such initial classification, directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election. The foregoing notwithstanding, each director shall serve until his successor shall have been duly elected and qualified, unless he shall cease to serve by reason of death, resignation or other cause. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, but in no case shall a decrease in the number of directors shorten the term of any incumbent director.

B. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, and the Board of Directors shall determine the rights, powers, duties, rules and procedures that shall affect the power of the Board of Directors to manage and direct the business and affairs of the Corporation.

C. Newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation or other cause may be filled only by a majority vote of the directors then in office, though less than a quorum, or by a sole remaining director. Any director so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which he has been elected expires.

D. The provisions set forth in paragraphs A and C of this Article SIXTH are subject to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances as set forth in this Restated Certificate of Incorporation or in a resolution providing for the issuance of such stock adopted by the Board of Directors pursuant to authority vested in it by this Restated Certificate of Incorporation.

E. [Reserved].

SEVENTH: In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal the By-Laws of the Corporation.

EIGHTH: A. Subject to the rights of holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances as set forth in this Restated Certificate of Incorporation or in a resolution providing for the issuance of such stock adopted by the Board of Directors pursuant to authority vested in it by this Restated Certificate of Incorporation, nominations for the election of directors may be made by the Board of Directors or by a committee appointed by the Board of Directors, or by any stockholder entitled to vote in the election of directors generally provided that such stockholder has given actual written notice of such stockholders' intent to make such nomination or nominations to the Secretary of the Corporation not later than (1) with respect to an election to be held at an annual meeting of stockholders, 90 days prior to the anniversary date of the immediately preceding annual meeting of stockholders, and (2) with respect to an election to be held at a special meeting of stockholders for the election of directors, the close of business on the seventh day following (a) the date on which notice of such meeting is first given to stockholders or (b) the date on which public disclosure of such meeting is made, whichever is earlier.

B. Each such notice shall set forth: (1) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (2) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (3) a description of all arrangements or understandings involving any two or more of the stockholders, each such nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder or relating to the Corporation or its securities or to such nominee's service as a director if elected; (4) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had the nominee been nominated, or intended to be nominated, by the Board of Directors; and (5) the consent of each nominee to serve as a director of the Corporation if so elected. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

C. [Reserved].

NINTH: A. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

B. [Reserved].

TENTH: [Reserved].

ELEVENTH: Except as otherwise provided in this Restated Certificate of Incorporation, the Board of Directors shall have authority to authorize the issuance, from time to time without any vote or other action by the stockholders, of any or all shares of stock of the Corporation of any class at any time authorized, any securities convertible into or exchangeable for any such shares so authorized, and any warrant, option or right to purchase, subscribe for or otherwise acquire, shares of stock of the Corporation of any class at any time authorized, in each case to such persons and for such consideration and on such terms as the Board of Directors from time to time in its discretion lawfully may determine; provided, however, that the consideration for the issuance of shares of stock of the corporation having par value shall not be less than such par value. Stock so issued, for which the consideration has been paid to the Corporation, shall be fully paid stock, and the holders of such stock shall not be liable to any further call or assessments thereon.

TWELFTH: No holder of stock of any class of the Corporation or of any security convertible into, or of any warrant, option or right to purchase, subscribe for or otherwise acquire, stock of any class of the Corporation, whether now or hereafter authorized, shall, as such holder, have any pre-emptive right whatsoever to purchase, subscribe for or otherwise acquire, stock of any class of the Corporation or any security convertible into, or any warrant, option or right to purchase, subscribe for or otherwise acquire, stock of any class of the Corporation, whether now or hereafter authorized.

THIRTEENTH: Anything herein contained to the contrary notwithstanding, any and all right, title, interest, and claim in or to any dividends declared, or other distributions made, by the Corporation, whether in cash, stock or otherwise, which are unclaimed by the stockholder entitled thereto for a period of six years after the close of business on the payment date, shall be and be deemed to be extinguished and abandoned; and such unclaimed dividends or other distributions in the possession of the Corporation, its transfer agents or other agents or depositaries, shall at such time become the absolute property of the Corporation, free and clear of any and all claims of any persons whatsoever.

