SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED	COMMISSION FILE NUMBER
DECEMBER 31, 2001	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.)
Newell Center 29 East Stephenson Street Freeport, Illinois (Address of principal executive offices)	61032-0943 (Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, $1 par value per share, and associated Common Stock Purchase Rights	New York Stock Exchange Chicago Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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 [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy

or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

There were 282.5 million shares of the Registrant's Common Stock outstanding as of February 28, 2002. The aggregate market value of the shares of Common Stock (based upon the closing price on the New York Stock Exchange on that date) beneficially owned by non-affiliates of the Registrant was approximately $7,785.8 million. For purposes of the foregoing calculation only, which is required by Form 10-K, the Registrant has included in the shares owned by affiliates those shares owned by directors and officers of the Registrant, and such inclusion shall not be construed as an admission that any such person is an affiliate for any purpose.

* * *

The Form 10-K has been amended to include the information in Part III that had previously been incorporated by reference and to make other minor revisions.

DOCUMENTS INCORPORATED BY REFERENCE

PART III

None.

ITEM 1. BUSINESS

"Newell" or the "Company" refers to Newell Rubbermaid Inc. alone or with its wholly-owned subsidiaries, as the context requires.

GENERAL

The Company is a global manufacturer and full-service marketer of name-brand consumer products serving the needs of volume purchasers, including discount stores and warehouse clubs, home centers and hardware stores, and office superstores and contract stationers. The Company's basic business strategy is to merchandise a multi-product offering of everyday consumer products, backed by an obsession with customer service excellence and new product development, in order to achieve maximum results for its stockholders. The Company's multi-product offering consists of name-brand consumer products in five business segments: Rubbermaid; Parker/Eldon; Levolor/Hardware; Calphalon/WearEver and Little Tikes/Graco. The Company's financial objectives are to achieve above-average sales and earnings per share growth, maintain a superior return on investment and maintain a conservative level of debt. To accomplish these objectives, the Company established five key measures to measure financial performance: internal sales growth, operating income as a percent of sales, working capital as a percent of sales, free cash flow and return on invested capital. The Company defines free cash flow as cash provided from operating activities less capital expenditures and dividends.

In an effort to achieve superior performance in the five key financial measures, the Company introduced six transformational strategic initiatives in 2001 as follows: Productivity, New Product Development, Marketing, Key Accounts, Streamlining, and Collaboration.

Productivity is the initiative to reduce the cost of manufacturing a product by at least five percent per year, annually. New Product Development represents the commitment to develop and introduce cutting-edge, innovative new products to the market. The marketing initiative represents the Company's commitment to transform from a push to pull marketing organization, focusing on the end-user. The Key Account initiative represents the Company's intention to allocate resources to those strategic retailers the Company believes will continue to grow in the near future. Streamlining is the commitment to reduce non-value added costs and cut out excess layers, in an effort to be the low-cost supplier. Collaboration is the Company's initiative for the divisional operating units to work together and maximize economies of scale and the use of best-practices.

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 sales, income, earnings per share, return on equity, return on invested capital,

capital expenditures, working capital, dividends, capital structure, free cash flow, debt to capitalization ratios, interest rates, internal growth rates, Euro conversion plans and related risks, impact of changes in accounting standards, pending legal proceedings and claims (including environmental matters), future economic performance, operating income improvements, synergies, management's plans, goals and objectives for future operations and growth or the assumptions relating to any of the forward-looking statements. The Company cautions that forward-looking statements are not guarantees since there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. Factors that could cause actual results to differ include, but are not limited to, those matters set forth in this Report and Exhibit 99 to this Report.

BUSINESS SEGMENTS

RUBBERMAID

The Company's Rubbermaid business is conducted by the Rubbermaid Home Products, Rubbermaid Commercial Products, Curver (Europe), Rubbermaid Closet & Organization Products and Goody divisions. Rubbermaid Home Products and Curver design, manufacture or source, package and distribute indoor and outdoor organization, storage, and cleaning products. Rubbermaid Commercial Products designs, manufactures or sources, packages and distributes industrial and commercial waste and recycling containers, cleaning equipment, food storage, serving and transport containers, outdoor play systems and home health care products. Rubbermaid Closet & Organization Products primarily designs, manufactures or sources, packages and distributes wire storage and laminate products and ready-to-assemble closet organization and work shop cabinets and distributes hardware, which includes bolts, screws and mechanical fasteners. Goody designs, sources, manufactures, packages and distributes hair care accessories.

Rubbermaid Home Products, Rubbermaid Commercial Products, Curver, Rubbermaid Closet & Organization Products and Goody primarily sell their products under the Rubbermaid{R}, Curver{R}, Blue Ice{R}. Carex{R}, Wilhold{R}, Dorfile{R}, Lee Rowan{R}, System Works{R}, Ace{R}, and Goody{R} trademarks.

Rubbermaid Home Products, Curver and Goody market their products directly and through distributors to mass merchants, warehouse clubs, grocery/drug stores and hardware distributors, using a network of manufacturers' representatives, as well as regional direct sales representatives and market-specific sales managers. Rubbermaid Commercial Products and Rubbermaid Closet & Organization Products market their products directly and through distributors to commercial channels and home centers using a direct sales force.

PARKER/ELDON

The Company's Parker/Eldon business is conducted by the Sanford North America, Sanford International, Eldon Office Products and Cosmolab divisions. Sanford North America primarily designs, manufactures or sources, packages and distributes permanent/waterbase markers, dry erase markers, overhead projector pens, highlighters, wood-cased pencils, ballpoint pens and inks, and other art supplies. It also distributes other writing instruments including roller ball pens and mechanical pencils for the retail marketplace. Sanford International primarily designs and manufactures, packages and distributes ball point pens, wood-cased pencils, roller ball pens and other art supplies for the retail and distributor markets. Eldon Office Products primarily designs, manufactures or sources, packages and

distributes desktop accessories, computer accessories, storage products, card files and chair mats. Cosmolab primarily designs and manufactures, packages and distributes private label cosmetic pencils for commercial customers.

Sanford primarily sells its products under the trademarks Sanford{R}, Sharpie{R}, Paper Mate{R}, Parker{R}, Waterman{R}, Colorific{R}, Eberhard Faber{R}, Berol{R}, Grumbacher{R}, Reynolds{R}, Rotring{R}, Uni-Ball{R} (used under exclusive license from Mitsubishi Pencil Co. Ltd. and its subsidiaries in North America), Expo{R}, Accent{R}, Vis-a-Vis{R}, Expresso{R}, Liquid Paper{R}, and Mongol{R}. Eldon Office Products markets its products under the Rolodex{R}, Eldon{R}, Rogers{R} and Rubbermaid{R} trademarks.

Sanford North America markets its products directly and through distributors to mass merchants, warehouse clubs, grocery/drug stores, office superstores, office supply stores, contract stationers, and hardware distributors, using a network of company sales representatives, regional sales managers, key account managers and selected manufacturers' representatives. Sanford International markets its products directly to retailers and distributors using a direct sales force. Eldon Office Products markets its products directly and through distributors to mass merchants, warehouse clubs, grocery/drug stores, office superstores, office supply stores and contract stationers, using a network of manufacturers' representatives, as well as regional zone and market-specific key account representatives and sales managers.

LEVOLOR/HARDWARE

The Company's Levolor/Hardware business is conducted by the Levolor/Kirsch, Newell Window Fashions Europe, Amerock Cabinet and Window Hardware Systems, EZ Paintr, BernzOmatic and Newell Hardware Europe divisions. Levolor/Kirsch primarily design, manufacture or source, package and distribute drapery hardware, made-to-order and stock horizontal and vertical blinds, as well as pleated, cellular and roller shades for the retail marketplace. Levolor/Kirsch also produces window treatment components for custom window treatment fabricators. Newell Window Fashions Europe primarily designs, manufactures, packages and distributes drapery hardware and made-to-order window treatments for the European retail marketplace. Amerock Cabinet and Window Hardware Systems manufacture or source, package and distribute cabinet hardware for the retail and O.E.M. marketplace and window hardware for window manufacturers. EZ Paintr manufactures and distributes manual paint applicator products. BernzOmatic manufactures and distributes propane/oxygen hand torches. Newell Hardware Europe is a manufacturer and marketer of shelving and storage products, cabinet hardware and functional trims.

Amerock, EZ Paintr, BernzOmatic, and Newell Hardware Europe primarily sell their products under the trademarks Amerock{R}, Allison{R}, EZ

Paintr{R}, Shur-Line{R}, Rubbermaid{R}, BernzOmatic{R}, Douglas Kane{R}, Spur{R}, Nenplas{R}, Homelux{R} and Ashland{R}.

Levolor/Kirsch and Newell Window Fashions Europe primarily sell their products under the trademarks Levolor{R}, Newell{R}, LouverDrape{R}, Del Mar{R}, Kirsch{R}, Acrimo{R}, Swish{R}, Gardinia{R}, Harrison Drape{R}, Spectrim{R}, MagicFit{R}, Riviera{R} and Levolor Cordless{TM}. Amerock, EZ Paintr, BernzOmatic and Newell Hardware Europe primarily sell their products under the trademarks Amerock{R}, Allison{R}, EZ Paintr{R}, BernzOmatic{R}, Nenplas{R}, Homelux{R}and Ashland{R}.

Levolor/Kirsch, Amerock, EZ Paintr and BernzOmatic market their products directly and through distributors to mass merchants, home centers, department/specialty stores, hardware distributors, custom shops and select contract customers, using a network of manufacturers' representatives, as well as regional account and market-specific sales managers. Newell Window Fashions Europe and Newell Hardware Europe market their products to mass merchants and buying groups using a direct sales force.

On March 3, 2002, the Company reached a definitive agreement to acquire American Tool Companies, Inc., a leading manufacturer of hand tools and power tool accessories, in which the Company already holds a 49.5 percent stake. The purchase price is approximately $419 million, which includes cash for the equity of the other shareholders of American Tool and the assumption of 100 percent of American Tool's debt. American Tool had fiscal 2001 revenues of $443.6 million and has manufacturing and distribution facilities in the U.S., Europe, South America, Australia and Asia. American Tool will become part of the Levolor/Hardware Group. The Company expects to close the transaction, which is subject to regulatory approvals and other customary closing conditions, by the end of April 2002.

CALPHALON/WEAREVER

The Company's Calphalon/WearEver business is conducted by the Mirro, Panex, Calphalon cookware and bakeware divisions, the Anchor Hocking and Newell Europe glassware divisions, Connoisseur/Burnes and Newell Photo Fashion Europe divisions. Mirro and Panex primarily design, manufacture, package and distribute aluminum and steel cookware and bakeware for the U.S. and Central and South America retail marketplace. In addition, Mirro designs, manufactures, packages and distributes various specialized aluminum cookware and bakeware items for the food service industry. It also produces aluminum contract stampings and components for other manufacturers and makes aluminum and plastic kitchen tools and utensils. Mirro's manufacturing operations are highly integrated, rolling sheet stock from aluminum ingot, and producing phenolic handles and knobs at its own plastics molding facility. Calphalon primarily designs, manufactures or sources, packages and distributes hard anodized aluminum and stainless

steel cookware and bakeware for the department/specialty store marketplace. Anchor Hocking and Newell Europe glassware primarily design, manufacture, package and distribute glass products. These products include glass ovenware, servingware, cookware and dinnerware products. Anchor Hocking also produces foodservice products, glass lamp parts, lighting components, meter covers and appliance covers for the foodservice and specialty markets. Newell Europe also produces glass components for appliance manufacturers, and its products are marketed primarily in Europe, the Middle East and Africa. Connoisseur/Burnes and Newell Photo Fashion Europe primarily design, manufacture or source, package and distribute wood, wood composite and metal ready-made picture frames and photo albums.

Mirro and Calphalon primarily sell their products under the trademarks Mirro{R}, WearEver{R}, Calphalon{R}, Regal{R}, Panex{R}, Penedo{TM}, Rochedo{TM}, Clock{TM}, AirBake{R}, Cushionaire{R}, Concentric Air{R}, Channelon{R}, WearEver Air{R}, Club{R}, Royal Diamond{R} and Kitchen Essentials{R}. Anchor Hocking products are sold primarily under the trademarks Anchor{TM}, Anchor Hocking{R} and Oven Basics{R}. Newell Europe's products are sold primarily under the trademarks of Pyrex{R}, Vision and Visions{R} (each used under exclusive license from Corning Incorporated and its subsidiaries in Europe, the Middle East and Africa only), Pyroflam{R} and Vitri{R}. Connoisseur/Burnes ready-made picture frames are sold primarily under the trademarks Intercraft{R}, Decorel{R}, Burnes of Boston{R}, Carr{R}, Rare Woods{R}, Terragrafics{R} and Connoisseur{R}, while photo albums are sold primarily under the Holson{R} trademark. Newell Photo Fashion Europe primarily sell their products under the trademarks Albadecor{R} and Panodia{R}.

Mirro markets its products directly to mass merchants, warehouse clubs, grocery/drug stores, department/specialty stores, hardware distributors, cable TV networks and select contract customers, using a network of manufacturers' representatives, as well as regional zone and market-specific sales managers. Calphalon primarily markets its products directly to department/specialty stores. Anchor Hocking markets its products directly to mass merchants, warehouse clubs, grocery/drug stores, department/specialty stores, hardware distributors and select contract customers, using a network of manufacturers' representatives, as well as regional zone and market-specific sales managers. Anchor Hocking also markets its products to manufacturers which supply the mass merchant and home party channels of trade. Newell Europe markets its products to mass merchants, industrial manufacturers and buying groups using a direct sales force and manufacturers' representatives in some markets. Connoisseur/Burnes markets its products directly to mass merchants, warehouse clubs, grocery/drug stores and department/specialty stores, using a network of manufacturers' representatives, as well as regional zone and market-specific sales managers. Intercraft{R}, Decorel{R} and Holson{R} products are sold primarily to mass merchants, while the remaining U.S. brands are sold primarily to department/specialty stores. Newell Photo Fashion Europe markets its products to mass merchants, buying groups and the do-it-yourself market using a direct sales force.

LITTLE TIKES/GRACO

The Company's Little Tikes/Graco business is conducted by the Little Tikes and Graco/Century divisions. These businesses design, manufacture or source, package and distribute infant and juvenile products such as toys, high chairs, infant seats, strollers, play yards, ride-ons and outdoor activity play equipment.

Little Tikes and Graco/Century primarily sell their products under the Little Tikes{R}, Graco{R} and Century{R} trademarks.

Little Tikes and Graco/Century market their products directly and through distributors to mass merchants, warehouse clubs, grocery/drug stores and hardware distributors, using a network of manufacturers' representatives, as well as regional direct sales representatives and market-specific sales managers.

NET SALES BY BUSINESS SEGMENT

The following table sets forth the amounts and percentages of the Company's net sales for the three years ended December 31 (including sales of acquired businesses from the time of acquisition and sales of divested businesses through date of sale), for the Company's five business segments. Sales to Wal*Mart Stores, Inc. and subsidiaries amounted to approximately 15% of consolidated net sales in 2001, 2000 and 1999. Sales to no other customer exceeded 10% of consolidated net sales.

(IN MILLIONS, EXCEPT PERCENTAGES)	2001	% of total	2000	% of total	1999	% of total
~~Rubbermaid~~	~~$1,819.3~~	~~26.4%~~	~~$1,946.5~~	~~28.1%~~	~~$2,004.3~~	~~29.9%~~
~~Parker/Eldon~~	~~1,673.5~~	~~24.2~~	~~1,288.0~~	~~18.5~~	~~1,218.0~~	~~18.1~~
~~Levolor/Hardware~~	~~1,382.6~~	~~20.0~~	~~1,455.0~~	~~21.0~~	~~1,400.6~~	~~20.9~~
~~Calphalon/WearEver~~	~~1,161.7~~	~~16.8~~	~~1,246.9~~	~~18.0~~	~~1,186.0~~	~~17.7~~
~~Little Tikes/Graco~~	~~872.2~~	~~12.6~~	~~998.3~~	~~14.4~~	~~902.9~~	~~13.4~~
~~Total Company~~	~~$6,909.3~~	~~100.0%~~	~~$6,934.7~~	~~100.0%~~	~~$6,711.8~~	~~100.0%~~

~~Certain 2000 and 1999 amounts have been reclassified to conform with the 2001 presentation.~~

~~Growth Strategy~~

~~The Company's growth strategy emphasizes internal growth and acquisitions. The Company has grown internally principally by introducing new products, entering new domestic and international markets, adding new customers, cross selling existing product lines to current customers and supporting its U.S. based customers' international expansion. The Company has supplemented internal growth, both domestically and internationally, by acquiring businesses with brand name product lines and improving the profitability of such businesses through an integration process referred to as "Newellization." Since 1990, the Company has completed more than 20 major acquisitions (excluding Rubbermaid) representing more than $3 billion in additional sales.~~

~~Internal Growth~~

~~An important element of the Company's growth strategy is internal growth. Internal growth is accomplished through introducing new products, entering new domestic and international markets, adding new customers, cross selling existing product lines to current customers and supporting its U.S. based customers' international expansion. Internal growth is defined by the Company as growth from its "core businesses," which include continuing businesses owned more than one year and minor acquisitions. The Company's goal is to achieve above average internal growth, and is committed to achieving 5% internal growth by the end of 2004.~~

ACQUISITIONS AND INTEGRATION

Acquisition Strategy

The Company supplements internal growth by acquiring businesses and product lines with a strategic fit with the Company's existing businesses. It also seeks to acquire product lines with a number one or two position in the markets in which they compete, a low technology level, a long product life cycle and the potential to reach the Company's standard of profitability. In addition to adding entirely new product lines, the Company uses acquisitions to round out existing businesses and fill gaps in its product offering, add new customers and distribution channels, expand shelf space for the Company's products with existing customers, and improve operational efficiency through shared resources. The Company intends to continue to pursue acquisition opportunities to complement internal growth.

Newellization

"Newellization" is the Company's well established profit improvement and productivity enhancement process that is applied to integrate newly acquired product lines. The Newellization process includes establishing a more focused business strategy, improving customer service, reducing corporate overhead through centralization of administrative functions and tightening financial controls. In integrating acquired businesses, the Company typically centralizes accounting systems, capital expenditure approval, cash management, order processing, billing, credit, accounts receivable and data processing operations. To enhance efficiency, Newellization also focuses on improving manufacturing processes, eliminating non productive lines, reducing inventories, increasing accounts receivable turnover, extending accounts payable terms and trimming excess costs. The Newellization process usually takes approximately two to three years to complete.

Selective Globalization

The Company is pursuing selective international opportunities to further its internal growth and acquisition objectives. The rapid growth of consumer goods economies and retail structures in several regions outside the U.S., particularly Europe, Mexico and South America, makes them attractive to the Company by providing selective opportunities to acquire businesses, develop partnerships with new foreign customers and extend relationships with the Company's domestic customers whose businesses are growing internationally. The Company's recent acquisitions, combined with existing sales to foreign customers, increased its sales outside the U.S. to approximately 27% of total sales in 2001 from 25% in 2000 and 23% in 1999.

Additional information regarding acquisitions of businesses is included in Item 6 and Footnote 2 to the consolidated financial statements.

STRATEGIC INITIATIVES

Productivity

The Company's objective is to reduce the cost of manufacturing a product by at least five percent per year on an ongoing basis in order to become the low cost supplier to our customers. To achieve productivity, the Company will focus on reducing purchasing costs, materials handling costs, manufacturing inefficiencies, and excess overhead costs to reduce the overall cost of manufacturing products.

New Product Development

The Company is determined to become the leader in introducing cutting edge, innovative, and patented new products to the marketplace. The Company seeks to employ the best and brightest new product engineers in order to achieve this goal through the implementation and execution of a world class product development process. The Company's intention is to become a "new product machine" that will enhance the brand image and help secure additional store listings.

Marketing

The Company's objective is to develop long term, mutually beneficial partnerships with its customers and become their supplier of choice. To achieve this goal, the Company has a value added marketing program that offers a family of leading brand name staple products, tailored

~~sales programs, innovative merchandising support, in store services and responsive top management.~~

~~The Company's marketing skills help customers stimulate store traffic and sales through timely advertising and innovative promotions. The Company also assists customers in differentiating their offerings by customizing products and packaging. Through self selling packaging and displays that emphasize good better best value relationships, retail customers are encouraged to trade up to higher value, best quality products.~~

~~The Company is also committed to selective media advertising, including national television advertising, where appropriate in order to increase brand awareness among end users of the product.~~

~~Customer service also involves customer contact with top level decision makers at the Company's divisions. As part of its~~

~~decentralized structure, the Company's division presidents are the chief marketing officers of their product lines and communicate directly with customers. This structure permits early recognition of market trends and timely response to customer problems.~~

~~Multi Product Offering~~

~~The Company's increasingly broad product coverage in multiple product lines permits it to more effectively meet the needs of its customers. With families of leading, brand name products and profitable new products, the Company also can help volume purchasers sell a more profitable product mix. As a potential single source for an entire product line, the Company can use program merchandising to improve product presentation, optimize display space for both sales and income and encourage impulse buying by retail customers.~~

~~Customer Service~~

~~The Company believes that one of the primary ways it distinguishes itself from its competitors is through customer service. The Company's ability to provide superior customer service is a result of its information technology, marketing and merchandising programs designed to enhance the sales and profitability of its customers and consistent on time delivery of its products~~

~~Key Accounts~~

~~In 2001, the Company introduced the Key Account Program, establishing sales organizations specifically to handle Wal*Mart, The Home Depot and Lowe's. As part of this program, the Company established President level positions to more effectively manage the relationships with these accounts. The program allows the Company to present these customers with "one face" to enhance the Company's response time and understanding of the customer's needs, ensuring the best possible relationship.~~

~~Phoenix Program~~

~~In 2001, the Company introduced its Phoenix program. This initiative is an action oriented field sales force consisting of approximately 500 recent university graduates. The team works in the field, primarily within our Key Account structure performing product demonstrations, merchandising product, interacting with the end user, and maintaining an ongoing relationship with store personnel. This initiative allows the Company to ensure product placement and minimize stock outages. As a result of this program, the Company will leverage their relationship with these Key Accounts to maximize shelf space potential.~~

~~Streamlining~~

~~The streamlining initiative represents the Company's commitment and focus on reducing nonvalue added activities and excess layers within the organization. The Company's goal is to use the savings generated from streamlining to fund marketing and other key initiatives, without increasing total expenses. The Company is vigilant in creating a leaner organization that is more flexible in its response time, both internally and externally.~~

~~Collaboration~~

~~Collaboration represents the Company's focus to benefit from the sharing of best practices and the reduction of costs achieved through economies of scale. For example, functions, such as purchasing and distribution and transportation, have been centralized to increase buying power across the Company.~~

~~Additionally, certain administrative functions are centralized at the corporate level including cash management, accounting systems, capital expenditure approvals, order processing, billing, credit, accounts receivable, data processing operations and legal functions. Centralization concentrates technical expertise in one location, making it easier to observe overall business trends and manage the Company's businesses.~~

~~OTHER INFORMATION~~

~~On Time Delivery~~

~~A critical element of the Company's customer service is consistent on time delivery of products to its customers. Retailers are pursuing a number of strategies to deliver the highest quality, lowest cost products to their customers. A growing trend among retailers is to purchase on a "just in time" basis in order to reduce inventory costs and increase returns on investment. As retailers shorten their lead times for orders, manufacturers need to more closely anticipate consumer buying patterns. The Company supports its retail customers' "just in time" inventory strategies through investments in improved forecasting systems, more responsive manufacturing and distribution capabilities and electronic communications. The Company manufactures the vast majority of its products and has extensive experience in high volume, cost effective manufacturing. The high volume nature of its manufacturing processes and the relatively consistent demand for its products enables the Company to ship most products directly from its factories without the need for independent warehousing and distribution centers. For 2001, approximately 98% of the items ordered by customers were shipped on time, typically within two to three days of the customer's order.~~

~~Foreign Operations~~

~~Information regarding the Company's 2001, 2000 and 1999 foreign operations is included in Footnote 14 to the consolidated financial statements and is incorporated by reference herein.~~

~~Raw Materials~~

~~The Company has multiple foreign and domestic sources of supply for substantially all of its material requirements. The raw materials and various purchased components required for its products have generally been available in sufficient quantities.~~

~~Backlog~~

~~The dollar value of unshipped factory orders is not material.~~

~~Seasonal Variations~~

~~The Company's product groups are only moderately affected by seasonal trends. The Rubbermaid, Little Tikes/Graco and Calphalon/WearEver business segments typically have higher sales in the second half of~~

~~the year due to retail stocking related to the holiday season; the Levolor/Hardware business segment has higher sales in the second and third quarters due to an increased level of do it yourself projects completed in the summer months; and the Parker/Eldon business segment has higher sales in the second and third quarters due to the back to~~

school season. Because these seasonal trends are moderate, the Company's consolidated quarterly sales do not fluctuate significantly, unless a significant acquisition is made.