FOURTEENTH: A. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was or has agreed to become a director or officer of the Corporation, or is or was serving or has agreed to serve at the request of the Corporation as a director or officer of another Corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against costs, charges and other expenses (including attorneys' fees) ("Expenses"), judgments, fines and amount paid in settlement actually and reasonably incurred by him in

connection with such action, suit or proceeding and any appeal thereof if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. For purposes of this Article, "serving or has agreed to serve at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise" shall include any service by a director or officer of the Corporation as a director, officer, employee, agent or fiduciary of such other Corporation, partnership, joint venture, trust or other enterprise, or with respect to any employee benefit plan (or its participants or beneficiaries) of the Corporation or any such other enterprise.

B. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was or has agreed to become a director or officer of the Corporation or is or was serving or has agreed to serve at the request of the Corporation as a director or officer of another Corporation, partnership, joint venture, trust or other enterprise or by reason of any action alleged to have been taken or omitted in such capacity against Expenses actually and reasonably incurred by him in connection with the investigation, defense or settlement of such action or suit and any appeal thereof if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnify for such Expenses which the Court of Chancery of Delaware or such other court shall deem proper.

C. To the extent that any person referred to in paragraphs (A) or (B) of this Article has been successful on the merits or otherwise, including, without limitation, the dismissal of an action without prejudice, in defense of any action, suit or proceeding referred to therein or in defense of any claim, issue or matter therein, he shall be indemnified against Expenses actually and reasonably incurred by him in connection therewith.

D. Any indemnification under paragraphs (A) or (B) of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraphs (A) or (B). Such determination shall be made (i) by the board of directors by a majority vote of a quorum (as defined in the By-Laws of the Corporation) consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders.

E. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding and appeal upon receipt by the Corporation of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation.

F. The determination of the entitlement of any person to indemnification under paragraphs (A), (B) or (C) or to advancement of Expenses under paragraph (E) of this Article shall be made promptly, and in any event within 60 days after the Corporation has received a written request for payment from or on behalf of a director or officer and payment of amounts due under such sections shall be made immediately after such determination. If no disposition of such request is made within said 60 days or if payment has not been made within 10 days thereafter, or if such request is rejected, the right to indemnification or advancement of Expenses provided by this Article shall be enforceable by or on behalf of the director or officer in any court of competent jurisdiction. In addition to the other amounts due under this Article, Expenses incurred by or on behalf of a director or officer in successfully establishing his right to indemnification or advancement of Expenses, in whole or in part, in any such action (or settlement thereof) shall be paid by the Corporation.

G. The indemnification and advancement of Expenses provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of Expenses may be entitled under any law (common or statutory), By-Law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, or while employed by or acting as a director or officer of the Corporation or as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person. Notwithstanding the provisions of this Article, the Corporation shall indemnify or make advancement of Expenses to any person referred to in paragraphs (A) or (B) of this Article to the full extent permitted under the laws of Delaware and any other applicable laws, as they now exist or as they may be amended in the future.

H. All rights to indemnification and advancement of Expenses provided by this Article shall be deemed to be a contract between the Corporation and each director or officer of the Corporation who serves, served or has agreed to serve in such capacity, or at the request of the Corporation as director or officer of another corporation, partnership, joint venture, trust or other enterprise, at any time while this Article and the relevant provisions of the Delaware General Corporation Law or other applicable law, if any, are in effect. Any repeal or modification of this Article, or any repeal or modification of relevant provisions of the Delaware General Corporation Law or any other applicable law, shall not in any way diminish any rights to indemnification of or advancement of Expenses to such director or officer or the obligations of the Corporation.

I. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was or has agreed to become a director or officer of the Corporation, or is or was serving or has agreed to serve at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against any liability

asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

J. The Board of Directors may, by resolution, extend the provisions of this Article pertaining to indemnification and advancement of Expenses to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he is or was or has agreed to become an employee, agent or fiduciary of the Corporation or is or was serving or has agreed to serve at the request of the Corporation as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise or with respect to any employee benefit plan (or its participants or beneficiaries) of the corporation or any such other enterprise.

K. The invalidity or unenforceability of any provision of this Article shall not affect the validity or enforceability of the remaining provisions of this Article.

FIFTEENTH: No person who was or is a director of this Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for breach of the duty of loyalty to the Corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law; (iii) under Section 174 of the Delaware General Corporation Law; or (iv) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law is amended after the effective date of this Article to further eliminate or limit, or to authorize further elimination or limitation of, the personal liability of directors for breach of fiduciary duty as a director, then the personal liability of a director to this Corporation or its stockholders shall be eliminated or limited to the full extent permitted by the Delaware General Corporation Law, as so amended. For purposes of this Article, "fiduciary duty as a director" shall include any fiduciary duty arising out of serving at the request of this Corporation as a director of another corporation, partnership, joint venture, trust or other enterprise, and "personally liable to the Corporation" shall include any liability to such other Corporation, partnership, joint venture, trust or other enterprise, and any liability to this Corporation in its capacity as a security holder, joint venturer, partner, beneficiary, creditor or investor of or in any such other corporation, partnership, joint venture, trust or other enterprise.