Patents and Trademarks

The Company has many patents, trademarks, brand names and trade names, none of which is considered material to the consolidated operations.

Competition

The Company competes with numerous other manufacturers and distributors of consumer 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. The rapid growth of these large mass merchandisers, together with changes in consumer shopping patterns, have contributed to a significant consolidation of the consumer products retail industry and the formation of dominant multi category retailers, many of which have strong bargaining power with suppliers. This environment significantly limits the Company's ability to recover cost increases through selling prices. Other trends among retailers are to foster high levels of competition among suppliers, to demand that manufacturers supply innovative new products and to require suppliers to maintain or reduce product prices and deliver products with shorter lead times. Another trend, in the absence of a strong new product development effort or strong end user brands, is for the retailer to import generic products directly from foreign sources. 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 pricing pressures and the need for strong end user brands, the ongoing introduction of innovative new products and continuing improvements in customer service.

For more than 30 years, the Company has positioned itself to respond to the challenges of this retail environment by developing strong relationships with large, high volume purchasers. The Company markets its strong multi product offering through virtually every category of high volume retailer, including discount, drug, grocery and variety chains, warehouse clubs, department, hardware and specialty stores, home centers, office superstores, contract stationers and military exchanges. The Company's largest customer, Wal*Mart (including Sam's Club), accounted for approximately 16% of net sales in 2001. Other

top ten customers included The Home Depot, Lowe's, Toys 'R Us, Target, Kmart, The Office Depot, JC Penney, United Stationers, and Staples.

The Company's other principal methods of meeting its competitive challenges are high brand name recognition, superior customer service (including industry leading information technology, innovative "good-better-best" marketing and merchandising programs), consistent on-time delivery, decentralized manufacturing and marketing, centralized administration, and experienced management.

Environment

Information regarding the Company's environmental matters is included in the Management's Discussion and Analysis section of this report and in Footnote 15 to the consolidated financial statements and is incorporated by reference herein.

Employees

The Company has approximately 49,425 employees worldwide, of whom 9,705 are covered by collective bargaining agreements or, in certain countries, other collective arrangements decreed by statute.

~~ITEM 2. REAL PROPERTIES~~

~~The following table shows the location and general character of the principal operating facilities owned or leased by the Company. The properties are listed within their designated business segment: Rubbermaid Group; Calphalon/WearEver Group; Parker/Eldon Group; Levolor/Hardware Group; and Little Tikes/Graco Group. These are the primary manufacturing locations and in many instances also contain administrative offices and warehouses used for distribution of our products. The Company also maintains sales offices throughout the United States and the world. The executive offices are located in Rockford, IL, which is a leased facility occupying approximately 9,800 square feet. The corporate offices are located in Illinois in owned facilities at Freeport (approximately 91,000 square feet). Most of the idle facilities, which are excluded from the following list, are subleased while being held pending sale or lease expiration. The Company's properties are generally in good condition, well maintained, and are suitable and adequate to carry on the Company's business.~~

BUSINESS SEGMENT	LOCATION	CITY	OWNED OR LEASED	GENERAL CHARACTER
The Rubbermaid Group				
	AZ	Phoenix	L	Commercial Products
	Mexico	Cadereyta	L	Commercial Products
	TN	Cleveland	O	Commercial Products - 2 facilities
	Mexico	Monterrey	L	Commercial Products
	VA	Winchester	O/L	Commercial Products - 2 facilities
	GA	Manchester	O	Hair Accessories
	AZ	Phoenix	O	Home Products
	France	Amiens	O	Home Products
	France	Grossiat	O	Home Products
	France	Lomme	L	Home Products
	Germany	Dreieich	O	Home Products
	Hungary	Debrecen	L	Home Products
	IA	Centerville	O	Home Products
	Mexico	Cartagena	O	Home Products
	NC	Greenville	O	Home Products
	Netherlands	Brunssum	O	Home Products
	OH	Mogadore	O	Home Products
	OH	Wooster	O	Home Products
	Ontario	Mississauga	O	Home Products
	Poland	Seupsk	O	Home Products
	Spain	Zaragoza	O	Home Products
	TX	Cleburne	O	Home Products
	TX	Greenville	O	Home Products
	TX	Wills Point	L	Home Products

BUSINESS SEGMENT	LOCATION	CITY	OWNED OR LEASED	GENERAL CHARACTER
	UK	Corby	O	Home Products
	Netherlands	Goirle	O	Home Products
	KS	Winfield	O/L	Home Products - 2 facilities
	CA	Vista	L	Home Storage Systems
	MO	Jackson	O	Home Storage Systems
The Parker/Eldon Group				
	TN	Lewisburg	O	Cosmetic Pencils
	TN	Maryville	O	Office & Storage Organizers
	WI	Madison	O/L	Office & Storage - 3 facilities
	Puerto Rico	Moca	O	Office & Storage Organizers
	Puerto Rico	Carolina	L	Writing Instruments
	CA	Santa Monica	L	Writing Instruments - 2 facilities
	IL	Bellwood	O	Writing Instruments - 3 facilities
	IL	Bolingbrook	L	Writing Instruments
	TN	Lewisburg	O	Writing Instruments
	TN	Shelbyville	O	Writing Instruments
	WI	Janesville	L	Writing Instruments
	Canada	Oakville	L	Writing Instruments
	Colombia	Bogota	O/L	Writing Instruments - 2 facilities
	France	Nantes	O/L	Writing Instruments - 2 facilities
	France	Valence	O	Writing Instruments
	Germany	Hamburg	O	Writing Instruments
	Germany	Baden Baden	L	Writing Instruments

BUSINESS SEGMENT	LOCATION	CITY	OWNED OR LEASED	GENERAL CHARACTER
	Mexico	Pasteje	L	Writing Instruments
	Mexico	Mexicali	L	Writing Instruments
	Mexico	Tlalnepantla	O	Writing Instruments
	UK	Newhaven	O/L	Writing Instruments
	UK	Kings Lynn	O	Writing Instruments
	Venezuela	Maracay	O	Writing Instruments
	Thailand	Bangkok	O	Writing Instruments
	Argentina	Buenos Aires	L	Writing Instruments
	South Africa	Marlborough Sandton	L	Writing Instruments
	China	Shanghai	L	Writing Instruments
	Greece	Athens	L	Writing Instruments
	Netherlands	Almere	O	Writing Instruments
	Spain	Sesena	L	Writing Instruments
The Levolor/Hardware Group				
	Canada	Woodbridge	L	Cabinet & Window Hardware
	TN	Memphis	L	Cabinet & Window Hardware
	IL	Rockford	O	Cabinet & Window Hardware
	SD	Bismarck	L	Cabinet & Window Hardware
	Canada	Watford	O	Cabinet & Window Hardware

BUSINESS SEGMENT	LOCATION	CITY	OWNED OR LEASED	GENERAL CHARACTER
	WI	Milwaukee	O	Paint Applicators
	NY	Medina	O	Propane/Oxygen Hand Torches
	NY	Ogdensburg	O	Small Hardware
	IN	Lowell	O	Window Hardware
	Mexico	Ciudad Juarez	L	Window Treatments
	AZ	Bisbee	L	Window Treatments
	Canada	Calgary	L	Window Treatments
	Canada	Toronto	L	Window Treatments
	Denmark	Hornum	O	Window Treatments
	France	Ablis	L	Window Treatments
	France	Boissellerie	L	Window Treatments
	France	Tremblay	O	Window Treatments
	France	Quercy	O	Window Treatments
	France	Feuquieres	O	Window Treatments
	France	Laillet	O	Window Treatments
	GA	Athens	O	Window Treatments
	Germany	Borken	L	Window Treatments
	Germany	Isny	O	Window Treatments - 2 facilities
	Germany	Maierhofen	O	Window Treatments
	Germany	Bunde	O	Window Treatments
	Germany	Zachow	O	Window Treatments
	Germany	Nitzschka	O	Window Treatments
	Germany	Eckental	O	Window Treatments
	IL	Freeport	O/L	Window Treatments - 2 facilities
	Italy	Figino	O	Window Treatments
	NC	High Point	O	Window Treatments
	NJ	Rockaway	L	Window Treatments
	PA	Shamokin	O	Window Treatments
	Spain	Vitoria	O	Window Treatments
	Sweden	Anderstorp	O	Window Treatments
	Sweden	Malmo	O	Window Treatments
	TX	Waco	O	Window Treatments
	UK	Ashbourne	O	Window Treatments
	UK	Birmingham	O/L	Window Treatments
	UK	Tamworth	O	Window Treatments
	UK	Watford Herts	L	Window Treatments
	UT	Ogden	O	Window Treatments
	UT	Salt Lake City	L	Window Treatments
	CA	Westminster	L	Window Treatments - 2 facilities
The Calphalon/WearEver Group				
	OH	Perrysburg	O/L	Cookware - 2 facilities
	WI	Manitowoc	O	Cookware & Bakeware - 5 facilities

BUSINESS SEGMENT	LOCATION	CITY	OWNED OR LEASED	GENERAL CHARACTER
	Brazil	Sao Paulo	L	Cookware - 2 facilities
	Germany	Muhltal	O	Plastic Storage Ware
	UK	Sunderland	O	Glassware & Bakeware
	France	Chateauroux	O	Glassware & Bakeware
	Canada	Toronto	O	Picture Frames
	France	La Ferte Milon	O	Picture Frames
	France	Neunge Sur Beuvron	O	Picture Frames
	France	St. Laurent Sur Gorre	O	Picture Frames
	Mexico	Durango	O	Picture Frames - 2 facilities
	NC	Statesville	O	Picture Frames
	TX	Laredo	L	Picture Frames
	TX	Taylor	O/L	Picture Frames - 4 facilities
	NH	Claremont	O/L	Picture Frames & Photo Albums
	RI	North Smithfield	L	Picture Frames
	TN	Covington	O	Picture Frames
	OH	Lancaster	O	Glassware & Bakeware
	PA	Monaca	O	Glassware & Food Service

The Little Tikes/Graco Group

MO	Farmington	O	Outdoor Play Systems	
Canada	Paris	L	Outdoor Play Systems	
CA	San Bernadino	O	Infant Products	
OH	Canton	O	Infant Products	
OH	Macedonia	O	Infant Products	
PA	Elverson	O/L	Infant Products	2 facilities
SC	Greer	L	Infant Products	
Mexico	Piedras Negras	L	Infant Products	
CA	City of Industry	L	Juvenile Products	2 facilities
OH	Hudson	O	Juvenile Products	
OH	Sebring	O	Juvenile Products	
Luxembourg	Niedercorn	O	Juvenile Products	

ITEM 3. LEGAL PROCEEDINGS

Information regarding legal proceedings is included in Footnote 15 to the Consolidated Financial Statements.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of the Company's shareholders during the fourth quarter of fiscal year 2001.

SUPPLEMENTARY ITEM - EXECUTIVE OFFICERS OF THE REGISTRANT

Name	Age	Present Position With The Company
Joseph Galli, Jr.	43	President and Chief Executive Officer
William T. Alldredge	62	President Corporate Development and Chief Financial Officer

~~Jeffery E. Cooley~~	~~49~~	~~Group President, Calphalon/WearEver Group~~
~~David A. Klatt~~	~~37~~	~~Group President, Rubbermaid and Little Tikes/Graco Groups~~
~~Robert S. Parker~~	~~56~~	~~Group President, Parker/Eldon Group~~
~~James J. Roberts~~	~~43~~	~~Group President, Levolor/Hardware Group~~
~~J. Patrick Robinson~~	~~43~~	~~Vice President - Controller~~
~~Timothy J. Jahnke~~	~~42~~	~~Vice President - Human Resources~~
~~Dale L. Matschullat~~	~~56~~	~~Vice President - General Counsel~~

~~Joseph Galli, Jr. has been President and Chief Executive Officer of the Company since January 8, 2001. Prior thereto, he was President and Chief Executive Officer of VerticalNet, Inc. (an internet business to business company) from May 2000 until January 2001. From June 1999 until May 2000, he was President and Chief Operating Officer of Amazon.com (an internet business to consumer company). From 1980 until June 1999, he held a variety of positions with The Black and Decker Corporation (a manufacturer and marketer of power tools and accessories), culminating as President of Black and Decker's Worldwide Power Tools and Accessories Group.~~

~~William T. Alldredge has been President - Corporate Development and Chief Financial Officer since January 2001. Prior thereto, he was President - International Business Development from December 1999 until January 2001. From August 1983 until December 1999, he was Vice President - Finance.~~

~~Jeffery E. Cooley has been Group President of the Company's Calphalon/WearEver business segment since November 2000. Prior thereto, he was President of the Company's Calphalon division from 1990 through October 2000.~~

~~David A. Klatt has been Group President of the Company's Rubbermaid and Little Tikes/Graco business segments since July 2001. From April 2001 to July 2001, he was Division President of Rubbermaid Home~~

~~Products. Prior there to, he was Chief Operating Officer of AirClic Inc. (a web based software and services platform company for the mobile information market) from March 2000 until March 2001. From September 1986 until March 2000, he held a variety of positions with The Black and Decker Corporation (a manufacturer and marketer of power tools and accessories), where he most recently served as Vice President/General Manager of the U.S. Consumer Division.~~

~~Robert S. Parker has been Group President of the Company's Parker/Eldon business segment since August 1998. Prior thereto, he was President of Sanford Corporation, both before and after the Company acquired it in 1992, from October 1990 to August 1998.~~

~~James J. Roberts has been Group President of the Company's Levolor/Hardware business segment since April 2001. Prior thereto, he served as President - Worldwide Hand Tools and Hardware at the Stanley Works (a supplier of tools, door systems and related hardware) from September 2000 until March 2001. From July 1981 until September 2000, he held a variety of positions with The Black and Decker Corporation (a manufacturer and marketer of power tools and accessories), most recently as President Worldwide Accessories.~~

~~J. Patrick Robinson has been Vice President - Controller since May 2001. Prior thereto, he was Chief Financial Officer of AirClic Inc. (a web based software and services platform company for the mobile information market) from March 2000 until May 2001. From 1983 until March 2000, he held a variety of financial positions with The Black and Decker Corporation (a manufacturer and marketer of power tools and accessories), until his appointment as Vice President of Finance, Worldwide Power Tools.~~

~~Timothy J. Jahnke has been Vice President - Human Resources since February 2001. Prior thereto, he was President of the Anchor Hocking Specialty Glass division from June 1999 until February 2001. From 1995 until June 1999, he led the human resources department of the Company's Sanford division's worldwide operations.~~

~~Dale L. Matschullat has been Vice President - General Counsel since January 2001. Prior thereto, he was Vice President-Finance, Chief Financial Officer and General Counsel from January 2000 until January 2001. From 1989 until January 2000, he was Vice President - General Counsel.~~

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is listed on the New York and Chicago Stock Exchanges (symbol: NWL). As of December 31, 2001, there were 24,868 stockholders of record. The following table sets forth the high and low sales prices of the common stock on the New York Stock Exchange Composite Tape (as published in the Wall Street Journal) for the calendar periods indicated:

	2001		2000		1999	
Quarters	High	Low	High	Low	High	Low
First	$29.21	$23.38	$31.25	$21.50	$50.00	$36.38
Second	27.34	24.00	27.56	23.81	52.00	40.13
Third	25.40	21.20	28.50	21.94	47.69	27.19
Fourth	28.13	22.87	22.88	18.69	36.50	26.25

The Company has paid regular cash dividends on its common stock since 1947. The quarterly cash dividend has been $0.21 per share since February 1, 2000, when it was increased from the $0.20 per share that had been paid since February 8, 1999. Prior to this date, the quarterly cash dividend paid was $0.18 per share since February 10, 1998.

Information regarding the 5.25% convertible quarterly income preferred securities issued by a wholly owned subsidiary trust of the Company, which are reflected as outstanding in the Company's Consolidated Financial Statements as Company Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust, is included in Footnote 6 to the Consolidated Financial Statements.

ITEM 6. SELECTED FINANCIAL DATA

The following is a summary of certain consolidated financial information relating to the Company at December 31. The summary has been derived in part from, and should be read in conjunction with, the Consolidated Financial Statements of the Company included elsewhere in this report and the schedules thereto.

	2001 (1)	2000 (1)	1999 (1)	1998		1997	
	(In thousands, except per share data)						
INCOME STATEMENT DATA							
Net sales	$6,909,319	$6,934,747	$6,711,768	$6,493,172		$5,910,717	
Cost of products sold	5,046,587	5,108,703	4,975,369	4,670,358		4,290,934	
Gross Income	1,862,732	1,826,044	1,736,399	1,822,814		1,619,783	
Selling, general and administrative expenses	1,168,240	899,424	1,104,491	967,916		838,877	
Restructuring costs	66,683	43,010	241,581	115,154	(2)	21,500	(2)
Goodwill amortization	56,957	51,930	46,722	59,405		119,743	(3)

Operating Income	570,852	831,680	343,605	680,339	639,663
Nonoperating expenses (income):					
Interest expense	137,453	130,033	100,021	100,514	114,357
Other, net	17,534	16,160	12,645	(237,148) (4)	(19,284)
Net Nonoperating Expenses (Income)	154,987	146,193	112,666	(136,634)	95,073
Income before income taxes	415,865	685,487	230,939	816,973	544,590
Income taxes	151,230	263,912	135,502	335,139	222,973
Net Income	$264,635	$421,575	$ 95,437	$481,834	$321,617
Weighted average shares outstanding:					
Basic	266,657	268,437	281,806	280,731	280,300
Diluted	267,048	268,500	281,978	291,883	281,138
Earnings per share:					
Basic	$0.99	$1.57	$0.34	$1.72	$1.15
Diluted	$0.99	$1.57	$0.34	$1.70	$1.14
Dividends per share	$0.84	$0.84	$0.80	$0.76	$0.70

BALANCE SHEET DATA					
Inventories, net	$1,113,797	$1,262,551	$1,034,794	$1,033,488	$902,978
Working capital (5)	316,800	1,329,541	1,108,686	1,278,768	1,006,624
Total assets	7,266,122	7,261,825	6,724,088	6,289,155	5,775,248
Short term debt	826,604	227,206	247,433	101,968	258,201
Long term debt, net of current maturities	1,365,001	2,319,552	1,455,779	1,393,865	989,694
Stockholders' equity	2,433,376	2,448,641	2,697,006	2,843,732	2,661,417

(1) Supplemental data regarding 2001, 2000 and 1999 is provided in Item 7, Management's Discussion and Analysis of Results of Operations and Financial Condition.

(2) The 1998 restructuring costs included $53.4 million for costs to exit business activities at five facilities, $45.8 million to write down impaired long lived assets to their fair value and $16.0 million relating to employee severance and termination benefits. The 1997 Restructuring Costs included $16.0 million of charges recorded by Rubbermaid for impaired fixed assets, $4.1 million for employee terminations costs and $1.4 million for plant closures; an additional $15.7 million for product line discontinuance costs is recorded in Cost of Products Sold.

(3) The 1997 goodwill amortization included an $81.0 million charge for the write off of impaired assets.

(4) The 1998 other nonoperating income included a $191.5 million gain on the sale of Black & Decker common stock and $59.8 million of gains on the sale of the Decora, Newell Plastics and Stuart Hall businesses.

(5) Working capital is defined as Current Assets less Current Liabilities.

ACQUISITIONS OF BUSINESSES

2001, 2000 and 1999

Information regarding businesses acquired in the last three years is included in Footnote 2 to the Consolidated Financial Statements.

~~1998~~

~~On January 21, 1998, the Company acquired Curver Consumer Products. Curver is a manufacturer and marketer of plastic housewares products in Europe and operates as part of Rubbermaid Europe.~~

~~On March 27, 1998, the Company acquired Swish Track and Pole from Newmond plc. Swish is a manufacturer and marketer of decorative and functional window furnishings in Europe and operates as part of Newell Window Fashions Europe.~~

~~On May 19, 1998, the Company acquired certain assets of Century Products. Century is a manufacturer and marketer of infant products such as car seats, strollers and infant carriers and operates as part of the Graco/Century division.~~

~~On June 30, 1998, the Company purchased Panex S.A. Industria e Comercio, a manufacturer and marketer of aluminum cookware products based in Brazil. Panex operates as part of the Mirro division.~~

~~On August 31, 1998, the Company purchased the Gardinia Group, a manufacturer and supplier of window treatments based in Germany. Gardinia operates as part of Newell Window Fashions Europe.~~

~~On September 30, 1998, the Company purchased the Rotring Group, a manufacturer and supplier of writing instruments, drawing instruments, art materials and color cosmetic products based in Germany. The writing and drawing instruments portion of Rotring operates as part of Sanford International. The art materials portion of Rotring operates as part of Sanford North America. The color cosmetic products portion of Rotring operates as a separate U.S. division, Cosmolab.~~

~~For the acquisitions made in 1998, the Company paid $615.7 million in cash and assumed $99.5 million in debt. The finalized purchase price allocations for these acquisitions resulted in trade names and goodwill of approximately $387.1 million.~~

~~1997~~

~~On March 5, 1997, the Company purchased the Rolodex business, a marketer of office products such as card files, personal organizers~~

~~and paper punches, from Insilco Corporation. Rolodex was integrated into Eldon.~~

~~On May 30, 1997, the Company acquired the Kirsch business, a manufacturer and distributor of drapery hardware and custom window coverings, from Cooper Industries Incorporated. The Kirsch North American operations were combined with Newell Window Furnishings and Levolor Home Fashions; the Kirsch European portion operates as part of Newell Window Fashions Europe.~~

~~For the acquisitions made in 1997, the Company paid $514.2 million in cash and assumed $4.3 million in debt. The finalized purchase price allocations for these acquisitions resulted in trade names and goodwill of approximately $351.3 million.~~

QUARTERLY SUMMARIES

Summarized quarterly data for the last three years is as follows (unaudited):

Calendar Year	1st	2nd	3rd	4th	Year
		(In thousands, except per share data)			
2001					
Net sales	$1,610,736	$1,724,653	$1,767,818	$1,806,112	$6,909,319
Gross income	391,776	453,535	489,575	527,846	1,862,732
Net income	38,421	72,007	83,470	70,737	264,635
Earnings per share:					
Basic	0.14	0.27	0.31	0.27	$0.99
Diluted	0.14	0.27	0.31	0.27	0.99
2000					
Net sales	$1,628,979	$1,787,025	$1,756,372	$1,762,371	$6,934,747
Gross income (1)	408,397	486,588	468,268	462,791	1,826,044
Net income	76,220	128,015	122,999	94,341	421,575
Earnings per share:					
Basic	0.28	0.48	0.46	0.35	$1.57
Diluted	0.28	0.48	0.46	0.35	1.57
1999					
Net sales	$1,589,776	$1,671,635	$1,683,344	$1,767,013	$6,711,768
Gross income	423,308	420,806	444,570	447,715	1,736,399
Net (loss) income	(78,999)	30,054	72,737	71,645	95,437
(Loss) Earnings per share:					
Basic	(0.28)	0.11	0.26	0.25	$0.34
Diluted	(0.28)	0.11	0.26	0.25	0.34

(1) Quarterly gross income amounts differ from those disclosed in the Form 10-Q for each respective quarter due to the reclassification of restructuring charges related to discontinued product lines to conform with the 2001 presentation. Charges reclassified from Restructuring Costs to Cost of Products Sold in 2001 were (in thousands): $87, $888, $485 and $4,091 for the first, second, third and fourth quarters, respectively; the full year 2000 reclassification totaled $5,551.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of the Company's consolidated results of operations and financial condition. The discussion should be read in conjunction with the Consolidated Financial Statements and footnotes thereto.