Any repeal or modification of the foregoing paragraph by the stockholders of this Corporation shall not adversely affect the elimination or limitation of the personal liability of a director for any act or omission occurring prior to the effective date of such repeal or modification. This provision shall not eliminate or limit the liability of a director for any act or omission occurring prior to the effective date of this Article.

SIXTEENTH: Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this

Corporation under the provisions of section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders of this Corporation, as the case may be, and also this Corporation.

SEVENTEENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon the stockholders herein are granted subject to this reservation.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned has caused this Restated Certificate of Incorporation to be signed by Dale L. Matschullat Senior Vice President — General Counsel and Corporate Secretary of the Corporation.

By /s/ Dale L. Matschullat

Name: Dale L. Matschullat

Title: Senior Vice President — General Counsel
and Corporate Secretary

NEWELL RUBBERMAID INC. 2003 STOCK PLAN
(As Amended and Restated Effective February 8, 2006)
RESTRICTED STOCK UNIT AWARD AGREEMENT

A Restricted Stock Unit ("RSU") Award (the "Award") granted by Newell Rubbermaid Inc., a Delaware corporation (the "Company"), to the employee named in the attached Award letter (the "Grantee") relating to the common stock, par value \$1.00 per share (the "Common Stock"), of the Company, shall be subject to the following terms and conditions and the provisions of the Newell Rubbermaid Inc. 2003 Stock Plan, as amended and restated effective February 8, 2006 and further amended August 9, 2006 (the "Plan"), a copy of which is attached hereto and the terms of which are hereby incorporated by reference.

1. Acceptance by Grantee. The receipt of the Award is conditioned upon its acceptance by the Grantee in the space provided therefor at the end of the attached Award letter and the return of an executed copy of such Award letter to the Secretary of the Company no later than 60 days after the Award Date set forth therein or, if later, 30 days after the Grantee receives this Agreement.

2. Grant of RSUs. The Company hereby grants to the Grantee the Award of RSUs, as set forth in the Award letter. An RSU is the right, subject to the terms and conditions of the Plan and this Agreement, to receive a distribution of a share of Common Stock for each RSU as described in Section 7 of this Agreement.

3. RSU Account. The Company shall maintain an account ("RSU Account") on its books in the name of the Grantee which shall reflect the number of RSUs awarded to the Grantee.

4. Dividend Equivalents. Upon the payment of any dividend on Common Stock occurring during the period preceding the earlier of the date of vesting of the Grantee's Award or the date the Grantee's Award is forfeited as described with Section 5, the Company shall promptly pay to each Grantee an amount in cash equal in value to the dividends that the Grantee would have received had the Grantee been the actual owner of the number of shares of Common Stock represented by the RSUs in the Grantee's RSU Account on that date.

5. Vesting.

(a) Except as described in (b), (c) and (d) below, the Grantee shall become vested in his Award upon the third anniversary of the date of the grant of the Award (the "Award Date") if he remains in continuous employment with the Company or an affiliate until such date.

(b) If the Grantee's employment with the Company and all affiliates terminates prior to the third anniversary of the Award Date due to death or disability, the Award shall become vested on such date. For this purpose "disability" means (as determined by the Committee in its sole discretion) the inability of the Grantee to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which is expected to result in death or disability or which has lasted or can be expected to last for a continuous period of not less than 12 months.

(c) If the Grantee's employment with the Company and all affiliates terminates prior to the third anniversary of the Award Date due to retirement, the Award shall become vested on such date as provided in the table set forth below. The portion of the Award that does not vest as provided below shall be forfeited to the Company. For this purpose, "retirement" means the Grantee's termination without cause on or after the date on which the Grantee (i) has completed five years of credited service and (ii) either (A) has attained age 65 or (B) has attained age 55 and the sum of his age and credited service (his "points") equals or exceeds 60.

Age or Points	Vesting
Age 65 or 75 or more points	100% of the Pro-Rated Award vests
70-74 points	75% of the Pro-Rated Award vests
65-69 points	50% of the Pro-Rated Award vests
60-64 points	25% of the Pro-Rated Award vests

The term "credited service" means the Grantee's period of employment with the Company and all affiliates (including any predecessor company or business acquired by the Company or any affiliate, provided the Grantee was immediately employed by the Company or any affiliate). Age and credited service shall be determined in fully completed years and months, with each month being measured as a continuous period of 30 days. The term "cause" means the Grantee's termination of employment due to unsatisfactory performance or conduct detrimental to the Company or its affiliates, as determined solely by the Company. The term "affiliate" means each entity with whom the Company would be considered a single employer under Sections 414(b) and 414(c) of the Code, substituting "at least 50%" instead of "at least 80%" in making such determination. The term "Pro-Rated Award" means the portion of the Award determined by dividing the full number of months of employment with the Company and all affiliates during the Award's vesting period by 36 (carried out to three decimal points).

Any Grantee whose employment terminates due to retirement as described in this Section 5 must execute and deliver to the Company an agreement, in a form prescribed by the Company, and in accordance with procedures established by the Company, that he will not solicit employees, customers or suppliers of the Company and its affiliates, or compete with the Company and its affiliates, and that he releases all claims against the Company and its affiliates. If the Grantee fails to execute such agreement, or if the agreement is revoked by the Grantee, the Award shall be forfeited to the Company on the date of the Grantee's retirement.

(d) If the Grantee's employment with the Company and all affiliates terminates prior to the third anniversary of the Award Date for any reason other than death, disability or retirement, the entire Award shall be forfeited to the Company, and no portion of the Award shall vest.

(e) In the case of a Grantee who is also a Director, if the Grantee's employment with the Company and all affiliates terminates before the end of the Award's three-year vesting period, but the Grantee remains a Director, his service

on the Board will be considered employment with the Company and his Award will continue to vest while his service on the Board continues. Any subsequent termination of service on the Board will be considered termination of employment and vesting will be determined as of the date of such termination of employment.

The foregoing provisions of this Section 5 shall be subject to the provisions of any written employment security agreement or severance agreement that has been or may be executed by the Grantee and the Company, and the provisions in such employment security agreement or severance agreement concerning vesting of an Award shall supersede any inconsistent or contrary provision of this Section 5.

6. Adjustment of Performance-Based RSUs. The number of RSUs subject to the Award that are Performance-Based RSUs as described in the Award letter shall be adjusted by the Committee after the end of the three-year performance period that begins on January 1 of the year in which the Award is granted, in accordance with the Long-Term Incentive Plan established under the Plan (the "LTIP"). Any Performance-Based RSUs that vest in accordance with Section 5(b) or 5(c) prior to the date the Committee determines the level of performance goal achievement applicable to such RSUs shall not be adjusted pursuant to the LTIP. The particular performance criteria that applies to the Performance-Based RSUs are set forth in Exhibit A to this Agreement.

7. Settlement of Award. If a Grantee becomes vested in his Award in accordance with Section 5, the Company shall distribute to him, or his personal representative, beneficiary or estate, as applicable, a number of shares of Common Stock equal to the number of vested RSUs subject to the Award, as adjusted in accordance with Section 6, if applicable. Such shares shall be delivered within 30 days following the date of vesting.

8. Withholding Taxes. The Company shall withhold from any distribution made to the Grantee in cash an amount sufficient to satisfy all minimum Federal, state and local withholding tax requirements. In the case of a distribution made in shares of Common Stock, the Grantee shall pay to the Company an amount sufficient to satisfy all minimum Federal, state and local withholding tax requirements prior to the delivery of any shares. Payment of such taxes may be made by one or more of the following methods: (i) in cash, (ii) in cash received from a broker-dealer to whom the Grantee has submitted irrevocable instructions to deliver the amount of withholding tax to the Company from the proceeds of the sale of shares subject to the Award, (iii) by directing the Company to withhold a number of shares otherwise issuable pursuant to the Award with a Fair Market Value equal to the tax required to be withheld, (iv) by delivery to the Company of other Common Stock owned by the Grantee that is acceptable to the Company, valued at its Fair Market Value on the date of payment, or (v) by certifying to ownership by attestation of such previously owned Common Stock.

9. Rights as Stockholder. The Grantee shall not be entitled to any of the rights of a stockholder of the Company with respect to the Award, including the right to vote and to receive dividends and other distributions, until and to the extent the Award is settled in shares of Common Stock.