RESULTS OF OPERATIONS

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

Year Ended December 31,	2001	2000	1999
Net sales	100.0%	100.0%	100.0%
Cost of products sold	73.0	73.7	74.1
Gross Income	27.0	26.3	25.9
Selling, general and administrative expenses	16.9	13.0	16.5
Restructuring costs	1.0	0.6	3.6
Goodwill amortization	0.8	0.7	0.7
Operating Income	8.3	12.0	5.1
Nonoperating expenses:			
Interest expense	2.0	1.9	1.5
Other, net	0.3	0.2	0.2

Net Nonoperating Expenses	2.3	2.1	1.7
Income before income taxes	6.0	9.9	3.4
Income taxes	2.2	3.8	2.0
Net Income	3.8%	6.1%	1.4%

~~2001 VERSUS 2000~~

~~Net sales for 2001 were $6,909.3 million, representing a decrease of $25.4 million, or 0.4%, from $6,934.7 million in 2000. The sales decline was primarily due to shelf space losses at key customers and a significant downturn in the US economy partially offset by $498.5 million of sales contributions from Paper Mate/Parker (acquired December 2000). Net sales for each of the Company's segments (and the primary reasons for the year to year changes) were as follows:~~

Year Ended December 31,	2001	2000	% Change
(In millions)			
Rubbermaid (1)	$1,819.3	$1,946.5	(6.5)%
Parker/Eldon (2)	1,673.5	1,288.0	29.9
Levolor/Hardware (1)	1,382.6	1,455.0	(5.0)
Calphalon/WearEver (1)	1,161.7	1,246.9	(6.8)
Little Tikes/Graco (1)	872.2	998.3	(12.6)
	$6,909.3	$6,934.7	(0.4)%

~~Primary reasons for changes:~~

~~(1) Internal sales decline primarily due to shelf space losses at key customers and a significant downturn in the US economy.*~~

~~(2) $498.5 million of sales contribution from the Paper Mate/Parker acquisition+ (December 2000) offset by internal sales decline of 8.8% primarily due to softness in the commercial channel and a significant downturn in the US economy.~~

~~* Internal sales growth/decline is defined by the Company as growth/decline from its core businesses, which include continuing businesses owned more than one year and minor acquisitions.~~

~~+ Acquisitions and divestitures are described in Footnote 2 to the Consolidated Financial Statements.~~

~~Gross income as a percentage of net sales in 2001 was 27.0%, or $1,862.7 million, versus 26.3%, or $1,826.0 million, in 2000. Excluding restructuring related and other charges relating to integration costs of recent acquisitions of $7.4 million ($4.7 million after taxes) and $7.9 million ($4.9 million after taxes) in 2001 and 2000, respectively, gross income as a percent of net sales was 27.1%, or $1,870.1 million in 2001 versus 26.4%, or $1,833.9 million in 2000. This improvement in gross income is primarily due to the implementation of a productivity initiative throughout the Company and contributions from the Paper Mate/Parker acquisition. The Company's productivity objective is to reduce the cost of manufacturing a product by at least five percent per year on an ongoing basis in order to become the low cost supplier to our customers. To achieve productivity improvements, the Company will focus on reducing purchasing costs, materials handling costs, manufacturing inefficiencies, and excess overhead costs to reduce the overall cost of manufacturing products. The Company's productivity in 2001 was affected primarily by the increased costs associated with slowed manufacturing in an effort to reduce inventory levels (net inventories decreased $148.8 million during 2001) offset by improved raw material costs.~~

~~Selling, general and administrative expenses ("SG&A") in 2001 were 16.9% of net sales, or $1,168.2 million, versus 13.0%, or $899.4~~

~~million, in 2000. Excluding charges relating to integration costs of recent acquisitions of $12.0 million ($7.7 million after taxes) and $8.8 million ($5.4 million after taxes) in 2001 and 2000, respectively, SG&A as a percent of net sales was 16.7% or $1,156.2 million in 2001 compared to 12.8% or $890.6 million in 2000. The increase in SG&A is a result of the Paper Mate/Parker acquisition and planned investments in marketing initiatives, including the Company's Key Account and Phoenix Programs, supporting the Company's brand portfolio and key account strategy.~~

~~In 2001, the Company introduced the Key Account Program, establishing sales organizations specifically for Wal*Mart, The Home Depot and Lowe's. As part of this program, the Company established President-level positions to more effectively manage the relationships with these accounts. The program allows the Company to present these~~

~~customers with "one face" to enhance the Company's response time and understanding of the customer's needs, to support the best possible relationship.~~

~~In 2001, the Company also introduced its Phoenix Program. This initiative is an action oriented field sales force consisting of approximately 500 recent university graduates. The team works in the field, primarily within our Key Account structure, performing product demonstrations, merchandising product, interacting with the end-user, and maintaining an ongoing relationship with store personnel. This initiative allows the Company to enhance product placement and minimize stock outages and, together with the Key Account Program, to maximize shelf space potential. This program, implemented July 2001, gained traction throughout the year. Impact from this initiative is expected to translate to the Consolidated Financial Statements through the impact of shelf space gains going forward.~~

~~During 2001, the Company recorded pre-tax restructuring charges associated with the Company's strategic restructuring plan. The restructuring plan is intended to streamline the Company's supply chain to ensure its position as the low cost global provider throughout the Company's product portfolio. The plan consists of reducing worldwide headcount over the three years beginning in 2001, and includes consolidating duplicate manufacturing facilities. As part of this plan, the Company incurred employee severance and termination benefit costs for approximately 1,700 employees. Additionally, the Company incurred facility exit costs related primarily to the closure of 14 facilities (four at Rubbermaid, one at Parker/Eldon, six at Levolor/Hardware and three at Calphalon/WearEver). See Footnote 3 to the Consolidated Financial Statements for a review of the charges.~~

~~During 2000, the Company recorded pre-tax restructuring charges related primarily to the continued Rubbermaid integration and plant closures in the Home Decor segment. The Company incurred employee severance and termination benefit costs related to approximately 700 employees terminated in 2000. Such costs included severance and~~

~~government mandated settlements for facility closures at Rubbermaid Europe, change in control payments made to former Rubbermaid executives, employee terminations at the domestic Rubbermaid divisions and severance at the Home Decor segment. The Company incurred merger transaction costs related primarily to legal settlements for Rubbermaid's 1998 sale of a former division and other merger related contingencies resolved in 2000. Additionally, the Company incurred facility and other exit costs related primarily to the closure of five European Rubbermaid facilities, three window furnishings facilities as well as the exit of various Rubbermaid product lines. See Footnote 3 to the Consolidated Financial Statements for a review of the charges.~~

~~For the year ended December 31, 2001, goodwill amortization and other as a percentage of net sales were 0.8%, or $57.0 million, versus 0.7%, or $51.9 million, for the year ended December 31, 2000. The increase in goodwill amortization is a result of additional goodwill associated with the Paper Mate/Parker acquisition in December 2000.~~

~~Operating income in 2001 was 8.3% of net sales, or $570.9 million, versus 12.0% of net sales, or $831.7 million, in 2000. Excluding restructuring and other charges of $86.1 million ($54.8 million after taxes) in 2001 and $59.7 million ($36.7 million after taxes) in 2000, operating income was $657.0, or 9.5%, of net sales in 2001 versus $891.4 million, or 12.9%, of net sales in 2000. The decrease in operating margins was primarily due to planned investment in marketing initiatives supporting the Company's brand portfolio and key account strategy.~~

~~Net nonoperating expenses in 2001 were 2.3% of net sales, or $155.0 million, versus 2.1%, or $146.2, million in 2000. The increased expenses in 2001 are a result of the Company's increased average level of debt, partially offset by lower interest rates.~~

~~The effective tax rate was 36.4% for the year ended December 31, 2001 versus 38.5% in the prior year. See Footnote 12 to the Consolidated Financial Statements for an explanation of the effective tax rate.~~

~~Net income for 2001 was $264.6 million compared to net income of $421.6 million in 2000. Basic and diluted earnings per share in 2001 decreased to $0.99 versus $1.57 in 2000. Excluding 2001 pre-tax charges of $86.1 million ($54.8 million after taxes) as discussed above, net income in 2001 was $319.4 million. Excluding 2000 pre-tax charges of $59.7 million ($36.7 million after taxes), net income in 2000 was $458.3 million. Diluted earnings per share, calculated on the same basis, decreased 29.8% to $1.20 versus $1.71 in 2000. The decrease in net income and earnings per share for 2001 was primarily due to internal sales declines and planned investment in the Company's marketing initiatives.~~

2000 VERSUS 1999

Net sales for 2000 were $6,934.7 million, representing an increase of $222.9 million, or 3.3%, from $6,711.8 million in 1999. Net sales for each of the Company's segments (and the primary reasons for the year to year changes) were as follows:

Year Ended December 31,	2000	1999	% Change
(IN MILLIONS)			
Rubbermaid	$1,946.5	$2,004.3	(2.9)%
Parker/Eldon (1)	1,288.0	1,218.0	5.7
Levolor/Hardware	1,455.0	1,400.6	3.9
Calphalon/WearEver (2)	1,246.9	1,186.0	5.1
Little Tikes/Graco (3)	998.3	902.9	10.6
	$6,934.7	$6,711.8	3.3%

Primary reasons for changes:

(1) Internal sales growth of 3.8% enhanced by $30.6 million of sales contribution from the acquisitions of Rotring and Reynolds.

(2) Internal sales decline of 1.4% offset by $77.1 million of sales contribution from the acquisitions of Ceanothe, Mersch, Brio and Panex.

(3) Internal sales growth due to shelf space gains at key retailers.

Gross income as a percent of net sales in 2000 was 26.3%, or $1,826.0 million, versus 25.9%, or $1,736.4, million in 1999. Excluding costs associated with the Rubbermaid merger and certain realignment and other charges of $7.9 million and $111.0 million in 2000 and 1999, respectively, gross income as a percent of net sales was 26.4%, or $1,833.9 million, in 2000 versus 27.5%, or $1,847.4 million, in 1999. This decrease in gross margins in 2000 was primarily attributable to lower sales volume and higher material costs.

SG&A in 2000 was 13.0% of net sales, or $899.4 million versus 16.5%, or $1,104.5 million, in 1999. Excluding costs associated with the Rubbermaid merger and certain realignment and other charges of $8.8 million and $178.8 million in 2000 and 1999, respectively, SG&A as a percent of net sales was 12.8%, or $890.6 million, in 2000 versus 13.8%, or $925.7 million, in 1999. The decrease in SG&A expenses is primarily the result of integration cost savings at Rubbermaid Home Products, Rubbermaid Europe and Little Tikes and tight spending control throughout the rest of the Company's core businesses.

During 2000, the Company recorded pre-tax restructuring charges related primarily to the continued Rubbermaid integration and plant closures in the Home Decor segment. The Company incurred employee

severance and termination benefit costs related to approximately 700 employees terminated in 2000. Such costs included severance and government mandated settlements for facility closures at Rubbermaid Europe, change in control payments made to former Rubbermaid executives, employee terminations at the domestic Rubbermaid divisions and severance at the Home Decor segment. The Company incurred merger transaction costs related primarily to legal settlements for Rubbermaid's 1998 sale of a former division and other merger related contingencies resolved in 2000. Additionally, the Company incurred facility and other exit costs related primarily to the closure of five European Rubbermaid facilities, three window furnishings facilities as well as the exit of various Rubbermaid product lines. See Footnote 3 to the Consolidated Financial Statements for a review of the charges.

During 1999, the Company recorded pre-tax restructuring charges related primarily to the integration of the Rubbermaid business into Newell. Merger transaction costs related primarily to investment banking, legal and accounting costs for the Newell/Rubbermaid merger. Employee severance and termination benefits related to approximately 750 employees terminated in 1999. Such costs included change in control payments made to former Rubbermaid executives and severance and termination costs at Rubbermaid's former headquarters, Rubbermaid Home Products division, Little Tikes division, Rubbermaid Commercial Products division and Newell divisions. Facility and other exit costs representing impaired Rubbermaid centralized computer software (abandoned as a result of converting Rubbermaid onto existing Newell centralized computer software) and costs related to discontinued product lines, the closure of seven Rubbermaid facilities, write off of assets associated with abandoned projects and impaired assets and other exit costs. See Footnote 3 to the Consolidated Financial Statements for a review of the charges.

Goodwill amortization as a percentage of net sales was 0.7% in 2000 and 1999.

Operating income in 2000 was 12.0% of net sales, or $831.7 million, versus 5.1% of net sales, or $343.6 million, in 1999. Excluding restructuring and other charges of $59.7 million in 2000 and $531.4 million in 1999, operating income was $891.4, or 12.9%, of net sales in 2000 versus $875.0 million, or 13.0%, of net sales in 1999.

Net nonoperating expenses in 2000 were 2.1% of net sales, or $146.2 million, versus 1.7%, or $112.7 million, in 1999. The increased expenses in 2000 are a result of the Company's increased level of debt and higher interest rates.

For 2000 and 1999, the effective tax rates were 38.5% and 58.7%, respectively. The higher rate in 1999 was primarily due to nondeductible transaction costs associated with the Rubbermaid merger. See Footnote 12 to the Consolidated Financial Statements for an explanation of the effective tax rate.

Net income for 2000 was $421.6 million, representing an increase of $326.2 million from 1999. Basic and diluted earnings per share in 2000 increased to $1.57 versus $0.34 in 1999. Excluding 2000 pre tax charges of $59.7 million ($36.7 million after taxes) as discussed above, net income in 2000 was $458.3 million. Excluding 1999 pre tax charges of $531.4 million ($369.6 million after taxes), net income in 1999 was $465.0 million. Diluted earnings per share, calculated on the same basis, increased 3.6% to $1.71 in 2000 versus $1.65 in 1999. The decrease in net income for 2000 was primarily due to increased raw material costs and lower sales volume, offset partially by Rubbermaid integration cost savings, tight spending control at other core businesses and internal growth. Diluted earnings per share increased in 2000 versus 1999 as a result of the lower share base due to the stock repurchase program.

LIQUIDITY AND CAPITAL RESOURCES

Sources

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

Cash provided by operating activities in 2001 was $865.4 million, compared to $623.5 and $554.0 million for 2000 and 1999, respectively. The increase in operating cash flows is primarily due to improved working capital management, principally in the areas of inventory and accounts payable. In 2001, the Company announced an increased focus on working capital which resulted in reduced inventory of $148.8 million and increased accounts payable of $158.9 million. As a result, the Company generated free cash flow (defined by the Company as cash provided by operating activities less capital expenditures and dividends) of $391.6 million compared to $81.8 million and $128.1 million in 2000 and 1999, respectively.

The Company has short term foreign and domestic uncommitted lines of credit with various banks which are available for short term financing. Borrowings under the Company's uncommitted lines of credit are subject to the discretion of the lender. The Company's lines of credit do not have a material impact on the Company's liquidity.

Borrowings under the Company's lines of credit at December 31, 2001 totaled $19.1 million.

The Company has a revolving credit agreement of $1,300.0 million that will terminate in August 2002. The Company intends to extend the revolving credit agreement beyond 2002. During 2000, the Company entered into a 364 day revolving credit agreement in the amount of $700.0 million which expired in October 2001. As of December 31, 2001, there were no borrowings under the remaining $1,300.0 million revolving credit agreement.

In lieu of borrowings under the Company's revolving credit agreement, the Company may issue up to $1,300.0 million of commercial paper. The Company's revolving credit agreement 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 Company's revolving credit agreement. At December 31, 2001, $707.5 million (principal amount) of commercial paper was outstanding. Because the backup revolving credit agreement expires in August 2002, the entire $707.5 million is classified as current portion of long-term debt. The Company plans to extend maturities by replacing a portion of current debt with longer term debt facilities. By extending maturities, the Company can reduce its reliance on the current commercial paper program.

The revolving credit agreement permits the Company to borrow funds on a variety of interest rate terms. The agreement requires, among other things, that the Company maintain a certain Total Indebtedness to Total Capital Ratio and limits Subsidiary Indebtedness, as defined in the agreement. As of December 31, 2001, the Company was in compliance with this agreement.

The Company had outstanding at December 31, 2001 a total of $1,012.5 million (principal amount) of medium-term notes. The maturities on these notes range from 3 to 30 years at an average interest rate of 6.34%. Of the outstanding amount of medium-term notes, $100.0 million is classified as the current portion of long-term debt and the remaining $912.5 million is classified as long-term debt. A $779.5 million universal shelf registration statement became effective in July 1999. As of December 31, 2001, $449.5 million of Company debt and equity securities may be issued under the shelf.

On September 18, 2001, the Company entered into an agreement with a financial institution creating a financing entity which is consolidated in the Company's financial statements. Under the agreement, the Company regularly enters into transactions with the financing entity to sell an undivided interest in the Company's receivables. In the quarter ended September 30, 2001, the financing entity issued $450.0 million in preferred debt securities to a financial institution. Those preferred debt securities must be retired or redeemed before the Company can have access to the financing entity's receivables. The receivables and the corresponding $450.0 million preferred debt issued by the subsidiary to the financial institution are recorded on the consolidated accounts of the Company. The proceeds of this debt were used to pay down commercial paper. Because this debt matures in 2008, the entire amount is considered to be long-term debt. The provisions of the debt agreement allow the entire outstanding debt to be called upon certain events including the Company's long-term senior unsecured debt rating falling below Baa2 (Moody's) or BBB (Standard & Poor's) and certain levels of accounts receivable write offs. As of December 31, 2001, the Company was in compliance with the agreement.

Uses

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

In 2001, cash used for 2001 acquisitions and deferred payments on prior acquisitions was $107.5 million. The Company made several minor acquisitions in 2001 for cash purchase prices totaling $61.2 million. In 2000, cash used for 2000 acquisitions and deferred payments on prior acquisitions was $597.8 million. The Company acquired Mersch, Brio and Paper Mate/Parker and made other minor acquisitions in 2000 for cash purchase prices totaling $635.2 million. In 1999, cash used for 1999 acquisitions and deferred payments on prior acquisitions was

$345.9 million. The Company acquired Ateliers, Reynolds, McKechnie, Ceanothe and made other minor acquisitions for cash purchase prices totaling $397.3 million in 1999.

The following table summarizes the Company's contractual obligations as of December 31, 2001:

Contractual Obligations	Payments Due by Period (in millions)

	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Notes Payable to Banks	$ 9.1	$ 19.1	—	—	—
Long-term Debt	2,172.5	807.5	415.5	172.0	777.5
Operating Leases	180.3	56.6	68.9	30.7	24.1
Total Contractual Obligations	$2,379.1	$891.9	$484.1	$201.7	$801.4

In 2001, the Company made payments on long-term debt, net of proceeds, of $354.7 million, compared to net additional borrowings of $836.8 million in 2000 and $194.7 million in 1999. The Company's ability to pay down additional debt was due primarily to increased focus on working capital management (primarily inventory and accounts payable) and current year cash earnings.

Cash used for restructuring activities was $49.7 million, $32.9 million and $145.5 million for the years ended December 31, 2001, 2000 and 1999, respectively. Such payments represent primarily employee termination benefits and facility closure and other exit costs related to the Company's strategic restructuring plan and recent acquisitions.

Capital expenditures were $249.8 million, $316.6 million and $200.1 million in 2001, 2000 and 1999, respectively. Aggregate dividends paid during 2001, 2000 and 1999 were $224.0, $225.1 million and $225.8 million, respectively.

On February 7, 2000, the Company announced a stock repurchase program of up to $500.0 million of the Company's outstanding common stock. During 2000, the Company repurchased 15.5 million shares of its common stock at an average price of $26 per share, for a total cash price of $403.0 million under the program. The repurchase program remained in effect until December 31, 2000 and was financed through the use of working capital and commercial paper.

Retained earnings increased in 2001 and 2000 by $40.4 million and $196.3 million, respectively. The decrease in the earnings growth rate between 2001 and 2000 was primarily due to reduced net income from lower than expected sales volume and planned investment in marketing initiatives supporting the Company's brand portfolio and key account strategy.

Working capital at December 31, 2001 was $316.8 million compared to $1,329.5 million at December 31, 2000 and $1,108.7 million at December 31, 1999. The decrease in working capital is primarily due to

reclassifying $707.5 million in long-term debt in 2000 as current in 2001, as discussed above, and the Company's increased focus on working capital management.

The current ratio at December 31, 2000 was 1.13:1 compared to 1.86:1 at December 31, 2000 and 1.68:1 at December 31, 1999.

Total debt to total capitalization (total debt is net of cash and cash equivalents, and total capitalization includes total debt, company-obligated mandatorily redeemable convertible preferred securities of a subsidiary trust and stockholders' equity) was .43:1 at December 31, 2001, .46:1 at December 31, 2000 and .33:1 at December 31, 1999.

The Company believes that cash provided from operations and borrowing facilities will continue to provide adequate support for the cash needs of existing businesses; however, certain events, such as significant acquisitions, could require additional external financing.

CRITICAL ACCOUNTING POLICIES

The Company's accounting policies are more fully described in Footnote 1 of the Footnotes to the Consolidated Financial Statements. As disclosed in Footnote 1, the preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying footnotes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results inevitably will differ from those estimates, and such differences may be material to the Consolidated Financial Statements.

The most significant accounting estimates inherent in the preparation of the Company's financial statements include estimates as to the recovery of accounts receivable, inventory, goodwill and other long-lived assets as well as those used in the determination of liabilities related to litigation, product liability, customer discounts, taxation, restructuring, post-retirement and pension benefits and environmental matters. Various assumptions and other factors underlie the determination of these significant estimates. The process of determining significant estimates is fact-specific and takes into account factors such as historical experience, current and expected economic conditions, product mix, and in some cases, actuarial techniques. The Company re-evaluates these significant factors as facts and circumstances dictate. Historically, actual results have not differed significantly from those determined using the estimates described above.