10. Share Delivery. Delivery of any shares in connection with settlement of the Award will be by book-entry credit to an account in the Grantee's name established by the

Company with the Company's transfer agent, or upon written request from the Grantee (or his personal representative, beneficiary or estate, as the case may be), in certificates in the name of the Grantee (or his personal representative, beneficiary or estate).

11. Award Not Transferable. The Award may not be transferred other than by will or the applicable laws of descent or distribution or pursuant to a qualified domestic relations order. The Award shall not otherwise be assigned, transferred, or pledged for any purpose whatsoever and is not subject, in whole or in part, to attachment, execution or levy of any kind. Any attempted assignment, transfer, pledge, or encumbrance of the Award, other than in accordance with its terms, shall be void and of no effect.

12. Administration. The Award shall be administered in accordance with such regulations as the Organizational Development and Compensation Committee of the Board of Directors of the Company (the "Committee") shall from time to time adopt.

13. Governing Law. This Agreement, and the Award, shall be construed, administered and governed in all respects under and by the laws of the State of Delaware.

IN WITNESS WHEREOF, this Agreement is executed by the Company this ____th day of ____, ____, effective as of the ____day of ____, ____.

NEWELL RUBBERMAID INC.

By: _____

**Performance Criteria Applicable to
Performance-Based RSUs for the Three-Year Performance Period**

1. 50% of the Performance-Based RSUs covered by the Award are subject to the TSR Comparator Group criterion:

- Members of the Comparator Group:

[complete]

- Once the Company's ranking in the Comparator Group is determined at the end of the three-year performance period beginning January 1, 2009, the number of RSUs subject to this criterion is multiplied by the applicable percentage set forth below. (Interpolation is used if the Company's ranking falls between the upper and lower comparator group ranking.)

Ranking	Multiplier
1 st	200%
6 th	150%
11 th	100%
16 th	50%
Below 20 th	0%

2. 50% of the Performance-Based RSUs covered by the Award are subject to the Absolute Total Shareholder Return ("TSR") Target:

- Absolute TSR Target: ____% (percentage increase in the Company's TSR for the three-year performance period beginning January 1, 2009)
- At the end of the performance period, the number of RSUs subject to this criterion is multiplied by the applicable percentage:

Level of Achievement of Target	Multiplier
90% or above	200%
25% or below	0%

(Interpolation is used if achievement falls between the 90% and 25% levels.)

NEWELL RUBBERMAID INC. 2003 STOCK PLAN
(As Amended and Restated Effective February 8, 2006)

RESTRICTED STOCK UNIT AWARD AGREEMENT

(Non-Employee Directors)

A Restricted Stock Unit ("RSU") Award (the "Award") granted by Newell Rubbermaid Inc., a Delaware corporation (the "Company"), to the non-employee director named in the attached Award letter (the "Grantee") relating to the common stock, par value \$1.00 per share (the "Common Stock"), of the Company, shall be subject to the following terms and conditions and the provisions of the Newell Rubbermaid Inc. 2003 Stock Plan, as amended and restated effective February 8, 2006 and further amended August 9, 2006 (the "Plan"), a copy of which is attached hereto and the terms of which are hereby incorporated by reference.

1. Acceptance by Grantee. The receipt of the Award is conditioned upon its acceptance by the Grantee in the space provided therefor at the end of the attached Award letter and the return of an executed copy of such Award letter to the Secretary of the Company no later than 60 days after the Award Date set forth therein or, if later, 30 days after the Grantee receives this Agreement.

2. Grant of RSUs. The Company hereby grants to the Grantee the Award of RSUs, as set forth in the Award letter. An RSU is the right, subject to the terms and conditions of the Plan and this Agreement, to receive a distribution of a share of Common Stock for each RSU as described in Section 6 of this Agreement.

3. RSU Account. The Company shall maintain an account ("RSU Account") on its books in the name of the Grantee which shall reflect the number of RSUs awarded to the Grantee.

4. Dividend Equivalents. Upon the payment of any dividend on Common Stock occurring during the period preceding the earlier of the date of vesting of the Grantee's Award or the date the Grantee's Award is forfeited as described with Section 5, the Company shall promptly pay to each Grantee an amount in cash equal in value to the dividends that the Grantee would have received had the Grantee been the actual owner of the number of shares of Common Stock represented by the RSUs in the Grantee's RSU Account on that date.