~~Sales of merchandise and freight billed to customers, net of provisions for cash discounts, returns, customer discounts (such as volume or trade), co-op advertising and other sales discounts are~~

~~recognized as revenue upon shipment to customers and when all substantial risks of ownership change.~~

~~RECENT ACCOUNTING PRONOUNCEMENTS~~

~~At the beginning of 2001, the Company adopted Statement of Financial Accounting Standards ("FAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement requires companies to record derivatives on the balance sheet as assets or liabilities, measured at fair value. Any changes in fair value of these instruments are recorded in the income statement or other comprehensive income. The impact of adopting FAS No. 133 on January 1, 2001 resulted in a cumulative after tax gain of approximately $13.0 million, recorded in accumulated other comprehensive income. The cumulative effect of adopting FAS No. 133 did not materially impact the results of operations.~~

~~In June 2001, the Financial Accounting Standards Boards ("FASB") issued FAS No. 141, "Business Combinations", and FAS No. 142, "Goodwill and Other Intangible Assets". FAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting. Historically, all acquisitions by the Company have been accounted for as purchases, thus there was no effect on the Company's Consolidated Financial Statements upon adoption of this standard, in contrast, all mergers have been accounted for as poolings of interest. FAS No. 142 becomes effective in fiscal years beginning after December 15, 2001, with early adoption permitted. The Company plans to early adopt the provisions of FAS No. 142 beginning in the first quarter of fiscal 2002. In accordance with this standard, goodwill will no longer be amortized but will be subject to annual assessment for impairment by applying a fair value based test. All other intangible assets will continue to be amortized over their estimated useful lives. Goodwill amortization expense was $57.0 million for the twelve months ended December 31, 2001. The Company anticipates that the application of the nonamortization provisions will increase annual net income by approximately $41.0 million, or $0.15 per share. During 2001 and the first quarter 2002, the Company performed the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002. Subject to final analysis, the Company expects to record a pre tax goodwill impairment charge of $500.0 million to $550.0 million in the first quarter of 2002.~~

~~In August 2001, the FASB issued FAS No. 144, "Accounting for Impairment of Disposal of Long Lived Assets." This statement established a single accounting model for long lived assets to be disposed of by sale and provides additional implementation guidance for assets to be held and used and assets to be disposed of other than by sale. The statement supersedes FAS No. 121, "Accounting for the Impairment of Long Lived Assets and for Long Lived Assets to Be Disposed Of" and amends the accounting and reporting provisions of Accounting Principles Board ("APB") Opinion No. 30 related to the~~

~~disposal of a segment of a business. The statement is effective for fiscal years beginning after December 15, 2001. The Company adopted FAS No. 144 on January 1, 2002, and the standard did not have a material impact on its financial position or results of operations.~~

~~In August 2001, the Emerging Issues Task Force ("EITF") issued EITF No. 01-09 "Accounting for Consideration Given by Vendor to a Customer or a Reseller of Vendor's Product" which codified and reconciled the Task Force's consensuses in EITF 00-14 "Accounting for Certain Sales Incentives", EITF 00-22 "Accounting for Points and Certain Other Time Based Sales Incentives or Volume Based Sales Incentive Offers, and Offers of Free Products or Services to Be Delivered in the Future", and EITF 00-25 "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products". These EITF's prescribe guidance regarding the timing of recognition and income statement classification of costs incurred for certain sales incentive programs to resellers and end consumers. EITF No. 01-09 did not impact results of operations because the Company recognizes sales incentives upon recognition of revenue and classifies them as reductions of gross revenue and recognizes free goods as a cost of goods sold when shipped, both in accordance with the prescribed rules.~~

~~In May 2000, the EITF issued EITF No. 00-10 "Accounting for Shipping and Handling Fees and Costs." EITF No. 00-10 requires that amounts billed to customers related to shipping and handling costs be classified as revenue and all expenses related to shipping and handling be classified as a cost of products sold. Historically, these revenues and costs had been netted together and deducted from gross sales to arrive at net sales. The net sales and cost of products sold have been restated for this change. The impact of this change increased net sales and cost of products sold by $286.1 million and $298.7 million for the years ended December 31, 2000 and December~~

~~31, 1999, respectively. There was no impact on gross income resulting from this change.~~

~~LEGAL AND ENVIRONMENTAL MATTERS~~

~~The Company is subject to legal proceedings and claims, including various environmental matters, in the ordinary course of its business. Such legal proceedings are more fully described in Footnote 15 to the Company's Consolidated Financial Statements. 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 have to pay in excess of amounts reserved, will not have a material effect on the Company's Consolidated Financial Statements.~~

~~INTERNATIONAL OPERATIONS~~

~~The Company's non U.S. business is growing at a faster pace than its business in the United States. This growth outside the U.S. has been fueled by recent international acquisitions, primarily in Europe. For~~

~~the years ended December 31, 2001, December 31, 2000 and December 31, 1999, the Company's non U.S. business accounted for approximately 27%, 25% and 23% of net sales, respectively (see Footnote 14 to the Consolidated Financial Statements). Growth of both U.S. and non U.S. businesses is shown below:~~

~~Year Ended December 31,~~	~~2001~~	~~2000~~	~~% Change~~
~~(IN MILLIONS)~~			
~~Net sales:~~			
~~U.S.~~	~~$5,040.6~~	~~$5,191.5~~	~~(2.9)%~~
~~Non U.S.~~	~~1,868.7~~	~~1,743.2~~	~~7.2~~
	~~$6,909.3~~	~~$6,934.7~~	~~(0.4)%~~

~~Year Ended December 31,~~	~~2000~~	~~1999~~	~~% Change~~
~~(IN MILLIONS)~~			
~~Net sales:~~			
~~U.S.~~	~~$5,191.5~~	~~$5,135.4~~	~~1.1%~~
~~Non U.S.~~	~~1,743.2~~	~~1,576.4~~	~~10.6~~
	~~$6,934.7~~	~~$6,711.8~~	~~3.3%~~

~~MARKET RISK~~

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

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

~~appropriate based on market conditions, and, for qualifying hedges, the interest differential of swaps is included in interest expense.~~

~~The Company's foreign exchange risk management policy emphasizes hedging anticipated intercompany and third party commercial transaction exposures of one year duration or less. The Company focuses on natural hedging techniques of the following form:~~

* ~~offsetting or netting of like foreign currency cash flows,~~

* ~~structuring foreign subsidiary balance sheets with appropriate levels of debt to reduce subsidiary net investments and subsidiary cash flows subject to conversion risk,~~

* ~~converting excess foreign currency deposits into U.S. dollars or the relevant functional currency and~~

* ~~avoidance of risk by denominating contracts in the appropriate functional currency.~~

~~In addition, the Company utilizes short term forward contracts 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. Derivative instruments are recorded on the Company's balance sheet at fair value, and any changes in fair value of these instruments are recorded in the income statement or other comprehensive income.~~

~~Due to the diversity of its product lines, the Company does not have material sensitivity to any one commodity. The Company manages commodity price exposures primarily through the duration and terms of its vendor contracts.~~
~~The amounts shown below represent the estimated potential economic loss that the Company could incur from adverse changes in either~~

~~interest rates or foreign exchange rates using the value at risk estimation model. The value at risk model uses historical foreign exchange rates and interest rates to estimate the volatility and correlation of these rates in future periods. It estimates a loss in fair market value using statistical modeling techniques and including substantially all market risk exposures (specifically excluding equity method investments). The fair value losses shown in the table below do not have an impact on current results of operations or financial condition, but are shown as an illustration of the impact of adverse changes in interest rates.~~

	~~Amount~~	~~Time Period~~	~~Confidence Level~~
~~(IN MILLIONS)~~			
~~Interest rates~~	~~$14.5~~	~~1 day~~	~~95%~~
~~Foreign exchange~~	~~$0.5~~	~~1 day~~	~~95%~~

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

~~EURO CURRENCY CONVERSION~~

~~On January 1, 1999, the "Euro" became the common legal currency for 11 of the 15 member countries of the European Union. On that date, the participating countries fixed conversion rates between their existing sovereign currencies ("legacy currencies") and the Euro. On January 4, 1999, the Euro began trading on currency exchanges and became available for noncash transactions, if the parties elected to use it. On January 1, 2001, another country (Greece) also adopted the Euro, fixing the conversion rate against their legacy currency. The legacy currencies remained legal tender through December 31, 2001. On January 1, 2002, participating countries introduced Euro denominated bills and coins, and effective July 1, 2002, legacy currencies will no longer be legal tender.~~

~~After the dual currency phase, all businesses in participating countries must conduct all transactions in the Euro and must convert their financial records and reports to be Euro based. The Company has substantially completed this conversion process and has deemed its information systems to be Euro compliant. As a result of the Euro conversion, the Company experienced no adverse impact to its business or financial condition on a consolidated basis.~~

~~FORWARD LOOKING STATEMENTS~~

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

~~ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK~~

~~The information required by this item is incorporated herein by reference to the section entitled "Market Risk" in the Company's Management's Discussion and Analysis of Results of Operations and Financial Condition (Part II, Item 7).~~

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Newell Rubbermaid Inc. is responsible for the accuracy and internal consistency of all information contained in this annual report, including the Consolidated Financial Statements. Management has followed those generally accepted accounting principles, which it believes to be most appropriate to the circumstances of the Company, and has made what it believes to be reasonable and prudent judgments and estimates where necessary.

Newell Rubbermaid Inc. operates under a system of internal accounting controls designed to provide reasonable assurance that its financial records are accurate, that the assets of the Company are protected and that the financial statements fairly present the financial position and results of operations of the Company. The internal accounting control system is tested, monitored and revised as necessary.

Four directors of the Company, not members of management, serve as the Audit Committee of the Board of Directors and are the principal means through which the Board oversees the performance of the financial reporting duties of management. The Audit Committee meets with management and the Company's independent auditors several times a year to review the results of the external audit of the Company and to discuss plans for future audits. At these meetings, the Audit Committee also meets privately with the independent auditors to assure its free access to them.

The Company's independent auditors, Arthur Andersen LLP, audited the financial statements prepared by the management of Newell Rubbermaid Inc. Their opinion on these statements is presented below.

William T. Alldredge	J. Patrick Robinson
President - Corporate Development	Vice President - Controller
& Chief Financial Officer	& Chief Accounting Officer

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders of Newell Rubbermaid Inc.:

We have audited the accompanying consolidated balance sheets of Newell Rubbermaid Inc. (a Delaware corporation) and subsidiaries as of December 31, 2001, 2000 and 1999 and the related consolidated statements of income, Stockholders' equity and comprehensive income and cash flows for the years then ended. These consolidated financial statements and the schedule referred to below are the responsibility of Newell Rubbermaid Inc.'s management. Our responsibility is to express an opinion on these consolidated financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Newell Rubbermaid Inc. and subsidiaries as of December 31, 2001, 2000 and 1999 and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in Part IV Item 14(a)(2) of this Form 10-K is presented for the purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

~~Arthur Andersen LLP~~

~~Milwaukee, Wisconsin~~
~~January 25, 2002~~

~~CONSOLIDATED STATEMENTS OF INCOME~~

~~Year Ended December 31,~~	~~2001~~	~~2000~~	~~1999~~
~~(IN THOUSANDS, EXCEPT PER SHARE DATA)~~			
~~NET SALES~~	~~$6,909,319~~	~~$6,934,747~~	~~$6,711,768~~
~~Cost of products sold~~	~~5,046,587~~	~~5,108,703~~	~~4,975,369~~
~~Gross Income~~	~~1,862,732~~	~~1,826,044~~	~~1,736,399~~
~~Selling, general and administrative expenses~~	~~1,168,240~~	~~899,424~~	~~1,104,491~~
~~Restructuring costs~~	~~66,683~~	~~43,010~~	~~241,581~~
~~Goodwill amortization~~	~~56,957~~	~~51,930~~	~~46,722~~
~~OPERATING INCOME~~	~~570,852~~	~~831,680~~	~~343,605~~
~~Nonoperating expenses:~~			
~~Interest expense~~	~~137,453~~	~~130,033~~	~~100,021~~
~~Other, net~~	~~17,534~~	~~16,160~~	~~12,645~~
~~Net Nonoperating Expenses~~	~~154,987~~	~~146,193~~	~~112,666~~
~~Income before income taxes~~	~~415,865~~	~~685,487~~	~~230,939~~
~~Income taxes~~	~~151,230~~	~~263,912~~	~~135,502~~
~~NET INCOME~~	~~$264,635~~	~~$421,575~~	~~$95,437~~
~~Weighted average shares outstanding:~~			
~~Basic~~	~~266,657~~	~~268,437~~	~~281,806~~
~~Diluted~~	~~267,048~~	~~268,500~~	~~281,978~~
~~Earnings per share:~~			
~~Basic~~	~~$0.99~~	~~$1.57~~	~~$0.34~~
~~Diluted~~	~~$0.99~~	~~$1.57~~	~~$0.34~~
~~Dividends per share~~	~~$0.84~~	~~$0.84~~	~~$0.80~~

~~See Footnotes to Consolidated Financial Statements.~~

~~CONSOLIDATED STATEMENTS OF CASH FLOWS~~

~~Year Ended December 31,~~	~~2001~~	~~2000~~	~~1999~~
~~(IN THOUSANDS)~~			
~~OPERATING ACTIVITIES~~			

Net income	$264,635	$421,575	$95,437
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	328,775	292,576	271,731
Noncash restructuring charges	36,906	18,452	100,924
Deferred income taxes	25,500	59,800	(9,600)
Income tax savings from employee stock plans	360	997	2,269
Other	16,823	1,947	52,448
Changes in current accounts excluding the effects of acquisitions:			
Accounts receivable	(104,777)	36,301	(16,137)
Inventories	128,610	(100,495)	52,662
Other current assets	(6,814)	6,598	(41,793)
Accounts payable	149,341	(45,606)	14,617
Accrued liabilities and other	26,059	(68,658)	31,393
Net Cash Provided by Operating Activities	$865,418	$623,487	$553,951
INVESTING ACTIVITIES			
Acquisitions, net of cash acquired	$(107,479)	$(597,847)	$(345,934)
Expenditures for property, plant and equipment	(249,775)	(316,564)	(200,066)
Sale of business, net of taxes paid	15,428		
Sales of marketable securities, net of taxes paid	7,775		14,328
Disposals of noncurrent assets and other	30,491	5,119	720
Net Cash Used in Investing Activities	$(303,560)	$(909,292)	$(530,952)
FINANCING ACTIVITIES			
Proceeds from issuance of debt	$464,241	$1,265,051	$803,298
Payments on notes payable and long-term debt	(818,979)	(428,211)	(608,573)
Common stock repurchases		(402,962)	
Cash dividends	(223,998)	(225,083)	(225,774)
Proceeds from exercised stock options and other	2,863	1,263	27,411
Net Cash (Used in) Provided by Financing Activities	$(575,873)	$210,058	$(3,638)
Exchange rate effect on cash	(1,708)	(3,892)	(3,751)

(Decrease) Increase in Cash and Cash Equivalents	(15,723)	(79,639)	15,610
Cash and Cash Equivalents at Beginning of Year	22,525	102,164	86,554
Cash and Cash Equivalents at End of Year	$ 6,802	$ 22,525	$102,164
Supplemental cash flow disclosures - cash paid during the year for:			
Income taxes, net of refunds	$ 69,840	$152,787	$194,351
Interest, net of amounts capitalized	118,333	145,455	98,536

See Footnotes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS

December 31,	2001	2000	1999
(Dollars in thousands)			
ASSETS			
Current Assets:			
Cash and cash equivalents	$6,802	$22,525	$102,164
Accounts receivable, net	1,298,177	1,183,363	1,178,423
Inventories, net	1,113,797	1,262,551	1,034,794
Deferred income taxes	238,468	231,875	250,587
Prepaid expenses and other	193,408	180,053	172,601
Total Current Assets	2,850,652	2,880,367	2,738,569
Marketable Equity Securities		9,215	10,799
Other Long term Investments	79,492	72,763	65,905
Other Assets	329,886	352,629	335,699
Property, Plant and Equipment, Net	1,689,152	1,756,903	1,548,191
Trade Names and Goodwill, Net	2,316,940	2,189,948	2,024,925
Total Assets	$7,266,122	$7,261,825	$6,724,088
	=========	=========	=========
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Notes payable	$19,104	$23,492	$97,291
Accounts payable	501,259	342,406	376,596
Accrued compensation	124,660	126,970	113,373
Other accrued liabilities	936,146	781,122	892,481
Income taxes	145,183	73,122	
Current portion of long term debt	807,500	203,714	150,142
Total Current Liabilities	2,533,852	1,550,826	1,629,883
Long term Debt	1,365,001	2,319,552	1,455,779
Other Noncurrent Liabilities	359,526	347,855	354,107
Deferred Income Taxes	73,685	93,165	85,655
Minority Interest	685	1,788	1,658
Company Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust	499,997	499,998	500,000

Stockholders' Equity:			
Common stock, authorized shares, 800.0 million at $1.00 par value; Outstanding shares:	282,376	282,174	282,026
2001 - 282.4 million			
2000 - 282.2 million			
1999 - 282.0 million			
Treasury stock, at cost;	(408,457)	(407,456)	(2,760)
Shares held:			
2001 - 15.6 million			
2000 - 15.6 million			
1999 - 0.1 million			
Additional paid in capital	219,823	215,911	213,112
Retained earnings	2,571,255	2,530,864	2,334,609
Accumulated other comprehensive loss	(231,621)	(172,852)	(129,981)
Total Stockholders' Equity	2,433,376	2,448,641	2,697,006
Total Liabilities and Stockholders' Equity	$7,266,122	$7,261,825	$6,724,088
	=========	=========	=========

See Footnotes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME

(IN THOUSANDS, EXCEPT PER SHARE DATA)	Common Stock	Treasury Stock	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Current Year Comprehensive Income (Loss)
Balance at December 31, 1998	$281,747	$(21,607)	$204,709	$2,465,064	$(86,181)	
Net income				95,437		$ 95,437
Other comprehensive income (loss):						
Foreign currency translation adjustments					(48,045)	(48,045)
Unrealized gain on securities available for sale, net of $2.3 million tax					3,545	3,545
Reclassification adjustment for losses realized in net income, net of $0.4 million tax					700	700
Total comprehensive income						$51,637
Cash dividends:						
Common stock, $0.80 per share				(225,774)		
Exercise of stock options	279	16,316	7,699			
Other		2,531	704	(118)		
Balance at December 31, 1999	$282,026	$(2,760)	$213,112	$2,334,609	$(129,981)	
Net income				421,575		$421,575
Other comprehensive income (loss):						
Foreign currency translation adjustments					(41,670)	(41,670)
Unrealized loss on securities available for sale, net of $(0.7) million tax					(1,201)	(1,201)
Total comprehensive income						$ 378,704

	Common Stock	Treasury Stock	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Current Year Comprehensive Income (Loss)
Cash dividends:						
Common stock, $0.84 per share				(225,083)		
Exercise of stock options	148	(190)	1,495			
Common stock repurchases		(402,962)				
Other		(1,544)	1,304	(237)		
Balance at December 31, 2000	$282,174	$(407,456)	$215,911	$2,530,864	$(172,852)	
Net income				264,635		$264,635
Other comprehensive income (loss):						
Foreign currency translation adjustments					(41,343)	(41,343)
Loss on derivative instruments, net of$(7.9) million tax					(13,987)	(13,987)
Minimum pension liability					(4,506)	(4,506)

adjustment, net of $(2.8) million tax						
Unrealized loss on securities available for sale, net of $(1.1) million tax					(2,138)	(2,138)
Reclassification adjustment for losses realized in net income, net of $1.8 million tax					3,205	3,205
Total comprehensive income						$205,866
Cash dividends:						
Common stock, $0.84 per share				(223,998)		
Exercise of stock options	202	(822)	3,696			
Other		(179)	216	(246)		
Balance at December 31, 2001	$282,376	$(408,457)	$219,823	$2,571,255	$(231,621)	

See Footnotes to Consolidated Financial Statements.

FOOTNOTE 1

SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION: The Consolidated Financial Statements include the accounts of Newell Rubbermaid Inc. and its majority owned subsidiaries (the "Company") after elimination of intercompany accounts and transactions.

On March 24, 1999, Newell Co. ("Newell") completed a merger with Rubbermaid Incorporated ("Rubbermaid") in which Rubbermaid became a wholly owned subsidiary of Newell. Simultaneously with the consummation of the merger, Newell changed its name to Newell Rubbermaid Inc. The merger was accounted for as a pooling of interests and the financial statements have been restated to combine retroactively Rubbermaid's financial statements with those of Newell as if the merger had occurred at the beginning of the earliest period presented.

USE OF ESTIMATES: The preparation of these financial statements required the use of certain estimates by management in determining the Company's assets, liabilities, revenue and expenses and related disclosures. Actual results could differ from those estimates.

RECLASSIFICATIONS: Certain 2000 and 1999 amounts have been reclassified to conform with the 2001 presentation.

REVENUE RECOGNITION: Sales of merchandise and freight billed to customers, net of provisions for cash discounts, returns, customer discounts (such as volume or trade discounts), co-op advertising and other sales related discounts are recognized upon shipment to customers and when all substantial risks of ownership change. Staff Accounting Bulletin ("SAB") No. 101, which clarified the existing accounting rules for revenue recognition, did not impact the Company's net sales for any years presented. In conformity with SAB 101, revenue is recognized when all of the following circumstances are satisfied: pervasive evidence of an arrangement exists, the price is fixed or determinable, collection is reasonably assured and delivery has occurred.

In August 2001, the Emerging Issues Task Force ("EITF") issued EITF No. 01-09 "Accounting for Consideration Given by Vendor to a Customer or a Reseller of Vendor's Product" which codified and reconciled the Task Force's consensuses in EITF 00-14 "Accounting for Certain Sales Incentives", EITF 00-22 "Accounting for Points and Certain Other Time Based Sales Incentives or Volume Based Sales Incentive Offers, and Offers of Free Products or Services to Be Delivered in the Future", and EITF 00-25 "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products". These EITF's prescribe guidance regarding the timing of recognition and income statement classification of costs incurred for certain sales

incentive programs to resellers and end consumers. EITF No. 01-09 did not impact results of operations because the Company recognizes sales incentives upon recognition of revenue and classifies them as reductions of gross revenue and recognizes free goods as a cost of goods sold when shipped, both in accordance with the prescribed rules.

In May 2000, the EITF issued EITF No. 00-10 "Accounting for Shipping and Handling Fees and Costs." EITF No. 00-10 requires that amounts billed to customers related to shipping and handling costs be classified as revenue and all expenses related to shipping and handling be classified as a cost of products sold. Historically, these revenues and costs had been netted together and deducted from gross sales to arrive at net sales. The net sales and cost of products sold have been restated for this change. The impact of this change increased net sales and cost of products sold by $286.1 million and $298.7 million for the years ended December 31, 2000 and December 31, 1999, respectively. There was no impact on gross income resulting from this change.

DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS: The Company's financial instruments include cash and cash equivalents, accounts receivable, notes payable, short and long term debt and Company-obligated Mandatorily Redeemable Convertible Securities of a Subsidiary Trust. The fair value of these instruments approximates carrying values due to their short term duration, except as follows:

Derivative Instruments: The fair value of the Company's derivative instruments is recorded in the Consolidated Balance Sheets and is described in more detail in Footnote 7.