5. Vesting.

(a) Except as described in (b) below, the Grantee shall become vested in his Award upon the first anniversary of the date of the grant of the Award (the "Award Date") if he remains in continuous service on the Board until such date.

(b) If the Grantee's service on the Board terminates prior to the first anniversary of the Award Date due to his death, disability or retirement, the Grantee shall become vested in his Award. For this purpose (i) "disability" means (as determined by the Committee in its sole discretion) the inability of the Grantee to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which is expected to result in death or disability or which has lasted or can be expected to last for a continuous period of not less than 12 months; and (ii) "retirement" means the Grantee's retirement in accordance with the Company's retirement policy for Directors.

(c) If the Grantee's service on the Board terminates prior to the first anniversary of the Award Date for any reason other than death, disability or retirement, the entire Award shall be forfeited to the Company, and no portion of the Award shall vest.

6. Settlement of Award. If a Grantee becomes vested in his Award in accordance with Section 5, the Company shall distribute to him, or his personal representative, beneficiary or estate, as applicable, a number of shares of Common Stock equal to the number of vested RSUs subject to the Award. Such shares shall be delivered within 30 days following the date of vesting.

7. Withholding Taxes. If applicable, the Company shall withhold from any distribution made to the Grantee in cash an amount sufficient to satisfy all minimum Federal, state and local withholding tax requirements. Payment of such taxes may be made by a method specified in the Plan and approved by the Committee.

8. Rights as Stockholder. The Grantee shall not be entitled to any of the rights of a stockholder of the Company with respect to the Award, including the right to vote and to receive dividends and other distributions, until and to the extent the Award is settled in shares of Common Stock.

9. Share Delivery. Delivery of any shares in connection with settlement of the Award will be by book-entry credit to an account in the Grantee's name established by the Company with the Company's transfer agent, or upon written request from the Grantee (or his personal representative, beneficiary or estate, as the case may be), in certificates in the name of the Grantee (or his personal representative, beneficiary or estate).

10. Award Not Transferable. The Award may not be transferred other than by will or the applicable laws of descent or distribution or pursuant to a qualified domestic relations order. The Award shall not otherwise be assigned, transferred, or pledged for any purpose whatsoever and is not subject, in whole or in part, to attachment, execution or levy of any kind. Any attempted assignment, transfer, pledge, or encumbrance of the Award, other than in accordance with its terms, shall be void and of no effect.

11. Administration. The Award shall be administered in accordance with such regulations as the Organizational Development and Compensation Committee of the Board of Directors of the Company (the "Committee") shall from time to time adopt.

12. Governing Law. This Agreement, and the Award, shall be construed, administered and governed in all respects under and by the laws of the State of Delaware.

IN WITNESS WHEREOF, this Agreement is executed by the Company this ____th day of ____, ____, effective as of the ____day of ____, ____.

NEWELL RUBBERMAID INC.

By: _____

CERTIFICATION

I, Mark D. Ketchum, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended March 31, 2008 of Newell Rubbermaid Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2008

/s/ Mark D. Ketchum

Mark D. Ketchum
Chief Executive Officer

CERTIFICATION

I, J. Patrick Robinson, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended March 31, 2008 of Newell Rubbermaid Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2008

/s/ J. Patrick Robinson
J. Patrick Robinson
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Newell Rubbermaid Inc. (the "Company") on Form 10-Q for the period ending March 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark D. Ketchum, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark D. Ketchum

Mark D. Ketchum
Chief Executive Officer
May 12, 2008

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Newell Rubbermaid Inc. (the "Company") on Form 10-Q for the period ending March 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, J. Patrick Robinson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ J. Patrick Robinson

J. Patrick Robinson
Chief Financial Officer
May 12, 2008

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, 2007, as well as in its Quarterly Report on Form 10-Q for the quarter ended March 31, 2008, and the documents incorporated by reference therein 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, but are not limited to, information or assumptions about the effects of Project Acceleration, sales (including pricing), income/(loss), earnings per share, return on equity, return on invested capital, capital expenditures, working capital, cash flow, dividends, capital structure, debt to capitalization ratios, interest rates, internal growth rates, restructuring, impairment and other charges, potential losses on divestitures, impact of changes in accounting standards, pending legal proceedings and claims (including environmental matters), future economic performance, operating income improvements, costs and cost savings (including raw material and sourced product inflation, productivity and streamlining), synergies, and 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," "plan," "expect," "will," "should" or similar statements. You should understand that forward-looking statements are not guarantees because 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 2007 Form 10-K and the 1st Quarter 2008 Form 10-Q and the documents incorporated by reference therein could cause actual results to differ. Some of these factors are described as criteria for success. 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 the Company has correctly identified and assessed all of the factors affecting the Company or that the publicly available and other information the Company receives with respect to these factors is complete or correct.