Long term Debt: The fair value of the Company's long-term debt issued under the medium term note program is estimated based on quoted market prices which approximate cost as of December 31, 2001. All other significant long term debt is pursuant to floating rate instruments whose carrying amounts approximate fair value.

Company Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust: The fair value of the $500.0 million company obligated mandatorily redeemable convertible preferred securities of a subsidiary trust was $377.5 million at December 31, 2001, based on quoted market prices.

CASH AND CASH EQUIVALENTS: Cash and highly liquid short term investments having a maturity of three months or less.

ALLOWANCES FOR DOUBTFUL ACCOUNTS: Allowances for doubtful accounts at December 31 totaled $57.9 million in 2001, $36.1 million in 2000 and $41.9 million in 1999. On January 22, 2002, one of the Company's largest customers filed for bankruptcy under Chapter 11 of the Bankruptcy Code. The Company increased bad debt provisions throughout 2001 to adequately reserve for this bankruptcy.

INVENTORIES: Inventories are stated at the lower of cost or market value. Cost of certain domestic inventories (approximately 63%, 59% and 67% of total inventories at December 31, 2001, 2000 and 1999, respectively) was determined by the "last in, first out" ("LIFO") method; for the balance, cost was determined using the "first in, first out" ("FIFO") method. If the FIFO inventory valuation method had been used exclusively, inventories would have increased by $20.1 million, $15.9 million and $11.4 million at December 31, 2001, 2000 and 1999, respectively. Inventory reserves (excluding LIFO reserves) at December 31 totaled $117.3 million in 2001, $114.6 million in 2000 and $119.4 million in 1999. The components of net inventories were as follows:

December 31,	2001	2000	1999
(IN MILLIONS)			
Materials and supplies	$223.2	$244.8	$240.0
Work in process	162.0	165.3	149.5
Finished products	728.6	852.5	645.3
	$1,113.8	$1,262.6	$1,034.8

OTHER LONG TERM INVESTMENTS: The Company has a 49% ownership interest in American Tool Companies, Inc., a manufacturer of hand tools and power tool accessory products marketed primarily under the Vise-Grip{R} and Irwin{R} trademarks. This investment is accounted for on the equity method with a net investment of $79.5 million at December 31, 2001. The Company's share of undistributed earnings of the investment included in consolidated retained earnings was $43.9 million at December 31, 2001.

LONG TERM MARKETABLE EQUITY SECURITIES: Long term marketable equity securities classified as available for sale are carried at fair value with adjustments to fair value reported separately, net of tax, as a component of accumulated other comprehensive income (and excluded from earnings). Gains and losses on the sales of long term marketable equity securities are based upon the average cost of securities sold. The Company sold all of its marketable equity securities in December 2001, and realized a $5.0 million pre tax loss. Long term marketable equity securities for prior years are summarized as follows:

December 31,	2000	1999
(IN MILLIONS)		
Aggregate market value	$9.2	$10.8
Aggregate cost	11.0	10.6
Unrealized pre tax (loss) ga in	$(1.8)	$0.2

PROPERTY, PLANT AND EQUIPMENT: Replacements and improvements are capitalized. Expenditures for maintenance and repairs are charged to expense. Depreciation expense is calculated to amortize, principally on the straight line basis, the cost of the depreciable assets over their depreciable lives. Maximum useful lives determined by the Company are: buildings and improvements (20 40 years) and machinery and equipment (3 12 years). Property, plant and equipment consisted of the following:

December 31,	2001	2000	1999
(IN MILLIONS)			
Land	$59.5	$60.7	$63.4
Buildings and improvements	732.5	736.1	691.3
Machinery and equipment	2,546.2	2,421.6	2,200.7
	3,338.2	3,218.4	2,955.4
Accumulated depreciation	(1,649.0)	(1,461.5)	(1,407.2)
	$1,689.2	$1,756.9	$1,548.2

TRADE NAMES AND GOODWILL: In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("FAS") No. 141, "Business Combinations" and No. 142, "Goodwill and Other Intangible Assets" effective for fiscal years beginning after December 31, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized, but will be subject to periodic impairment tests in accordance with the statements. Other intangible assets will continue to be amortized over their useful lives. The statement also required business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting, and broadens the criteria for recording intangible assets separate from goodwill.

Effective January 1, 2002, all amortization expense on goodwill and intangible assets with indefinite lives will stop. The Company anticipates that the application of the nonamortization provisions will increase annual net income by approximately $41.0 million or $0.15 per diluted share. During 2001 and the first quarter 2002, the Company performed the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002. Subject to final analysis, the Company expects to record a pre tax goodwill impairment charge of $500.0 million to $550.0 million in the first quarter of 2002.

The cost of trade names and goodwill represents the excess of cost over identifiable net assets of businesses acquired. Prior to the adoption of FAS 141, the Company did not allocate such excess cost to trade names separate from goodwill, but allocated it to other identifiable intangible assets recorded in long term Other Assets. Through the year ended December 31, 2001, trade names and goodwill were amortized over 40 years and other identifiable intangible assets were amortized over 5 to 20 years. Trade names and goodwill consisted of the following:

December 31,	2001	2000	1999
(IN MILLIONS)			
Cost	$2,671.6	$2,485.8	$2,270.5
Accumulated amortization	(354.7)	(295.9)	(245.6)
	$2,316.9	$2,189.9	$2,024.9

Other identifiable intangible assets (recorded in Other Assets) consisted of the following:

December 31,	2001	2000	1999
(IN MILLIONS)			
Cost	$82.0	$96.1	$93.0
Accumulated amortization	(36.7)	(34.7)	(34.3)
	$45.3	$61.4	$58.7

LONG LIVED ASSETS: Subsequent to acquisition, the Company periodically evaluates whether later events and circumstances have occurred that indicate the remaining estimated useful life of long lived assets may warrant revision or that the remaining balance of long lived assets may not be recoverable. If factors indicate that long lived assets should be evaluated for possible impairment, the Company uses an estimate of the relevant business' undiscounted net cash flow over the remaining life of the long lived assets in measuring whether the carrying value is recoverable. An impairment loss would be measured by reducing the carrying value to fair value, based on a discounted cash flow analysis.

In August 2001, the FASB issued FAS No. 144, "Accounting for Impairment of Disposal of Long Lived Assets." This statement established a single accounting model for long lived assets to be disposed of by sale and provides additional implementation guidance for assets to be held and used and assets to be disposed of other than by sale. The statement supersedes FAS No. 121, "Accounting for the Impairment of Long Lived Assets and for Long Lived Assets to Be Disposed Of" and amends the accounting and reporting provisions of Accounting Principles Board ("APB") Opinion No. 30 related to the disposal of a segment of a business. The statement is effective for fiscal years beginning after December 15, 2001. The adoption of FAS No. 144 on January 1, 2002 will require separate presentation of the discontinued operations for the Company's pending divestiture of Anchor Hocking Glass ("Anchor"), as disclosed further in Footnote 2.

OTHER ACCRUED LIABILITIES: Customer accruals are promotional allowances and rebates given to customers in exchange for their selling efforts. The self insurance accrual is primarily casualty liability such as workers' compensation, general and product liability and auto liability and is estimated based upon historical loss experience. Accrued liabilities included the following:

December 31,	2001	2000	1999
(IN MILLIONS)			
Customer accruals	$253.3	$240.7	$296.6
Accrued self insurance liability	107.2	99.9	92.0

FOREIGN CURRENCY TRANSLATION: Foreign currency balance sheet accounts are translated into U.S. dollars at the rates of exchange in effect at fiscal year end. Income and expenses are translated at the average rates of exchange in effect during the year. The related translation adjustments are made directly to accumulated other comprehensive income. International subsidiaries operating in highly inflationary economies translate nonmonetary assets at historical rates, while net monetary assets are translated at current rates, with the resulting translation adjustment included in net income as other nonoperating (income) expenses. Foreign currency transaction losses were $1.9 million, $1.9 million and $1.1 million in 2001, 2000 and 1999, respectively.

ADVERTISING COSTS: The Company expenses advertising costs as incurred, including cooperative advertising programs with customers. Total cooperative advertising expense was $196.8 million, $209.2 million and $205.3 million for 2001, 2000 and 1999, respectively. Cooperative advertising is recorded in the Consolidated Financial Statements as a reduction of sales because it is viewed as part of the negotiated price of products. All other advertising costs are charged to selling, general and administrative expenses and totaled $100.3 million, $80.0 million and $80.0 million in 2001, 2000 and 1999, respectively.

RESEARCH AND DEVELOPMENT COSTS: Research and development costs relating to both future and present products are charged to selling, general and administrative expenses as incurred. These costs aggregated $67.2 million, $49.4 million and $49.9 million in 2001, 2000 and 1999, respectively.

EARNINGS PER SHARE: The calculation of basic and diluted earnings per share for the years ended December 31, 2001, 2000 and 1999, respectively, is shown below (IN MILLIONS, EXCEPT PER SHARE DATA):

2001	Basic Method	"In the Money" Stock Options (1)	Convertible Preferred Securities (2)	Diluted Method
Net income	$264.6	—	—	$264.6
Weighted average shares outstanding	266.7	0.3	—	267.0
Earnings per share	$0.99			$ 0.99
2000				
Net income	$421.6			$421.6
Weighted average shares outstanding	268.4	0.1		268.5
Earnings per share	$1.57			$ 1.57
1999				
Net income	$ 95.4			$ 95.4
Weighted average shares outstanding	281.8	0.2		282.0
Earnings per share	$ 0.34			$ 0.34

(1) The weighted average shares outstanding for 2001, 2000 and 1999 exclude the dilutive effect of approximately 3.9 million, 7.6 million and 4.2 million options, respectively, since such options had an exercise price in excess of the average market value of the Company's common stock during the respective years.

(2) The convertible preferred securities are anti-dilutive in 2001, 2000 and 1999 and, therefore, have been excluded from diluted earnings per share. Had the convertible preferred shares been included in the diluted earnings per share calculation, net income would be increased by $16.8 million, $16.4 million and $16.3 million in 2001, 2000 and 1999, respectively, and weighted average shares outstanding would have increased by 9.9 million shares in all years.

COMPREHENSIVE INCOME: Comprehensive income and accumulated other comprehensive income encompass net income, net after tax unrealized gains or losses on securities available for sale, foreign currency translation adjustments, net losses on derivative instruments and net minimum pension liability adjustments in the Consolidated Statements of Stockholders' Equity and Comprehensive Income. The following table displays the components of accumulated other comprehensive income or loss (IN MILLIONS):

	After tax Unrealized Gain (Loss) on Securities	Foreign Currency Translation Loss	After tax Derivatives Hedging Loss	After tax Minimum Pension Liability	Accumulated Other Comprehensive Loss
Balance at 12/31/98	$(4.1)	$(82.1)	$	$	$(86.2)
Current year change	4.2	(48.0)			(43.8)
Balance at 12/31/99	0.1	(130.1)	—	—	(130.0)
Current year change	(1.2)	(41.7)	—	—	(42.9)
Balance at 12/31/00	(1.1)	(171.8)			(172.9)
Current year change	1.1	(41.3)	(14.0)	(4.5)	(58.7)
Balance at 12/31/01	$	$(213.1)	$(14.0)	$(4.5)	$(231.6)

FOOTNOTE 2

ACQUISITIONS OF BUSINESS

2001:

The Company made only minor acquisitions in 2001, for $61.2 million in cash and $0.1 million of assumed debt.

2000:

In 2000, the Company acquired the following:

Business Name	Business Description	Acquisition Date	Industry Segment
Mersch SA	Picture Frames	January 24	Calphalon/WearEver
Brio	Picture Frames	May 24	Calphalon/WearEver
Paper Mate/Parker	Writing Instruments	December 29	Parker/Eldon

For these and for other minor acquisitions made in 2000, the Company paid $635.2 million in cash and assumed $15.0 million of debt.

1999:

In 1999, the Company acquired the following:

Business Name	Business Description	Acquisition Date	Industry Segment

Ateliers 28	Drapery Hardware	April 2	Levolor/Hardware
Reynolds SA	Writing Instruments	October 18	Parker/Eldon
McKechnie plc consumer product division	Drapery Hardware, Window Fashions, Shelving & Hardware	October 29	Levolor/Hardware
Ceanothe Holding	Picture Frames	December 29	Calphalon/WearEver

For these and for other minor acquisitions made in 1999, the Company paid $397.3 million in cash and assumed $45.1 million of debt.

The transactions summarized above were accounted for as purchases; therefore, results of operations are included in the accompanying Consolidated Financial Statements since their respective acquisition dates. The acquisition costs for the 2001 acquisitions were allocated

on a preliminary basis to the fair market value of the assets acquired and liabilities assumed. The Company's finalized integration plans may include exit costs for certain plants and product lines and employee termination costs. The final adjustments to the purchase price allocations are not expected to be material to the Consolidated Financial Statements. The preliminary purchase price allocations for the 2001 acquisitions and the finalized purchase price allocations for the 2000 and 1999 acquisitions resulted in trade names and goodwill of approximately $705.9 million.

The Company began to formulate integration plans for the Paper Mate/Parker, Brio and Mersch SA acquisitions as of their respective dates of acquisition. The integration plans for these acquisitions were finalized during 2001 and resulted in integration plan liabilities of $67.9 million for facility and other exit costs, $32.6 million for employee severance and termination benefits and $3.4 million for other pre acquisition contingencies. These reserves are primarily related to the closure of Paper Mate manufacturing facilities in California and integration of Paper Mate's European operations into existing Newell European writing instruments businesses. In addition, integration reserves were established for the closure of several Mersch and Brio facilities as these businesses are integrated into existing Newell European picture frame businesses. As of December 31, 2001, $32.4 million of integration plan reserves remain related to the 2000 and 1999 acquisitions.

None of the 2001 acquisitions were included in the pro forma calculations because their effect was immaterial. The unaudited consolidated results of operations for the years ended December 31, 2001 and 2000 on a pro forma basis, as though the 2000 acquisitions of Mersch, Brio and Paper Mate/Parker had been acquired on January 1, 2000, are as follows (unaudited):

Year Ended December 31,	2001	2000
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)		
Net sales	$6,909.3	$7,489.7
Net income	264.0	382.5
Earnings per share (basic)	$0.99	$1.43

MERGERS

On March 24, 1999, the Company completed the Rubbermaid merger. The merger qualified as a tax free exchange and was accounted for as a pooling of interests. Newell issued .7883 Newell Rubbermaid shares (those of the Company as a combined entity) for each outstanding share of Rubbermaid common stock. A total of 119.0 million shares (adjusted for fractional and dissenting shares) of the Company's common stock were issued as a result of the merger, and Rubbermaid's outstanding stock options were converted into options to purchase approximately 2.5 million Newell Rubbermaid common shares.

~~No adjustments were made to the net assets of the combining companies to adopt conforming accounting practices or fiscal years other than adjustments to eliminate the accounting effects related to Newell's purchase of Rubbermaid's office products business ("Eldon") in 1997. Because the Newell Rubbermaid merger was accounted for as a pooling of interests, the accounting effects of Newell's purchase of Eldon have been eliminated as if Newell had always owned it.~~

~~The following table presents a reconciliation of net sales and net income (loss) for Newell and Rubbermaid individually to those presented in the accompanying Consolidated Financial Statements:~~

~~Year Ended December 31,~~	~~1999~~
~~(In millions)~~	
~~Net sales:~~	
~~Newell~~	~~$4,146.8~~
~~Rubbermaid~~	~~2,565.0~~
	~~$6,711.8~~
~~Net income (loss):~~	
~~Newell~~	~~$285.2~~
~~Rubbermaid~~	~~(189.8)~~
	~~$ 95.4~~

~~PENDING DIVESTITURE~~

~~On June 18, 2001, the Company announced the sale of Anchor for $322.0 million. On January 14, 2002, the Federal Trade Commission ("FTC") filed a complaint challenging the legality of the sale of Anchor. The FTC believes the sale of Anchor to the current buyer could create a monopoly in the market for glassware in the foodservice industry. On January 21, 2002, the Company signed an amended agreement with the buyer to divest of Anchor, excluding the foodservice business, for $277.5 million. The Company is defending the restructured~~

~~transaction. Annual net sales from Anchor (including the foodservice business) totaled $196.6 million, $206.7 million and $210.8 million for the years ended December 31, 2001, 2000 and 1999, respectively. Anchor is included in the Calphalon/WearEver segment.~~

~~Effective January 1, 2002, the carrying amount of Anchor will be classified as held for sale in the Consolidated Balance Sheets in accordance with FAS No. 144. The results of operations for Anchor will be reported separately in the Consolidated Statements of Income as a discontinued operation. The expected gain from this divestiture will be recognized when the sale is finalized.~~

FOOTNOTE 3

RESTRUCTURING COSTS

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

Year Ended December 31,	2001	2000	1999
(IN MILLIONS)			
Facility and other exit costs	$34.6	$14.0	$27.8
Employee severance and termination benefits	28.5	26.8	101.9
Exited contractual commitments	1.0		72.0
Rubbermaid transaction costs	—	—	39.9
Other	2.6	2.2	
Recorded as Restructuring Costs	$66.7	$43.0	$241.6
Discontinued Product Lines (in Cost of Sales)	3.8	5.6	4.8
Total Costs Related to Restructuring Plans	$70.5	$48.6	$246.4

Restructuring provisions were determined based on estimates prepared at the time the restructuring actions were approved by management. An analysis of the Company's restructuring plan reserves is as follows (IN MILLIONS):

	12/31/99 Balance	Provision	Costs Incurred*	12/31/00 Balance
Facility and other exit costs	$9.9	$19.6	$(17.7)	$11.8
Employee severance and termination benefits	0.6	26.8	(24.1)	3.3
Exited contractual commitments	7.4		(2.8)	4.6
Other		2.2		2.2
	$17.9	$48.6	$(44.6)	$21.9

	12/31/00 Balance	Provision	Costs Incurred*	12/31/01 Balance
Facility and other exit costs	$11.8	$38.4	$(30.1)	$20.1
Employee severance and termination benefits	3.3	28.5	(25.6)	6.2
Exited contractual commitments	4.6	1.0	(3.7)	1.9
Other	2.2	2.6	(4.8)	
	$21.9	$70.5	$(64.2)	$28.2

* Cash paid for restructuring activities was $49.7 million, $32.9 million and $145.5 million in 2001, 2000 and 1999, respectively.

The facility and other exit cost reserves of $20.1 million at December 31, 2001 are primarily related to future minimum lease payments on a vacated Levolor/Hardware European facility and closure costs related to six additional facilities (one at Rubbermaid, one at Parker/Eldon, two at Levolor/Hardware and two at Calphalon/WearEver). Severance reserves of $6.2 million at December 31, 2001 are primarily related to payments to approximately 25 former Newell executives who are receiving severance payments under employment agreements. As of December 31, 2001, $1.9 million of reserves remain for restructuring charges recorded in 1999 for contractual commitments on abandoned Rubbermaid computer software. No other restructuring reserves remain from the 2000 and 1999 restructuring charges.

2001

During 2001, the Company recorded pre-tax restructuring charges associated with the Company's strategic restructuring plan. The restructuring plan is intended to streamline the Company's supply chain to ensure its position as the low cost global provider throughout the Company's product portfolio. The plan consists of reducing worldwide headcount over the three years beginning in 2001, and includes consolidating duplicate manufacturing facilities. As part of this plan, the Company incurred employee severance and termination benefit costs for approximately 1,700 employees.

~~Additionally, the Company incurred facility exit costs related primarily to the closure of 14 facilities (four at Rubbermaid, one at Parker/Eldon, six at Levolor/Hardware and three at Calphalon/WearEver).~~

~~2000~~

~~During 2000, the Company recorded pre tax restructuring charges related primarily to the continued Rubbermaid integration and plant closures in the Home Decor segment. The Company incurred employee severance and termination benefit costs related to approximately 700 employees terminated in 2000. Such costs included severance and government mandated settlements for facility closures at Rubbermaid Europe, change in control payments made to former Rubbermaid executives, employee terminations at the domestic Rubbermaid divisions and severance at the Home Decor segment. The Company incurred merger transaction costs related primarily to legal settlements for Rubbermaid's 1998 sale of a former division and other merger related contingencies resolved in 2000. Additionally, the Company incurred facility and other exit costs related primarily to the closure of five European Rubbermaid facilities, three window furnishings facilities as well as the exit of various Rubbermaid product lines.~~

~~1999~~

~~During 1999, the Company recorded pre tax restructuring charges related primarily to the integration of the Rubbermaid business into Newell. Merger transaction costs related primarily to investment banking, legal and accounting costs for the Newell/Rubbermaid merger. Employee severance and termination benefits related to approximately 750 employees terminated in 1999. Such costs included change in control payments made to former Rubbermaid executives and severance and termination costs at Rubbermaid's former headquarters, Rubbermaid Home Products division, Little Tikes division, Rubbermaid Commercial Products division and Newell divisions. Facility and other exit costs representing impaired Rubbermaid centralized computer software (abandoned as a result of converting Rubbermaid onto existing Newell centralized computer software) and costs related to discontinued product lines, the closure of seven Rubbermaid facilities, write off of assets associated with abandoned projects and impaired assets and other exit costs.~~

~~FOOTNOTE 4~~

~~CREDIT ARRANGEMENTS~~

~~The Company has short term foreign and domestic uncommitted lines of credit with various banks which are available for short term financing. Borrowings under the Company's uncommitted lines of credit are subject to the discretion of the lender. The Company's uncommitted lines of credit do not have a material impact on the Company's liquidity. The following is a summary of borrowings under foreign and domestic lines of credit:~~

December 31,	2001	2000	1999
(IN MILLIONS)			
Notes payable to banks:			
Outstanding at year end			
borrowing	$ 19.1	$ 23.5	$97.3
weighted average interest rate	10.0%	8.6%	6.8%
Average for the year			
borrowing	$ 24.1	$ 61.1	$59.1
weighted average interest rate	12.1%	7.7%	9.9%
Maximum outstanding during the year	$401.5	$178.0	$ 97.3

~~The Company can also issue commercial paper (as described in Footnote 5 to the Consolidated Financial Statements), as summarized below:~~

December 31,	2001	2000	1999
(IN MILLIONS)			
Commercial paper:			
Outstanding at year end			
borrowing	$ 707.5	$1,503.7	$718.5
average interest rate	2.8%	6.6%	5.9%
Average for the year			
borrowing	$1,240.3	$ 987.5	$534.9
average interest rate	4.1%	6.3%	5.2%
Maximum outstanding during the year	$1,603.3	$1,503.7	$807.0

~~FOOTNOTE 5~~

~~LONG TERM DEBT~~

~~The following is a summary of long term debt:~~

December 31,	2001	2000	1999
(IN MILLIONS)			
Medium term notes	$1,012.5	$1,012.5	$859.5
Commercial paper	707.5	1,503.7	718.5
Preferred debt securities	450.0		
Other long term debt	2.5	7.1	27.9
Total debt	2,172.5	2,523.3	1,605.9
Current portion of long term debt	(807.5)	(203.7)	(150.1)
Long term Debt	$1,365.0	$2,319.6	$1,455.8

~~The Company has a revolving credit agreement of $1,300.0 million that will terminate in August 2002. During 2000, the Company entered into a 364 day revolving credit agreement in the amount of $700.0 million. The 364 day revolving credit agreement terminated in October 2001. At December 31, 2001, there were no borrowings under the remaining $1,300.0 million revolving credit agreement.~~

~~In lieu of borrowings under the Company's revolving credit agreement, the Company may issue commercial paper. The Company's revolving credit agreement 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 Company's revolving credit agreement. At December 31, 2001, $707.5 million (principal amount) of commercial paper was outstanding. Because the backup revolving credit agreement expires in August 2002, the entire $707.5 million is classified as current portion of long-term debt.~~

~~The revolving credit agreement permits the Company to borrow funds on a variety of interest rate terms. The agreement requires, among other things, that the Company maintain a certain Total Indebtedness to Total Capital Ratio and limits Subsidiary Indebtedness, as defined in the agreement. As of December 31, 2001, the Company was in compliance with this agreement.~~

~~The Company had outstanding at December 31, 2001 a total of $1,012.5 million (principal amount) of medium term notes. The maturities on these notes range from 3 to 30 years at an average interest rate of 6.34%. Of the outstanding amount of medium term notes, $100.0 million is classified as current portion of long term debt and $912.5 million is classified as long term debt. A $779.5 million universal~~

shelf registration statement became effective in July 1999. As of December 31, 2001, $449.5 million of Company debt and equity securities may be issued under the shelf registration statement.