The Company is subject to risks related to its dependence on the strength of retail economies in various parts of the world.

The Company's 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 factors such as consumer demand and the condition of the retail industry, which, in turn, are affected by general economic conditions and specific events such as natural disasters, terrorist attacks and political unrest. The impact of these external factors is difficult to predict, and one or more of the factors could adversely impact our business. In recent years, the retail industry in the U.S. and, increasingly, elsewhere has been characterized by intense competition among retailers. Because such competition, particularly in weak retail economies, can cause retailers to struggle or fail, the Company must continuously monitor, and adapt to changes in, the profitability, creditworthiness and pricing policies of its customers.

The Company is subject to intense competition in a marketplace dominated by large retailers.

The Company competes with numerous other manufacturers and distributors of consumer and commercial products, many of which are large and well established. The Company's principal customers are large mass merchandisers, such as discount stores, home centers, warehouse clubs and office superstores, and commercial distributors. 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 that have strong negotiating power with suppliers. Current trends among retailers include fostering high levels of competition among suppliers, demanding innovative new products and requiring suppliers to maintain or reduce product prices and deliver products with shorter lead times. Other trends are for retailers to import products directly from foreign sources and to source and sell products, under their own private label brands, that compete with the Company's products.

The combination of these market influences has created an intensely competitive environment in which the Company's principal customers continuously evaluate which product suppliers to use, resulting in downward pricing

pressures and the need for big, consumer-meaningful brands, the ongoing introduction and commercialization of innovative new products, continuing improvements in customer service, and the maintenance of strong relationships with large, high-volume purchasers. The Company also faces the risk of changes in the strategy or structure of its major retailer customers, such as overall store and inventory reductions and retailer consolidation. The resulting risks to the Company include possible loss of sales, reduced profitability and limited ability to recover cost increases through price increases.

To compete successfully, the Company must develop and commercialize a continuing stream of innovative new products that create consumer demand.

The Company's long-term success in the competitive retail environment depends on its ability to develop and commercialize a continuing stream of innovative new products that create consumer demand. The Company also faces the risk that its competitors will introduce innovative new products that compete with the Company's products. The Company's strategy includes increased investment in new product development and increased focus on innovation. There are, nevertheless, numerous uncertainties inherent in successfully developing and commercializing innovative new products on a continuing basis, and new product launches may not deliver expected growth in sales or operating income.

To compete successfully, the Company must develop and maintain big, consumer-meaningful brands.

The Company's ability to compete successfully also depends increasingly on its ability to develop and maintain consumer-meaningful brands so that the Company's retailer customers will need the Company's products to meet consumer demand. Consumer-meaningful brands allow the Company to realize economies of scale in its operations. The development and maintenance of such brands requires significant investment in brand building and marketing initiatives. While the Company is substantially increasing its expenditures for advertising and other brand building and marketing initiatives, the increased investment may not deliver the anticipated results.

Price increases in raw materials and sourced products could harm the Company's financial results.

The Company purchases some raw materials, including resin, glass, corrugate, steel, gold, zinc, brass and aluminum, which are subject to price volatility and inflationary pressures. The Company attempts to reduce its exposure to increases in those costs through a variety of programs, including periodic purchases, future delivery purchases, long-term contracts and sales price adjustments. Where practical, the Company uses derivatives as part of its risk management process. Also, as part of the Company's strategy to achieve best total cost, the Company increasingly relies on third party manufacturers as a source for products. These manufacturers are also subject to price volatility and inflationary pressures, which may, in turn, result in an increase in the amount the Company pays for sourced products. Raw material and sourced product price increases may more than offset productivity gains and could materially impact the Company's financial results.

The Company's success depends on its ability to continuously improve productivity and streamline operations.

The Company's success depends on its ability to continuously improve its manufacturing efficiencies, reduce supply chain costs and streamline non-strategic selling, general and administrative expenses in order to produce products at a best-cost position and allow the Company to invest in innovation and brand building. Project Acceleration includes the closure of approximately one-third of the Company's 64 manufacturing facilities. In addition, the Company continuously explores ways to best leverage its functional capabilities such as Human Resources, Information Technology, Customer Service, Supply Chain Management and Finance in order to improve efficiency and reduce costs. The Company runs the risk that Project Acceleration and other corporate initiatives aimed at streamlining operations and processes and cost reduction may not be completed substantially as planned, may be more costly to implement than expected, or may not have the positive effects anticipated, or that other major productivity and streamlining programs may be required after such projects are completed. In addition, disruptions in the Company's ability to supply products on a timely basis, which may be incidental to any problems in the execution of Project Acceleration or the other initiatives, could adversely affect the Company's future results.

The Company's ability to make strategic acquisitions and to integrate its acquired businesses is an important factor in the Company's future growth.

Although the Company has in recent years increasingly emphasized internal growth rather than growth by acquisition, the Company's ability to continue to make strategic acquisitions and to integrate the acquired businesses successfully, including obtaining anticipated cost savings and operating income improvements within a reasonable period of time, remain important factors in the Company's future growth. Furthermore, the cost of any future major acquisitions could constrain the Company's access to capital and increase the Company's borrowing costs.

The Company is subject to risks related to its international operations and sourcing model.

Foreign operations, especially in Europe, but also in Asia, Central and South America and Canada, are important to the Company's business. The Company is expanding from a U.S.-centric business model to one that includes international growth as an increasing focus. In addition, as the Company increasingly sources products in low-cost countries, particularly in the Far East, it is exposed to additional risks and uncertainties. Foreign operations can be affected by factors such as currency devaluation, other currency fluctuations, tariffs, nationalization, exchange controls, interest rates, limitations on foreign investment in local business and other political, economic and regulatory risks and difficulties. The Company also faces risks due to the transportation and logistical complexities inherent in increased reliance on foreign sourcing.

The Company faces challenges and uncertainties as it transforms into a company that grows through consumer-meaningful brands and new product innovation.

The Company is undergoing a transformation from a portfolio-holding company that grew through acquisitions to a focused group of leadership platforms that generate internal growth driven by consumer-meaningful brands and new product innovation. Such a transformation will require significant investment in brand-building, marketing and product development and the development of the right methods for understanding how consumers interact with the Company's brands and categories and measuring the effectiveness of advertising and promotion spending. Although the process is well underway, significant challenges and uncertainties remain.

Complications in connection with the Company's current information system initiative may impact its results of operations, financial condition and cash flows.

The Company is in the process of replacing various business information systems worldwide with an enterprise resource planning system from SAP. To date, the Company has successfully gone live with the SAP implementation at its North American Office Products business unit and its North American Home & Family business units. These go-lives are the first two major milestones in a multi-year implementation that will occur in several phases, primarily based on geographic region and segment. This activity involves the migration of multiple legacy systems and users to a common SAP information platform. Throughout this process, the Company is changing the way it conducts business and employees' roles in processing and utilizing information. In addition, this conversion will impact certain interfaces with the Company's customers and suppliers, resulting in changes to the tools used to take orders, procure material, schedule production, remit billings, make payments and perform other business functions. Based upon the complexity of this initiative, there is risk that the Company will be unable to complete the implementation in accordance with its timeline and will incur additional costs. The implementation could result in operating inefficiencies, and the implementation could impact the Company's ability to perform necessary business transactions. All of these risks could adversely impact the Company's results of operations, financial condition and cash flows.

Impairment charges could have a material adverse effect on the Company's financial results.

Future events may occur that would adversely affect the reported value of the Company's assets and require impairment charges. Such events may include, but are not limited to, strategic decisions made in response to changes in economic and competitive conditions, the impact of the economic environment on the Company's customer base, the unfavorable resolution of litigation, including patent infringement litigation involving PSI Systems, Inc., or a material adverse change in the Company's relationship with significant customers or business partners.

Product liability claims or regulatory actions could adversely affect the Company's financial results or harm its reputation or the value of its end-user brands.

Claims for losses or injuries purportedly caused by some of the Company's products arise in the ordinary course of the Company's business. In addition to the risk of substantial monetary judgments, product liability claims or regulatory actions could result in negative publicity that could harm the Company's reputation in the marketplace or adversely impact the value of its end-user brands. The Company could also be required to recall possibly defective products, which could result in adverse publicity and significant expenses. Although the Company maintains product liability insurance coverage, potential product liability claims are subject to a self-insured retention or could be excluded under the terms of the policy.