On September 18, 2001, the Company entered into an agreement with a financial institution creating a financing entity which is consolidated in the Company's financial statements. Under the agreement, the Company regularly enters into transactions with the financing entity to sell an undivided interest in the Company's trade receivables to the financing entity. In the quarter ended September 30, 2001, the financing entity issued $450.0 million in preferred debt securities to a financial institution. Those preferred debt securities must be retired or redeemed before the Company can have access to the financing entity's receivables. The receivables and the corresponding $450.0 million preferred debt issued by the subsidiary to the financial institution are recorded in the Consolidated Balance Sheets of the Company. The proceeds of this debt were used to pay down commercial paper issued by the Company. Because this debt matures in 2008, the entire amount is considered to be long term debt. The provisions of the debt agreement allow the entire outstanding debt to be called upon certain events including the Company's debt rating falling below investment grade (Baa2; Moody's debt rating and BBB; Standard & Poor's debt rating), and certain levels of accounts receivable write offs. As of December 31, 2001, the Company was in compliance with the agreement.

The aggregate maturities of long term debt outstanding are as follows:

December 31,	Aggregate Maturities
(IN MILLIONS)	
2002	$ 807.5
2003	415.5
2004	
2005	22.0
2006	150.0
Thereafter	777.5
	$2,172.5

FOOTNOTE 6

COMPANY OBLIGATED MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED SECURITIES OF A SUBSIDIARY TRUST

The Company fully and unconditionally guarantees 10.0 million shares of 5.25% convertible preferred securities issued by a 100% owned finance subsidiary of the Company, which are callable at 103.15% of the liquidation preference, decreasing over time to 100% by December 2007. Each of these "Preferred Securities" is convertible into 0.9865 of a share of Company common stock, and is entitled to a quarterly cash distribution at the annual rate of $2.625 per share.

The proceeds of the Preferred Securities were invested in $500.0 million of the Company 5.25% Junior Convertible Subordinated Debentures. The Debentures are the sole assets of the subsidiary trust, mature on December 1, 2027, bear interest at an annual rate of 5.25%, are payable quarterly and became redeemable by the Company beginning in December 2001. The Company may defer interest payments on the Debentures for a period of up to 20 consecutive quarters, during which period distribution payments on the Preferred Securities are also deferred. Under this circumstance, the Company may not declare or pay any cash distributions with respect to its common or preferred stock or debt securities that do not rank senior to the Debentures.

As of December 31, 2001, the Company has not elected to defer interest payments. The $500.0 million of the Preferred Securities is classified as Company Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust in the Consolidated Balance Sheet.

~~FOOTNOTE 7~~

~~DERIVATIVE FINANCIAL INSTRUMENTS~~

~~At the beginning of 2001, the Company adopted FAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement requires companies to record derivatives on the balance sheet as assets or liabilities, measured at fair value. Any changes in fair value of these instruments are recorded in the income statement or other comprehensive income. The impact of adopting FAS No. 133 on January 1, 2001 resulted in a cumulative after tax gain of approximately $13.0 million, recorded in accumulated other comprehensive income. The cumulative effect of adopting FAS No. 133 did not materially impact the results of operations.~~

~~The Company has limited involvement with derivative financial instruments and does not use them for trading purposes. Derivative financial instruments are used to manage certain interest rate and foreign currency risks. These instruments include interest rate swaps, long term cross currency interest rate swaps, and short term forward exchange contracts.~~

~~The Company entered into several interest rate swap agreements, designated as cash flow hedging relationships, as a means to mitigate the risk of rising interest rates in future periods by converting certain floating rate debt instruments into fixed rate debt. Gains and losses on these instruments, to the extent that the hedge relationship has been effective, are deferred in other comprehensive income and recognized in interest expense over the period in which the Company recognizes interest expense on the related debt instrument. Any ineffectiveness on these instruments is immediately recognized in interest expense in the period that the ineffectiveness occurs. During 2001, the ineffectiveness related to these instruments was insignificant. The maximum length of time over which the Company is hedging its interest rate exposure through the use of interest rate swap agreements is seven years, and the Company expects approximately $10.9 million of losses, net of tax, deferred in other comprehensive income to be recognized in earnings over the 12 months ended December 31, 2002. At December 31, 2001, the Company had interest rate swaps with an outstanding notional principal amount of $372.0 million, with accrued interest payable of $1.6 million.~~

~~The Company utilizes forward exchange contracts to manage foreign exchange risk related to both known and anticipated intercompany transactions and third party commercial transaction exposures of one year duration or less. The Company also utilizes long term cross currency interest rate swaps to hedge long term intercompany transactions. The maturities on these long term cross currency interest rate swaps range from three to five years. At December 31, 2001, the Company had long term cross currency interest rate swaps~~

~~with an outstanding notional principal amount of $337.3 million, with accrued interest receivable of $2.9 million.~~

~~Gains and losses related to qualifying forward exchange contracts, which hedge intercompany transactions or third party commercial transactions, are deferred in other comprehensive income with a corresponding asset or liability until the underlying transaction occurs and are considered to have a cash flow hedging relationship. The gains and losses reported in accumulated other comprehensive income will be reclassified to earnings upon completion of the underlying transaction being hedged. The net loss recognized in 2001 for matured cash flow forward exchange contracts was $1.0 million, which was recognized in the income statement. The Company estimates that $0.6 million of losses, net of tax, deferred in accumulated other comprehensive income will be recognized in earnings over the 12 months ending December 31, 2002.~~

~~Derivative instruments used to hedge intercompany loans are marked to market with the corresponding gains or losses included in accumulated other comprehensive income and are considered to have a fair value hedging relationship. The net gain recognized in 2001 for forward~~

exchange contracts and cross currency interest rate swaps was $2.2 million, which was recognized as part of interest income on the income statement.

The following table summarizes the Company's short term forward exchange contracts and long term cross currency interest rate swaps in U.S. dollars by major currency and contractual amount. The "buy" amounts represent the U.S. equivalent of commitments to purchase foreign currencies, and the "sell" amounts represent the U.S. equivalent of commitments to sell foreign currencies according to the local needs of the subsidiaries. The contractual amounts of significant short term forward exchange contracts and long term cross currency interest rate swaps and their fair values as of December 31, 2001 were as follows:

December 31,	2001		2000	
(IN MILLIONS)	Buy	Sell	Buy	Sell
British Pounds	$174.9	$178.2	$1.6	$165.2
Canadian Dollars	207.8	31.6	149.4	24.0
Euro	43.7	232.2	0.2	350.2
Other	23.9	9.8		8.6
	$450.3	$451.8	$151.2	$548.0
Fair Value recorded in the Consolidated Balance Sheet	$440.0	$448.2	$146.9	$508.4

The Company's short term forward exchange contracts and long term cross currency interest rate swaps do not subject the Company to risk due to foreign exchange rate movement, since gains and losses on these instruments generally offset gains and losses on the assets, liabilities, and other transactions being hedged. The Company does not obtain collateral or other security to support derivative financial instruments subject to credit risk, but monitors the credit standing of the counterparties.

FOOTNOTE 8

LEASES

The Company leases manufacturing and warehouse facilities, real

~~estate, transportation, data processing and other equipment under leases which expire at various dates through the year 2013. Rent expense was $112.0 million, $102.9 million and $91.9 million in 2001, 2000 and 1999, respectively. Future minimum rental payments for operating leases with initial or remaining terms in excess of one year are as follows:~~

~~Year ending December 31,~~	~~Minimum Payments~~
~~(IN MILLIONS)~~	
~~2002~~	~~$56.6~~
~~2003~~	~~40.3~~
~~2004~~	~~28.6~~
~~2005~~	~~18.5~~
~~2006~~	~~12.2~~
~~Thereafter~~	~~24.1~~
	~~$180.3~~

~~FOOTNOTE 9~~

~~EMPLOYEE BENEFIT AND RETIREMENT PLANS~~

~~As of December 31, 2001, the Company continued to maintain various deferred compensation plans with varying terms. The total liability associated with these plans was $52.3 million, $49.2 million and $49.6 million as of December 31, 2001, 2000 and 1999, respectively. These liabilities are included in Other Noncurrent Liabilities in the Consolidated Balance Sheet. These plans are partially funded with asset balances of $41.9 million, $39.6 million and $37.6 million as of December 31, 2001, 2000 and 1999, respectively. These assets are included in Other Noncurrent Assets in the Consolidated Balance Sheet.~~

~~Effective January 1, 2002, the Company adopted a deferred compensation plan pursuant to which certain management and highly compensated employees are eligible to defer up to 50% of their regular compensation and up to 100% of their bonuses, and nonemployee board members are eligible to defer up to 100% of their directors compensation. The compensation deferred under this plan along with earnings is fully vested at all times.~~

~~The Company has a Supplemental Executive Retirement Plan ("SERP"), which is a nonqualified defined benefit plan pursuant to which the Company will pay supplemental pension benefits to certain key employees upon retirement based upon the employees' years of service and compensation. The SERP is being funded through a trust agreement with the Northern Trust Company, as trustee, that owns life insurance policies on key employees. At December 31, 2001, 2000 and 1999, the life insurance contracts had a cash surrender value of $56.0 million, $44.1 million and $30.0 million, respectively. These assets are included in Other Noncurrent Assets in the Consolidated Balance Sheet. The amount of coverage is designed to provide sufficient reserves to cover all costs of the plan. The projected benefit obligation was $59.8 million, $57.1 million and $44.8 million at December 31, 2001, 2000 and 1999, respectively. The SERP liabilities are included in the pension table below; however, the Company's investment in the life insurance contracts are excluded from the table as they do not qualify as plan assets under FAS No. 87, Employers' Accounting for Pensions.~~

~~The Company and its subsidiaries have noncontributory pension, profit sharing and contributory 401(k) plans covering substantially all of their foreign and domestic employees. Pension plan benefits are generally based on years of service and/or compensation. The Company's funding policy is to contribute not less than the minimum~~

amounts required by the Employee Retirement Income Security Act of 1974, as amended, the Internal Revenue Code of 1986, as amended or local statutes to assure that plan assets will be adequate to provide retirement benefits. The Company's common stock comprised $56.6

million, $46.7 million and $48.7 million of noncontributory pension plan assets at December 31, 2001, 2000 and 1999, respectively.

The Company's matching contributions to the profit sharing plans were $15.4 million, $14.5 million and $12.3 million for the years ended December 31, 2001, 2000 and 1999, respectively.

In addition, several of the Company's subsidiaries currently provide retiree health care and life insurance benefits for certain employee groups.

The following provides a reconciliation of benefit obligations, plan assets and funded status of the Company's noncontributory pension plans, SERP and postretirement benefit plans within the guidelines of FAS No. 132:

	Pension Benefits			Other Postretirement Benefits		
December 31,	2001	2000	1999	2001	2000	1999
(IN MILLIONS)						
Change in benefit obligation:						
Benefit obligation at January 1	$740.9	$709.1	$691.1	$166.7	$196.3	$184.0
Service cost	38.9	29.0	25.4	3.3	3.6	3.5
Interest cost	54.9	48.9	50.1	12.5	12.9	12.6
Amendments	(1.2)	3.8	6.5			(0.5)
Actuarial (gain) loss	(15.9)	(0.7)	(59.6)	50.8	(31.4)	11.9
Acquisitions	79.8	—	50.4	—	—	1.7
Currency translation	(4.1)	(2.2)	(5.0)	—	—	—
Benefits paid from plan assets	(46.6)	(47.0)	(49.8)	(20.7)	(14.7)	(16.9)
Benefit obligation at December 31	$846.7	$740.9	$709.1	$212.6	$166.7	$196.3
Change in plan assets:						
Fair value of plan assets at January 1	$888.3	$858.6	$713.8	$ —	$ —	$ —
Actual return on plan assets	(176.0)	76.4	119.5	—	—	—
Acquisitions	83.8		62.3			
Contributions	7.6	3.1	11.6	20.7	14.7	16.9
Currency translation	(0.6)	(2.8)	1.2	—	—	—
Benefits paid from plan assets	(46.6)	(47.0)	(49.8)	(20.7)	(14.7)	(16.9)
Fair value of plan assets at December 31	$756.5	$888.3	$858.6	$ —	$ —	$ —

Funded Status:						
Funded status at December 31	$(90.2)	$147.4	$149.5	$(212.6)	$(166.7)	$(196.3)
Unrecognized net loss (gain)	142.8	(110.7)	(118.9)	13.7	(38.6)	(8.0)
Unrecognized prior service cost	2.7	3.4	(0.9)	—	—	(0.2)
Unrecognized net asset	(1.1)	(2.2)	(3.3)			
Net amount recognized	$ 54.2	$ 37.9	$ 26.4	$(198.9)	$(205.3)	$(204.5)
Amounts recognized in the Consolidated Balance Sheets:						
Prepaid benefit cost (1)	$142.0	$110.0	$102.9	$ —	$ —	$ —
Accrued benefit cost (2)	(98.6)	(78.2)	(80.9)	(198.9)	(205.3)	(204.5)
Intangible asset (1)	3.5	6.1	4.4	—	—	—
Accumulated other comprehensive loss	7.3					
Net amount recognized	$54.2	$37.9	$26.4	$(198.9)	$(205.3)	$(204.5)
Assumptions as of December 31:						
Discount rate	7.25%	7.5%	7.5%	7.25%	7.5%	7.5%
Long term rate of return on plan assets	10.0%	10.0%	10.0%			
Long term rate of compensation						
Long term rate of compensation increase	5.0%	5.0%	5.0%			
Health care cost trend rate				6.0%	6.0%	7.0-9.0%

(1) Recorded in Other Noncurrent Assets
(2) Recorded in Other Noncurrent Liabilities

Net pension (income) expenses and other postretirement benefit expenses include the following components:

	Pension Benefits			Other Postretirement Benefits		
Year Ended December 31,	2001	2000	1999	2001	2000	1999
(IN MILLIONS)						
Service cost benefits earned during the year	$33.2	$29.2	$30.9	$ 3.3	$ 3.6	$ 3.5
Interest cost on projected benefit obligation	53.7	49.5	50.9	12.5	12.9	12.6
Expected return on plan assets	(87.1)	(82.8)	(76.7)	—	—	—
Amortization of:						
Transition asset	(1.4)	(1.9)	(1.2)	(1.5)	(1.1)	(0.2)
Prior service cost recognized	(1.1)	(0.5)	(0.4)	—	—	—
Actuarial (gain) loss	(0.3)	(1.3)	0.8	—	—	—
Net pension (income) expense	$(3.0)	$(7.8)	$4.3	$14.3	$15.4	$15.9

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets are as follows:

December 31,	2001	2000	1999
(IN MILLIONS)			
Projected benefit obligation	$(443.0)	$103.7	$145.2
Accumulated benefit obligation	(404.1)	85.3	131.0
Fair value of plan assets	307.0		50.8

Assumed health care cost trends have been used in the valuation of postretirement benefits. The trend rate is 6% in 2001, but will increase to 10% (for retirees under age 65) and 12% (for retirees over age 65) in 2002, declining to 6% for all retirees in 2009 and thereafter. The Company increased the medical care cost trend due to significant increases in actual medical costs.

The health care cost trend rate significantly affects the reported postretirement benefit costs and obligations. A one percentage point change in the assumed rate would have the following effects:

	1% Increase	1% Decrease
(IN MILLIONS)		
Effect on total of service and interest cost components	$1.8	$(1.6)
Effect on postretirement benefit obligations	17.5	(16.1)

FOOTNOTE 10

STOCKHOLDERS' EQUITY

At December 31, 2001, the Company's common stock consists of 800.0 million authorized shares with a par value of $1.00 per share.

On February 7, 2000, the Company announced a stock repurchase program of up to $500.0 million of the Company's outstanding common stock. During 2000, the Company repurchased 15.5 million shares of its common stock at an average price of $26.00 per share, for a total cash price of $403.0 million under the program. The repurchase program remained in effect until December 31, 2000 and was financed through the use of working capital and commercial paper.

Each share of common stock includes a stock purchase right (a "Right"). Each Right will entitle the holder, until the earlier of October 31, 2008 or the redemption of the Rights, to buy the number of shares of common stock having a market value of two times the exercise price of $200.00, subject to adjustment under certain circumstances. The Rights will be exercisable only if a person or group acquires 15% or more of voting power of the Company or announces a tender offer after which it would hold 15% or more of the Company's voting power. The Rights held by the 15% stockholder would not be exercisable in this situation.

Furthermore, if, following the acquisition by a person or group of 15% or more of the Company's voting stock, the Company was acquired in a merger or other business combination or 50% or more of its assets were sold, each Right (other than Rights held by the 15% stockholder) would become exercisable for that number of shares of common stock of the Company (or the surviving company in a business combination) having a market value of two times the exercise price of the Right.

The Company may redeem the Rights at $0.001 per Right prior to the occurrence of an event that causes the Rights to become exercisable for common stock.

FOOTNOTE 11

STOCK OPTIONS

The Company's stock option plans are accounted for under APB Opinion No. 25. As a result, the Company grants fixed stock options under which no compensation cost is recognized. Had compensation cost for the plans been determined consistent with FAS No. 123, the Company's net income and earnings per share would have been reduced to the following pro forma amounts:

Year Ended December 31,	2001	2000	1999
(In millions, except per share data)			
Net income:			
As reported	$264.6	$421.6	$95.4
Pro forma	249.1	410.5	88.2
Diluted earnings per share:			
As reported	$0.99	$1.57	$0.34
Pro forma	0.93	1.53	0.31

Because the FAS No. 123 method of accounting has not been applied to options granted prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years.

The Company has authorized 16.1 million shares of common stock to be issued under various stock option plans. As of January 1, 2001, under the Company's primary 1993 Stock Option Plan, the Company could grant options for up to 13.3 million shares, of which the Company has granted 12.0 million options and canceled 2.4 million options through December 31, 2001. Under this plan, the option exercise price equals the common stock's closing price on the date of the grant, and options vest over a five year period and expire ten years from the date of grant.

The following summarizes the changes in the number of shares of common stock under option, including options to acquire common stock resulting from the conversion of options under pre-merger Rubbermaid option plans:

2001	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	8,045,499	$32
Granted	4,366,750	25
Exercised	(201,744)	19
Canceled	(2,297,144)	33
Outstanding at end of year	9,913,361	29
Exercisable at end of year	2,928,507	33
Weighted average fair value of options granted during the year	$7	

Options Outstanding at December 31, 2001:

Range of Exercise Prices	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
$16.00 - $24.99	3,123,007	$23	8
$25.00 - $34.99	5,002,780	29	8
$35.00 - $44.99	1,648,974	41	7
$45.00 - $50.00	138,600	48	7
$16.00 - $50.00	9,913,361	29	8

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Options Exercisable at December 31, 2001:

Range of Exercise Prices	Number Exercisable	Weighted Average Exercise Price
$16.00 - $24.99	341,757	$20
$25.00 - $34.99	1,523,968	30
$35.00 - $44.99	985,622	40
$45.00 - $50.00	77,160	48
$16.00 - $50.00	2,928,507	33

2000	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	5,819,824	$35
Granted	3,485,263	28
Exercised	(97,005)	17
Canceled	(1,162,583)	36
Outstanding at end of year	8,045,499	32
Exercisable at end of year	3,215,464	33
Weighted average fair value of options granted during the year	$9	

1999	Shares	Weighted Average Exercise Price

Outstanding at beginning of year	4,353,147	$32
Granted	2,498,980	39
Exercised	(842,288)	30
Canceled	(190,015)	35
Outstanding at end of year	5,819,824	35
Exercisable at end of year	2,622,352	30
Weighted average fair value of options granted during the year	$15	

The fair value of each option grant is estimated on the date of grant using the Black Scholes option pricing model with the following assumptions used for grants in 2001, 2000 and 1999, respectively: risk free interest rate of 5.1%, 6.5% and 6.6%; expected dividend yields of 3.0%, 3.0% and 2.0%; expected lives of 9.0, 9.0 and 9.0 years; and expected volatility of 28%, 28% and 25%.

FOOTNOTE 12

INCOME TAXES

The provision for income taxes consists of the following:

Year Ended December 31,	2001	2000	1999
(IN MILLIONS)			
Current:			
Federal	$90.8	$154.8	$120.6
State	11.6	14.9	6.3
Foreign	23.3	34.4	18.2
	125.7	204.1	145.1
Deferred	25.5	59.8	(9.6)
	$151.2	$263.9	$135.5

The non U.S. component of income before income taxes was $69.9 million in 2001, $84.7 million in 2000 and $56.3 million in 1999.

The components of the net deferred tax asset are as follows:

December 31,	2001	2000	1999
(IN MILLIONS)			
Deferred tax assets:			
Accruals not currently deductible for tax purposes	$173.5	$158.7	$198.0
Postretirement liabilities	76.2	81.8	80.5
Inventory reserves	48.3	42.2	28.4
Self insurance liability	36.1	32.1	29.5
Foreign net operating losses	109.2	70.6	26.6
Amortizable intangibles		9.6	27.2
Other	12.2		6.0
	455.5	395.0	396.2
Deferred tax liabilities:			
Accelerated depreciation	(135.4)	(139.6)	(157.5)
Prepaid pension asset	(42.0)	(38.8)	(33.7)
Amortizable intangibles	(9.2)		
Other	(18.8)	(24.7)	(16.2)
	(205.4)	(203.1)	(207.4)

Net deferred tax asset	$250.1	$191.9	$188.8
Valuation allowance	(85.3)	(53.2)	(23.9)
Net deferred tax asset after valuation allowance	$164.8	$138.7	$164.9

At December 31, 2001, the Company had the following net operating loss ("NOL") carryovers:

Country	Tax Benefit of NOL Carryover	Valuation Allowance	Expiration
(IN MILLIONS)			

France	$37.1	$31.2	2005-2007
Germany	20.1	12.1	No expiration
Luxembourg	6.2	6.2	No expiration
Netherlands	6.6	4.3	No expiration
United Kingdom	26.8	21.7	No expiration
Other	12.4	9.8	No expiration
	$109.2	$85.3	

The Company generated losses in certain jurisdictions and legal entities for which management believes it is unlikely that such benefits will be realized and, therefore, provided a valuation allowance against such benefits. Approximately $17.4 million of the total net operating loss benefits relate to the acquisition of the Gillette Stationery Products Group in 2000. To the extent that these losses are utilized in the future, such benefits will reduce goodwill associated with this acquisition.

The net deferred tax asset is classified in the Consolidated Balance Sheets as follows:

December 31,	2001	2000	1999
(IN MILLIONS)			
Current net deferred income tax asset	$238.5	$231.9	$250.6
Noncurrent deferred income tax liability	(73.7)	(93.2)	(85.7)
	$164.8	$138.7	$164.9

A reconciliation of the U.S. statutory rate to the effective income tax rate is as follows:

Year Ended December 31,	2001	2000	1999
(IN PERCENT)			
Statutory rate	35.0%	35.0%	35.0%
Add (deduct) effect of:			
State income taxes, net of federal income tax effect	2.8	2.2	2.7
Nondeductible trade names and goodwill amortization	3.4	1.3	4.2
Nondeductible transaction costs			19.7
Foreign tax credit	(3.3)	(.5)	
Foreign rate differential	5.1	.7	(.6)
Federal, state and foreign audit settlements and other	(6.6)	(.2)	(2.3)
Effective rate	36.4%	38.5%	58.7%

No U.S. deferred taxes have been provided on the undistributed non-U.S. subsidiary earnings which are considered to be permanently invested. At December 31, 2001, the estimated amount of total unremitted non U.S. subsidiary earnings is $72.7 million.

FOOTNOTE 13

OTHER NONOPERATING EXPENSES (INCOME)

Total other nonoperating expenses (income) consist of the following:

Year Ended December 31,	2001	2000	1999
(IN MILLIONS)			
Minority interest in income of subsidiary trust (2)	$26.7	$26.7	$26.8
Equity earnings (1)	(7.2)	(8.0)	(8.1)
Loss on sales of marketable equity securities	5.0	-	1.1
Gain on sale of business	(5.0)		
Interest income	(3.9)	(5.5)	(9.9)
Currency transaction losses	1.9	1.9	1.1
Dividend income	(0.1)	(0.1)	(0.3)
Other	0.1	1.2	1.9
	$17.5	$16.2	$12.6

(1) Primarily relates to the Company's investment in American Tool Companies, Inc., in which the Company has a 49% interest.
(2) Expense from Convertible Preferred Securities (see Footnote 6).

FOOTNOTE 14

INDUSTRY SEGMENT INFORMATION

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

	2001	2000	1999
Net Sales (1) (2)			
Year Ended December 31,			
Rubbermaid	$1,819.3	$1,946.5	$2,004.3
Parker/Eldon	1,673.5	1,288.0	1,218.0
Levolor/Hardware	1,382.6	1,455.0	1,400.6
Calphalon/WearEver	1,161.7	1,246.9	1,186.0
Little Tikes/Graco	872.2	998.3	902.9
	$6,909.3	$6,934.7	$6,711.8
Operating Income (3)			
Year Ended December 31,			
Rubbermaid	$169.2	$210.1	$70.9
Parker/Eldon	268.4	249.3	218.3
Levolor/Hardware	126.5	207.2	204.6
Calphalon/WearEver	120.1	172.9	201.3
Little Tikes/Graco	41.6	117.2	28.4
Corporate	(84.4)	(76.4)	(133.5)
	641.4	880.3	590.0
Restructuring Costs (4)	(70.5)	(48.6)	(246.4)
	$570.9	$831.7	$343.6

Identifiable Assets			
December 31,			
Rubbermaid	$1,094.6	$1,185.2	$1,177.1
Parker/Eldon	1,145.3	1,050.9	720.9
Levolor/Hardware	790.8	775.9	831.8
Calphalon/WearEver	787.4	849.3	825.9
Little Tikes/Graco	528.2	537.5	488.6
Corporate (5)	2,919.8	2,863.0	2,679.8
	$7,266.1	$7,261.8	$6,724.1
Capital Expenditures			
Year Ended December 31,			
Rubbermaid	$76.3	$144.1	$86.6
Parker/Eldon	48.2	42.2	24.9
Levolor/Hardware	26.6	16.0	18.1
Calphalon/WearEver	34.7	43.9	47.8
Little Tikes/Graco	38.8	48.2	17.7
Corporate	25.2	22.2	5.0
	$249.8	$316.6	$200.1
Depreciation and Amortization			
Year Ended December 31,			
Rubbermaid	$92.1	$81.1	$90.3
Parker/Eldon	54.5	34.0	35.7
Levolor/Hardware	29.3	24.3	22.4
Calphalon/WearEver	40.7	44.7	37.2
Little Tikes/Graco	32.6	30.7	29.2
Corporate	79.6	77.8	56.9
	$328.8	$292.6	$271.7

GEOGRAPHIC AREA INFORMATION

	2001	2000	1999
Net Sales			
Year Ended December 31,			
United States	$5,040.6	$5,191.5	$5,135.4
Canada	299.5	308.9	275.6
North America	5,340.1	5,500.4	5,411.0
Europe	1,215.4	1,112.5	1,015.3
Central and South America (6)	263.4	289.0	253.8
All other	90.4	32.8	31.7
	$6,909.3	$6,934.7	$6,711.8

Operating Income			
Year Ended December 31,			
United States	$455.7	$643.4	$276.6
Canada	39.1	54.5	22.6
North America	494.8	697.9	299.2
Europe	47.4	77.2	4.5
Central and South America	17.9	53.2	43.6
All other	10.8	3.4	(3.7)
	$570.9	$831.7	$343.6
Identifiable Assets (7)			
December 31,			
United States	$5,067.8	$5,048.8	$4,813.3
Canada	118.0	139.9	157.1
North America	5,185.8	5,188.7	4,970.4
Europe	1,737.0	1,746.4	1,459.8
Central and South America	295.7	290.2	273.2
All other	47.6	36.5	20.7
	$7,266.1	$7,261.8	$6,724.1

~~(1) Sales to Wal*Mart Stores, Inc. and subsidiaries amounted to approximately 15% of consolidated net sales in 2001, 2000 and 1999. Sales to no other customer exceeded 10% of consolidated net sales for any year.~~

~~(2) All intercompany transactions have been eliminated.~~

~~(3) Operating income is net sales less cost of products sold and selling, general and administrative expenses. Certain headquarters expenses of an operational nature are allocated to business segments and geographic areas primarily on a net sales basis. Trade names and goodwill amortization is considered a corporate expense and not allocated to business segments.~~

~~(4) Restructuring costs are recorded as both Restructuring Costs and as part of Cost of Products Sold in the Consolidated Statements of Income (refer to Footnote 3 for additional detail.)~~

~~(5) Corporate assets primarily include trade names and goodwill, equity investments and deferred tax assets.~~

~~(6) Includes Argentina, Brazil, Colombia, Mexico and Venezuela.~~

~~(7) Transfers of finished goods between geographic areas are not significant.~~

~~FOOTNOTE 15~~

~~LITIGATION~~

~~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 the environmental matters described below. Some of the legal proceedings include claims for punitive as well as compensatory damages, and a few proceedings purport to be class actions.~~

~~As of December 31, 2001, the Company was involved in various matters concerning federal and state environmental laws and regulations, including matters in which the Company has been identified by the U.S. Environmental Protection Agency and certain state environmental agencies as a potentially responsible party ("PRP") at contaminated sites under the Federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and equivalent state laws.~~

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

~~The Company's estimate of environmental response costs associated with these matters as of December 31, 2001 ranged between $14.2 million and $18.1 million. As of December 31, 2001, the Company had a reserve equal to $15.8 million for such environmental response costs in the aggregate. No insurance recovery was taken into account in determining the Company's cost estimates or reserve, nor do the Company's cost estimates or reserve reflect any discounting for present value purposes, except with respect to two long term (30 year) operations and maintenance CERCLA matters which are estimated at present value.~~

~~Because of the uncertainties associated with environmental investigations and response activities, the possibility that the Company could be identified as a PRP at sites identified in the future that require the incurrence of environmental response costs and the possibility of additional sites as a result of businesses~~

~~acquired, actual costs to be incurred by the Company may vary from the Company's estimates.~~

~~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 Consolidated Financial Statements.~~

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information regarding executive officers of the Company is included as a Supplementary Item at the end of Part I of this Form 10-K.

Information regarding the Directors of the Company is set forth below:

Alton F. Doody, age 67, has been President and Chief Executive Officer of The Alton F. Doody Co. (a marketing consulting company) since 1984. Dr. Doody was co-founder of Management Horizons, Inc., now a division of PriceWaterhouseCoopers. For 12 years, Dr. Doody served as a Professor of Marketing and Business Strategy at The Ohio State University. Dr. Doody has been a director of the Company since 1976. His term as a director expires at the 2002 annual meeting of stockholders.

William D. Marohn, age 61, retired in December 1998 as Vice Chairman of the Board of Whirlpool Corporation (a manufacturer and marketer of major home appliances), a post he held since February 1997. From October 1992 through January 1997, Mr. Marohn served as the President and Chief Operating Officer of Whirlpool Corporation. From January through October 1992, he was President of Whirlpool Europe, B.V. From April 1989 through December 1991, Mr. Marohn served as Executive Vice President of Whirlpool's North American Operations and from 1987 through March 1989 he was President of Whirlpool's Kenmore Appliance Group. Prior to retirement, Mr. Marohn had been associated with Whirlpool since 1964. Mr. Marohn has been a director of the Company since 1999. His term as a director expires at the 2002 annual meeting of stockholders.

Daniel C. Ferguson, age 74, was Chairman of the Board of the Company from May 1992 through December 1997 and again from November 2000 to January 2001. Mr. Ferguson was Chief Executive Officer of the Company from 1966 through May 1992. Mr. Ferguson has been a director of the Company since 1965. His term as a director expires at the 2002 annual meeting of stockholders.

Joseph Galli, Jr., age 43, has been President and Chief Executive Officer of the Company since January 2001. Prior thereto, Mr. Galli was President and Chief Executive Officer of VerticalNet, Inc. (an internet business-to-business company) from May 2000 until January 2001. From June 1999 until May 2000, he was President and Chief Operating Officer of Amazon.com (an internet business-to-consumer company). From 1980 until June 1999, Mr. Galli held a variety of positions with The Black and Decker Corporation (a manufacturer and marketer of power tools and accessories), culminating as President of Black and Decker's Worldwide Power Tools and Accessories. Mr. Galli received a B.S. in Business Administration from the University of North Carolina and an M.B.A. from Loyola College, Baltimore, Maryland.

Mr. Galli has been a director of the Company since 2001. His term as a director expires at the 2003 annual meeting of stockholders.

Robert L. Katz, age 76, has been President of Robert L. Katz & Associates (consultants in corporate strategy) for more than five years. For 16 years, Dr. Katz taught Business Policy and Organizational Behavior at the Stanford, Harvard and Dartmouth Graduate Schools of Business. He is also a director of HON Industries, Inc. (an office furniture manufacturing company). Dr. Katz has been a director of the Company since 1975. His term as a director expires at the 2003 annual meeting of stockholders.

William P. Sovey, age 68, has been Chairman of the Board of the Company since January 2001 and previously held that position from January 1998 through October 2000. He was Vice Chairman and Chief Executive Officer of the Company from May 1992 through December 1997 and again from November 2000 to January 2001. Mr. Sovey was President and Chief Operating Officer of the Company from January 1986 through May 1992. He was President and Chief Operating Officer of AMF Inc. (an industrial and consumer leisure products company) from March 1982 through July 1985, and Executive Vice President from August 1979 through March 1982. He is also a director of Acme Metals Incorporated (a fully integrated producer of steel and steel products), TECO Energy Inc. (an electric utility holding company) and Actuant Corp. (an industrial consumer products company). Mr. Sovey has been a director of the Company since 1986. His term as a director expires at the 2003 annual meeting of stockholders.

Scott S. Cowen, age 55, has been the President of Tulane University and Seymour S Goodman Memorial Professor of Business since July 1998. From 1984 through July 1998, Mr. Cowen served as Dean and Albert J. Weatherhead, III Professor of Management, Weatherhead School of Management, Case Western Reserve University. Prior to his departure in 1998, Mr. Cowen had been associated with Case Western Reserve University in various capacities since 1976. Mr. Cowen is currently a director of American Greetings Corp. (a manufacturer of greeting cards and related merchandise), Forest City Enterprises (a real estate developer) and Jo Ann Stores (an operator of retail fabric shops). Mr. Cowen has been a director of the Company since 1999. His term as a director expires at the 2004 annual meeting of stockholders.

Elizabeth Cuthbert Millett, age 45, has been the owner and operator of Plum Creek Ranch, located in Newcastle, Wyoming (a commercial cattle production company) for more than five years. Ms. Millet has been a director of the Company since 1995. Her term as a director expires at the 2004 annual meeting of stockholders.

Cynthia A. Montgomery, age 49, has been a Professor of Business Administration at the Harvard University Graduate School of Business since 1989. Prior thereto, Dr. Montgomery was a Professor at the Kellogg School of Management at Northwestern University from 1985 to

~~1989. She is also a director of UNUM Provident Corporation (an insurance company) and 28 mutual funds managed by Merrill Lynch & Co. or one of its subsidiaries. Ms. Montgomery has been a director of the Company since 1995. Her term as a director expires at the 2004 annual meeting of stockholders.~~

~~Allen P. Newell, age 55, has been a private investor for more than five years. Mr. Newell has been a director of the Company since 1982. His term as a director expires at the 2004 annual meeting of stockholders.~~

~~Gordon R. Sullivan, age 64, General, U.S. Army (Ret.), has been President of the Association of the United States Army since February 1998. From 1995 through 1997, Mr. Sullivan served as President of Coleman Federal, a division of Coleman Research Corporation (a systems engineering company and a subsidiary of Thermo Electron Corporation). From 1991 through 1995, Mr. Sullivan served as the 32nd Chief of Staff of the United States Army and as a member of the Joint Chiefs of Staff. Prior thereto, Mr. Sullivan served as Vice Chief of Staff and Deputy Chief of Staff for Operations and Plans of the United States Army. Mr. Sullivan has been a director of the Company since 1999. His term as a director expires at the 2004 annual meeting of stockholders.~~

~~SECTION 16(a) BENEFICIAL OWNERSHIP COMPLIANCE REPORTING~~

~~Based solely upon a review of reports on Forms 3, 4 and 5 and any amendments thereto furnished to the Company pursuant to Section 16 of the Securities Exchange Act of 1934, as amended, and written representations from the executive officers and directors that no other reports were required, the Company believes that all of such reports were filed on a timely basis by executive officers and directors during 2001, except that Mr. Galli filed a late Form 3 and that Dr. Cowen filed a late Form 4 with respect to one stock option exercise.~~

~~ITEM 11. EXECUTIVE COMPENSATION~~

~~COMPENSATION OF DIRECTORS~~

~~Directors of the Company who are not also employees of the Company are paid an annual retainer of $40,000, plus a $2,000 fee for each Board meeting attended and a $1,000 fee for each committee meeting attended, unless such meetings are conducted telephonically, in which case the fee is $500 for each meeting. Committee chairmen receive an additional $1,000 fee for each committee meeting attended, whether in person or telephonically. Non employee directors of the Company are eligible to receive options to purchase shares of common stock under the Newell Rubbermaid Inc. Amended 1993 Stock Option Plan (the "1993 Option Plan"). Under the 1993 Option Plan, each non-employee director receives an automatic grant of an option to purchase~~

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~~10,000 shares of common stock at the time he or she is first elected or appointed as a director of the Company and again on the fifth anniversary of the initial grant. All options are granted at the market value of the common stock on the date of the grant and become exercisable in annual cumulative installments of 20%, commencing one year from the date of grant, with full vesting occurring on the fifth anniversary of the date of grant.~~

~~The Company has a consulting agreement with Dr. Katz which provides that the Company will pay Dr. Katz $5,000 per month for corporate strategy consulting services, plus reimbursement of travel expenses and other reasonable out of pocket costs incurred on the Company's behalf. Unless canceled prior to 90 days before its expiration, the consulting agreement renews automatically each year. Dr. Katz received a consulting fee of $60,000 in 2001.~~

~~EXECUTIVE COMPENSATION~~

~~SUMMARY~~

~~The following table shows the compensation of the Company's current and former Chief Executive Officer and the five other most highly compensated officers during 2001 (the "Named Officers") for the fiscal years ended December 31, 2001, 2000 and 1999.~~

~~SUMMARY COMPENSATION TABLE~~

		~~ANNUAL COMPENSATION~~			~~LONG TERM COMPENSATION AWARDS~~	
~~NAME AND PRINCIPAL POSITION AS OF DECEMBER 31, 2001~~	~~YEAR~~	~~SALARY ($)~~	~~BONUS ($)~~	~~OTHER ANNUAL COMPEN SATION ($)~~	~~SECURITIES UNDERLYING OPTIONS (#)~~	~~ALL OTHER COMPENSATION ($)~~

Joseph Galli, Jr., President and Chief Executive Officer(1)	2001	$981,447	$1,000,000	$450,000(6)	1,000,000	$0
William P. Sovey, Chairman of the Board(2)	2001	$200,000	$0	$0	0	$0
	2000	200,000	0	0	50,000	0
Robert S. Parker, Group President	2001	$455,000	$448,630	$0	28,800	$4,500(7)
	2000	400,000	331,040	0	48,400	4,500(7)
	1999	360,000	245,484	0	24,431	4,286(7)
Jeffrey E. Cooley, Group President(3)	2001	$381,250	$177,396	$0	25,000	$5,250(7)
	2000	303,781	318,781	0	21,300	5,250(7)
David A. Klatt, Jr., Group President(4)	2001	$315,000	$328,368	$0	81,200	$0
William T. Alldredge, President - Corporate Development and Chief Financial Officer	2001	$444,167	$ 95,540	$0	28,100	$5,250(7)
	2000	382,875	302,892	0	35,900	5,250(7)
	1999	377,125	222,655	0	24,086	5,000(7)
James J. Roberts, Group President(5)	2001	$337,500	$168,750	$0	96,000	$0

(1) Appointed President and Chief Executive Officer effective January 7, 2001.
(2) Served as Chief Executive Officer from November 1, 2000 to January 6, 2001.
(3) Appointed Group President - Calphalon/WearEver Group effective November 8, 2000.
(4) Appointed Group President - Rubbermaid and Little Tikes/Graco Groups effective July 5, 2001.
(5) Appointed Group President - Levolor/Hardware Group effective April 1, 2001.
(6) The compensation reported represents $450,000 in payment for one-half of the losses incurred from the sale of Mr. Galli's home.
(7) The compensation reported represents Company matching contributions made to the Newell Co. Long Term Savings and Investment Plan (the "Newell 401(k) Plan").

OPTION GRANTS IN 2001

The following table sets forth certain information as to options to purchase common stock granted to the Named Officers under the 1993 Option Plan in 2001, and the potential realizable value of each grant of options, assuming that the market price of the underlying common stock appreciates in value during the ten year option term at annualized rates of 5% and 10%.

OPTION GRANTS IN LAST FISCAL YEAR

Individual Grants					POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM(3)	
NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED (#)(1)	PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN 2001	EXERCISE PRICE ($/SH)(2)	EXPIRATION DATE	5%($)	10%($)
Joseph Galli, Jr. . . .	1,000,000	22.90%	$23.875	01/05/2011	$15,218,471	$38,374,819
William P. Sovey . . .	0	0.00			0	0
Robert S. Parker . . .	28,800	0.66	24.000	05/09/2011	434,457	1,101,221
Jeffrey E. Cooley . . .	25,000	0.57	24.000	05/09/2011	377,133	955,921
David A. Klatt, Jr. . .	57,400	1.31	26.500	03/30/2011	937,444	2,393,721
	23,800	0.54	24.000	05/09/2011	359,031	910,037
William T. Alldredge. .	28,100	0.64	24.000	05/09/2011	423,898	1,074,455
James J. Roberts. . . .	28,100	0.64	24.000	05/09/2011	423,898	1,074,455
	67,900	1.55	26.500	03/30/2011	1,108,928	2,831,597

(1) All options granted in 2001 become exercisable in annual cumulative installments of 20%, commencing one year from date of grant, with full vesting occurring on the fifth anniversary date of the date of grant. Vesting may be accelerated as a result of certain changes in control of the Company.
(2) All options were granted at market value on the date of grant, based on the closing price of the common stock on the New York Stock Exchange as reported in THE WALL STREET JOURNAL.
(3) Potential realizable value is reported net of the option exercise price but before taxes associated with exercise. These amounts assume annual compounding results in total appreciation of approximately 63% (5% per year) and approximately 159% (10% per year). Actual gains, if any, on stock option exercises are dependent on the future performance of the common stock, overall market conditions and the continued employment of the Named Officer. There can be no assurance that the amounts reflected in this table will be achieved.

OPTION EXERCISES IN 2001

The table below sets forth certain information for fiscal year 2001 concerning the exercise of options to purchase shares of common stock granted under the Newell 1984 Amended and Restated Stock Option Plan (the "1984 Option Plan") and the 1993 Option Plan by each of the Named Officers and the value of unexercised options granted under the 1984 Option Plan and 1993 Option Plan held by each of the Named Officers as of December 31, 2001.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR END OPTION VALUES

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED ($)(1)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR END (#)		VALUE OF UNEXERCISED IN THE MONEY OPTIONS AT FISCAL YEAR END ($)(2)	
			EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
Joseph Galli, Jr.	0	$0	0	1,000,000	$0	$3,715,000
William P. Sovey	46,110	539,025	99,880	48,720	363,000	311,100
Robert S. Parker	0	0	51,269	85,962	166,630	124,429
Jeffrey E. Cooley	0	0	16,428	60,294	2,780	100,869
David A. Klatt, Jr.	0	0	0	81,200	0	148,008
William T. Alldredge	0	0	32,711	78,870	20,769	119,619
James J. Roberts	0	0	0	96,000	0	174,890

(1) Represents the difference between the average of the high and low prices of the common stock on the New York Stock Exchange as reported in THE WALL STREET JOURNAL on the date of exercise and the option exercise price multiplied by the number of shares acquired on exercise.
(2) Represents the difference between $27.59 (the average of the high and low prices of the common stock on the New York Stock Exchange as reported in THE WALL STREET JOURNAL on December 31, 2001) and the option exercise price multiplied by the number of shares of common stock covered by the options held.

PENSION AND RETIREMENT PLANS

The Pension Plan Table set forth below shows total estimated annual benefits payable upon retirement (based on the benefit formulas in effect and calculated on a straight life annuity basis, as described below) to persons covered under the Non-Contributory Defined Benefit Pension Plan for Salaried and Clerical Employees (the "Pension Plan") and the Supplemental Retirement Plan established in 1982 (the "Supplemental Retirement Plan"), including the Named Officers, in specified compensation and years of credited service classifications, assuming employment until age 65 and that Social Security benefits remain at the current level.

PENSION PLAN TABLE

REMUNERATION	YEARS OF SERVICE 5	10	15	20	25 OR MORE
$ 200,000	$ 12,100	$ 41,700	$ 71,400	$ 101,000	$ 130,700

300,000	26,900	71,400	115,800	160,300	204,800
400,000	41,700	101,000	160,300	219,600	279,000
500,000	56,600	130,700	204,800	279,000	353,000
600,000	71,400	160,300	249,200	338,200	427,100
700,000	86,200	190,000	293,800	397,600	501,300
800,000	101,000	212,400	338,200	456,800	575,400

900,000	115,800	249,300	382,700	516,200	649,600
1,000,000	130,700	279,000	427,100	575,400	723,700
1,100,000	145,500	308,500	471,600	634,800	797,800
1,200,000	160,300	338,200	516,200	694,000	872,000
1,300,000	175,200	367,900	560,600	753,400	946,100
1,400,000	190,000	397,600	605,100	812,600	1,020,100
1,500,000	204,800	427,100	649,600	872,000	1,094,300
1,600,000	219,600	456,800	694,000	931,200	1,168,400
1,700,000	234,400	486,500	738,500	990,600	1,242,700

The Pension Plan covers full-time salaried and clerical employees of the Company and its subsidiaries who have completed one year of service. A participant is eligible for normal retirement benefits under the Pension Plan if his or her employment terminates at or after age 65. For service years prior to 1982, benefits accrued on a straight life annuity basis, using a formula that takes into account the five highest consecutive years of compensation in the ten years before 1982 and years of service, reduced by a portion of expected primary Social Security payments. For service years from and after 1982 and before 1989, benefits accumulated at the rate of 1.1% of compensation not in excess of $25,000 for each year plus 2.3% of compensation in excess of $25,000. For service years from and after 1989, benefits accumulate at the rate of 1.37% of compensation not in excess of $25,000 for each year plus 1.85% of compensation in excess of $25,000. No more than 30 years of service is taken into account in determining benefits. Under the Pension Plan, compensation includes regular or straight-time salary or wages (unreduced for amounts deferred pursuant to the Newell 401(k) Plan and the Flexible Benefits Account Plan), the first $3,000 in bonuses and 100% of commissions. If a participant has completed 15 years of service, upon attainment of age 60, the Pension Plan also provides for an early retirement benefit equal to the benefits described above, reduced by .5% for each month the benefits commence before age 65.

In 1982, the Supplemental Retirement Plan was established, funded by cost recovery life insurance, which covers 241 current officers and key executives, including the Named Officers, and 12 former officers and key executives. The Supplemental Retirement Plan adds to retirement benefits under the Pension Plan so that at age 65, a covered employee receives a maximum aggregate pension equal to 67% of his or her average compensation for the five consecutive years in which it was highest (multiplied by a fraction, the numerator of which is the participant's credited service (not to exceed 25) and the denominator of which is 25). The benefit is reduced by primary Social Security. Compensation includes salary and bonus (unreduced for amounts deferred pursuant to the Newell 401(k) Plan and the Flexible Benefits Accounts Plan). Both the Pension Plan and the Supplemental Retirement Plan provide a death benefit for surviving spouses and dependent children. The Supplemental Retirement Plan also provides for an early retirement benefit upon attainment of age 60 equal to the benefits described above, reduced by .5% for each month the benefits commence before age 65.

As of year end 2001, Mr. Galli had eight years and 11 months of credited service, Mr. Sovey had 26 years, Mr. Parker had ten years, Mr. Cooley had 18 years, Mr. Klatt had nine months, Mr. Alldredge had 19 years, and Mr. Roberts had nine months.

EMPLOYMENT SECURITY AND OTHER AGREEMENTS

The Company has Employment Security Agreements with Mr. Galli, Mr. Parker, Mr. Cooley, Mr. Klatt, Mr. Alldredge, Mr. Roberts and certain other executive officers (collectively, the "Covered Officers"). The agreements provide for the continuation of salary, bonus and certain employee benefits for a severance period of 24 months (but not beyond age 65) following the termination of employment of the Covered Officer within 12 months (but prior to age 65) after certain changes in control of the Company. In the event of such termination of employment, the Covered Officer will continue to receive his base salary and bonus (based upon his average bonus for the three full fiscal years preceding the change in control) during the severance period. The Covered Officer also will receive all benefits accrued under the incentive and retirement plans of the Company to the date of termination of employment and will be given service credit for all purposes of these plans during the severance period. All options held by the Covered Officer with respect to common stock will become immediately exercisable upon the date of termination of employment and remain exercisable for a period of 90 days thereafter.

During the severance period, the Covered Officer and his spouse will continue to be covered by all welfare plans of the Company, and the Company will continue to reimburse the Covered Officer for automobile expenses. However, the amount of any benefits or reimbursement the Covered Officer or his spouse receives will be reduced by the amounts received from another employer or from any other source. If the Covered Officer dies during the severance period, all amounts payable during the remainder of the severance period shall be paid to his surviving spouse, and his spouse will continue to be covered under all applicable welfare plans. No amounts are payable if the employment of the Covered Officer is terminated by the Company for good cause (as defined in the agreements) or if the Covered Officer voluntarily terminates his employment without good reason (as defined in the agreements).

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The only persons or groups which are known to the Company to be the beneficial owners of more than five percent of the outstanding common stock are:

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS OUTSTANDING
Capital Research and Management Company 333 South Hope Street Los Angeles, California 90071	22,192,580	7.8%(1)
Barrow, Hanley, Mewhinney & Strauss One McKinney Plaza 3232 McKinney Avenue, 15th Floor Dallas, TX 75204-2429	16,682,100	5.9%(2)
Vanguard Windsor Funds-Windsor II Fund 100 Vanguard Blvd. Malvern, PA 19355	14,429,200	5.1%(3)

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(1) As reported in a statement on Schedule 13G filed with the Securities and Exchange Commission on February 11, 2002 by Capital Research and Management Company. According to the filing, Capital Research and Management Company has sole dispositive power with respect to all 22,192,580 shares.

(2) As reported in a statement on Schedule 13G filed with the Securities and Exchange Commission on February 8, 2002 by Barrow, Hanley, Mewhinney & Strauss. According to the filing, Barrow, Hanley, Mewhinney & Strauss has sole voting power over 1,347,700 over such shares, shared voting power over 15,334,400 of such shares and shared dispositive power over 16,682,100 of such shares.

(3) As reported in a statement on Schedule 13G filed with the Securities and Exchange Commission on February 11, 2002 by Vanguard Windsor Funds-Windsor II Fund. According to the filing, Vanguard Windsor Funds-Windsor II Fund has sole voting power over all 14,429,200 of such shares and shared dispositive power over all 14,429,200 of such shares.

The following table sets forth information as to the beneficial ownership of shares of common stock of each director, each nominee for director, and each Named Officer and all directors and executive officers of the Company, as a group. Except as otherwise indicated in the footnotes to the table, each individual has sole investment and voting power with respect to the shares of common stock set forth.

	COMMON STOCK BENEFICIALLY OWNED ON MARCH 5, 2002	
NAME OF BENEFICIAL OWNER	NUMBER OF SHARES	PERCENT OF CLASS OUTSTANDING
Scott S. Cowen	8,546(1)	*
Alton F. Doody	69,250(1)	*
Daniel C. Ferguson	3,089,332(1)(2)	1.1%
Joseph Galli, Jr.	225,179(1)(5)	*
Robert L. Katz	130,384(1)	*
William D. Marohn	15,232(1)	*

~~Elizabeth Cuthbert Millett . . . .~~	~~1,366,842(1)(3)~~	~~*~~
~~Cynthia A. Montgomery . . . . . .~~	~~10,100(1)~~	~~*~~
~~Allan P. Newell . . . .~~	~~2,035,946(1)(4)~~	~~*~~
~~William P. Sovey . . . .~~	~~439,386(1)(5)~~	~~*~~
~~Gordon R. Sullivan . . . .~~	~~9,238(1)(2)~~	~~*~~
~~Robert S. Parker . . . .~~	~~84,225(1)(5)~~	~~*~~
~~Jeffrey E. Cooley. . . . .~~	~~61,551(1)(5)~~	~~*~~
~~David A. Klatt, Jr.. . . . .~~	~~11,480(1)~~	~~*~~
~~William T. Alldredge . . . .~~	~~256,201(1)(5)(6)~~	~~*~~
~~James J. Roberts . . . .~~	~~14,580(1)~~	~~*~~
~~All directors and executive officers as a group (19 persons) .~~	~~8,468,895(1)~~	~~2.9%~~

~~* Represents less than 1% of the Company's outstanding common stock.~~

~~(1) Includes shares issuable pursuant to stock options currently exercisable or exercisable within 60 days of March 5, 2002 as follows: Dr. Cowen, 6,000 shares; Dr. Doody, 10,000 shares; Mr. Ferguson 10,000 shares; Mr. Galli, 200,000 shares; Dr. Katz, 10,000 shares; Mr. Marohn, 6,000 shares; Ms. Millett, 10,000 shares; Dr. Montgomery, 10,000 shares; Mr. Newell, 10,000 shares; Mr. Sovey, 101,880 shares; Mr. Sullivan, 6,000 shares; Mr. Parker, 55,772 shares; Mr. Cooley, 21,073 shares; Mr. Klatt, 11,480 shares; Mr. Alldredge, 36,527 shares; Mr. Roberts, 13,580 shares; and all directors and executive officers as a group, 568,601 shares.~~

~~(2) Includes 96,906 shares held in charitable trusts of which Mr. Ferguson is trustee, 694,384 shares held in a trust of which Mr. Ferguson is beneficiary, 2,062,525 shares held by a partnership of which Mr. Ferguson is managing partner, 200,000 shares held in an exchange fund and 25,517 shares held by direct ownership.~~

~~(3) Includes 50,766 shares owned by her as custodian for her two children, 70,860 shares held in a trust of which Ms. Millett is trustee, 12,225 shares held by her husband in street name, 132,291 shares held by direct ownership and 1,090,700 shares over which Ms. Millett has voting power by proxy.~~

~~(4) Includes 2,144 shares owned by his wife.~~

~~(5) Includes shares held by the Newell 401(k) Plan over which each of the following persons has voting and investment power: Mr. Galli, 179 shares; Mr. Sovey, 7,752 shares; Mr. Parker, 4,800 shares; Mr. Cooley, 30,632 shares; and Mr. Alldredge 1,590 shares.~~

~~(6) Includes 50,764 shares owned by his wife.~~

~~ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS~~

~~Not applicable.~~

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 10-K

(a)(1) The following is a list of the financial statements of Newell Rubbermaid Inc. included in this report on Form 10-K, which are filed herewith pursuant to Item 8:

Report of Independent Public Accountants

Consolidated Statements of Income - Years Ended December 31, 2001, 2000 and 1999

Consolidated Balance Sheets - December 31, 2001, 2000 and 1999

Consolidated Statements of Cash Flows - Years Ended December 31, 2001, 2000 and 1999

Consolidated Statements of Stockholders' Equity - Years Ended December 31, 2001, 2000 and 1999

Footnotes to Consolidated Financial Statements - December 31, 2001, 2000 and 1999

(2) The following consolidated financial statement schedule of the Company included in this report on Form 10-K is filed herewith pursuant to Item 14(d) and appears immediately preceding the Exhibit Index:

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

(3) The exhibits filed herewith are listed on the Exhibit Index filed as part of this report on Form 10-K. Each management contract or compensatory plan or arrangement of the Company listed on the Exhibit Index is separately identified by an asterisk.

(b) Reports on Form 8-K:

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

By /s/ William T. Alldredge

Date February 5, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on February 5, 2002 by the following persons on behalf of the Registrant and in the capacities indicated.

Signature	Title
/s/ William P. Sovey William P. Sovey	Chairman of the Board and Director
/s/ Joseph Galli, Jr. Joseph Galli, Jr.	President, Chief Executive Officer and Director

/s/ J. Patrick Robinson J. Patrick Robinson	Vice President - Corporate Controller and Chief Accounting Officer
/s/ William T. Alldredge William T. Alldredge	President - Corporate Development and Chief Financial Officer
/s/ Scott S. Cowen Scott S. Cowen	Director
/s/ Alton F. Doody Alton F. Doody	Director

/s/ Daniel C. Ferguson Daniel C. Ferguson	Director
/s/ Robert L. Katz Robert L. Katz	Director
/s/ William D. Marohn William D. Marohn	Director
/s/ Elizabeth Cuthbert Millett Elizabeth Cuthbert Millett	Director
/s/ Cynthia A. Montgomery Cynthia A. Montgomery	Director
/s/ Allan P. Newell Allan P. Newell	Director
/s/ Gordon R. Sullivan Gordon R. Sullivan	Director

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

Allowance for Doubtful Accounts	Balance at Beginning of Period	Provision	Charges to Other Accounts (1) (IN THOUSANDS)	Write-offs	Balance at End of Period
Year ended December 31, 2001	$36,098	$38,924	$1,031	$(18,180)	$57,873
Year ended December 31, 2000	41,870	4,821	4,861	(15,454)	36,098
Year ended December 31, 1999	34,157	17,928	1,922	(12,137)	41,870

Balance

Inventory Reserves	at Beginning of Period	Provision	Write offs (IN THOUSANDS)	Other (2)	Balance at End of Period
Year ended December 31, 2001	$114,601	$64,668	$(63,700)	$1,704	$117,273
Year ended December 31, 2000	119,389	45,319	(52,294)	2,187	114,601
Year ended December 31, 1999	113,775	75,660	(72,768)	2,722	119,389

Restructuring Reserves	Balance at Beginning of Period	Provision (3)	Costs Incurred (4) (IN THOUSANDS)	Other	Balance at End of Period
Year ended December 31, 2001	$21,867	$70,459	$(64,080)	—	$28,246
Year ended December 31, 2000	17,930	48,561	(44,624)	—	21,867
Year ended December 31, 1999	1,559	246,381	(230,010)	—	17,930

(1) Represents recovery of accounts previously written off and net reserves of acquired or divested businesses.

(2) Represents net reserves of acquired and divested businesses, including provisions for product line rationalization.

(3) The restructuring provision is classified as both Restructuring Costs and as part of Cost of Products Sold in the Consolidated Statements of Income (refer to Footnote 3 for additional detail).

(4) Represents costs incurred or charged to restructuring reserves in accordance with the restructuring plan.

(C) EXHIBIT INDEX

		Exhibit Number	Description of Exhibit
Item 3.	Articles of Incorporation and By Laws	3.1	Restated Certificate of Incorporation of Newell Rubbermaid Inc., as amended as of April 5, 2001 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10 Q for the quarterly period ended March 31, 2001).
		3.2	By Laws of Newell Rubbermaid Inc, as amended through January 5, 2001(incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10 K for the year ended December 31, 2000 (the "2000 Form 10 K")).
Item 4	Instruments defining the rights of security holders, including indentures	4.1	Restated Certificate of Incorporation of Newell Rubbermaid Inc., as amended as of April 5, 2001, is included in Item 3.1.
		4.2	By Laws of Newell Rubbermaid Inc., as amended through January 5, 2001, are included in Item 3.2.
		4.3	Rights Agreement dated as of August 6, 1998, between the Company and First Chicago Trust Company of New York, as Rights Agent (incorporated by reference to Exhibit 4 to the Company's Current Report on Form 8 K dated August 6, 1998).

		Exhibit Number	Description of Exhibit
		4.4	Indenture dated as of April 15, 1992, between the Company and The Chase Manhattan Bank (National Association), as Trustee (incorporated by reference to Exhibit 4.4 to the Company's Report on Form 8 amending the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1992 (File No. 001-09608)).
		4.5	Indenture dated as of November 1, 1995, between the Company and J.P. Morgan Chase & Co. (formerly 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 May 3, 1996).
		4.6	Credit Agreement dated as of June 12, 1995 and amended and restated as of August 5, 1997, among the Company, certain of its affiliates, J.P. Morgan Chase & Co. (formerly The Chase Manhattan Bank (National Association)), as Agent, and the banks whose names appear on the signature pages thereto (incorporated by reference to Exhibit 10.17 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1997).
		4.7	Junior Convertible Subordinated Indenture for the 5.25% Convertible Subordinated Debentures, dated as of December 12, 1997, among the Company and J.P. Morgan Chase & Co. (formerly The Chase Manhattan Bank (National Association)), as Indenture Trustee (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-3, File No. 333-47261, filed March 3, 1998 (the "1998 Form S-3").

		Exhibit Number	Description of Exhibit
		4.8	Specimen Common Stock (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-4, File No. 333-71747, filed February 4, 1999).
			Pursuant to item 601(b)(4)(iii)(A) of Regulation S-K, the Company is not filing certain documents. The Company agrees to furnish a copy of each such document upon the request of the Commission.
Item 10.	Material Contracts	*10.1	Newell Co. Deferred Compensation Plan, as amended, effective August 1, 1980, as amended and restated effective January 1, 1997 (incorporated by reference to Exhibit 10.3

	~~to the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (the "1998 Form 10-K")).~~
~~*10.2~~	~~Newell Rubbermaid Inc. 2002 Deferred Compensation Plan, effective January 1, 2002.~~
~~*10.3~~	~~Summary of Newell Rubbermaid Inc. Cash Bonus Plan, effective January 1, 2002.~~
~~*10.4~~	~~Newell Operating Company's Restated Supplemental Retirement Plan for Key Executives, effective January 1, 1982, as amended effective January 1, 1999 (incorporated by reference to Exhibit 10.5 to the Company's 2000 Form 10-K).~~
~~*10.5~~	~~Form of Employment Security Agreement with nine executive officers.~~

~~Exhibit Number~~	~~Description of Exhibit~~
~~10.6~~	~~Credit Agreement dated as of June 12, 1995 and amended and restated as of August 5, 1997, among the Company, certain of its affiliates, J.P. Morgan Chase & Co. (formerly The Chase Manhattan Bank (National Association)), as Agent, and the banks whose names appear on the signature pages thereto, is included in Item 4.6.~~
~~10.7~~	~~Shareholder's Agreement and Irrevocable Proxy dated as of June 21, 1985, among American Tool Companies, Inc., the Company, Allen D. Petersen, Kenneth L. Cheloha, Robert W. Brady, William L. Kiburz, Flemming Andresen and Ane C. Patterson (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997).~~
~~*10.8~~	~~Newell Rubbermaid Inc. 1993 Stock Option Plan, effective February 9, 1993, as amended May 26, 1999 and August 15, 2001 (incorporated by reference to Exhibit 10.12 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1999 and Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2001).~~
~~10.9~~	~~Amended and Restated Trust Agreement, dated as of December 12, 1997, among the Company, as Depositor, J.P. Morgan Chase & Co. (formerly The Chase Manhattan Bank (National Association)), as Property Trustee, Chase Manhattan Delaware, as Delaware Trustee, and the Administrative Trustees (incorporated by reference to Exhibit 4.2 to the 1998 Form S-3).~~

		Exhibit Number	Description of Exhibit
		10.10	Junior Convertible Subordinated Indenture for the 5.25% Convertible Subordinated Debentures, dated as of December 12, 1997, between the Company and J.P. Morgan Chase & Co. (formerly The Chase Manhattan Bank (National Association)), as Indenture Trustee, is included in Item 4.7.
		*10.11	Newell Rubbermaid Medical Plan for Executives, as amended and restated effective January 1, 2000 (incorporated by reference to Exhibit 10.13 to the Company's 2000 Form 10-K).
Item 11.		11	Statement of Computation of Earnings per Share of Common Stock.
Item 12.		12	Statement of Computation of Earnings to Fixed Charges.
Item 21.	Subsidiaries of the Registrant	21	Significant Subsidiaries of the Company.
Item 23.	Consent of experts and counsel	23.1	Consent of Arthur Andersen LLP.
Item 99.	Additional Exhibits	99	Safe Harbor Statement.

* Management contract or compensatory plan or arrangement of the Company.

EXHIBIT 10.2

NEWELL RUBBERMAID INC.
2002 DEFERRED COMPENSATION PLAN

Newell Rubbermaid Inc. hereby establishes, effective as of January 1, 2002, the Newell Rubbermaid Inc. 2002 Deferred Compensation Plan on the terms and conditions hereinafter set forth. Such Plan provides certain eligible employees and directors with the opportunity to defer portions of their base salary, bonus payments and director fees in accordance with the provisions of the Plan.

SECTION I
DEFINITIONS

For the purposes hereof, the following words and phrases shall have the meanings set forth below, unless their context clearly requires a different meaning:

1.1 "Account" means the bookkeeping account maintained by the Committee on behalf of each Participant pursuant to Section 2.4. The sum of each Participant's Sub Accounts, in the aggregate, shall constitute his Account.

1.2 "Affiliate" means any corporation, joint venture, partnership, unincorporated association or other entity that is affiliated, directly or indirectly, with the Company and which is designated by the Committee from time to time.

1.3 "Base Salary" means the annual base rate of cash compensation (which, in the case of a Participant who is a Director, shall include his annual director's fees or other similar amounts payable in cash) payable by the Company and/or by any Affiliate to a Participant.

1.4 "Beneficiary" or "Beneficiaries" means the person or persons, including one or more trusts, designated by a Participant in accordance with the Plan to receive payment of the remaining balance of the Participant's Account in the event of the death of the Participant prior to the Participant's receipt of the entire amount credited to his Account.

1.5 "Board" means the Board of Directors of the Company.

1.6 "Bonus" means cash incentive compensation payable pursuant to a bonus or other incentive compensation plan, whether such plan is now in effect or hereafter established by the Company, which the Committee may designate from time to time.

1.7 "Change in Control" means the occurrence of any of the following events without the prior written approval of a majority of the entire Board as it exists immediately prior to such event; provided that, in the case of an event described in (i) or (iii) below, such approval occurs before the time of such event and, in the case of an event described in (ii) below, such approval occurs prior to the time that any other party to the event described in (ii) (or any affiliate or associate thereof) acquires 20% or more of the Voting Power:

(i) The acquisition by an entity, person or group (including all affiliates or associates of such entity, person or group) of beneficial ownership, as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, of capital stock of the Company entitled to exercise more than 50% of the outstanding voting power of all capital stock of the Company entitled to vote in elections of directors ("Voting Power");

(ii) The effective time of (A) a merger or consolidation of the Company with one or more other corporations as a result of which the holders of the outstanding Voting Power of the Company immediately prior to such merger or consolidation (other than the surviving or resulting corporation or any affiliate or associate thereof) hold less than 50% of the Voting Power of the surviving or resulting corporation, or (B) a transfer of a majority of the Voting Power, or a Substantial Portion of the Property, of the Company other than to an entity of which the Company owns at least 50% of the Voting Power; or

(iii) The election to the Board of the Company, of directors constituting a majority of the number of directors of the Company then in the office.

For this purpose, "Substantial Portion of the Property of the Company" shall mean 75% of the aggregate book value of the assets of the Company and its affiliates and associates as set forth on the most recent balance sheet of the Company, prepared on a consolidated basis, by its regularly employed, independent, certified public accountants.

1.8 "Committee" means the committee appointed to administer the Plan. Unless and until otherwise specified, the Committee under the Plan shall be the Company's Benefit Plans Administrative Committee.

~~1.9 "Company" means Newell Rubbermaid Inc. and its successors, including, without limitation, the surviving corporation resulting from any merger or consolidation of Newell Rubbermaid Inc. with any other corporation or corporations.~~

~~1.10 "Director" means a member of the Board.~~

~~1.11 "Disability" has the meaning given to such term in the long term disability plan of the Company or Affiliate, as applicable to any Participant, or if no such plan exists, as determined by the Committee.~~

~~1.12 "Election Agreement" means a Participant's agreement, on a form provided by the Committee, to defer his Base Salary and/or Bonus.~~

~~1.13 "Eligible Employee" means an employee of the Company or an Affiliate who is, as determined by the Committee, a member of a "select group of management or highly compensated employees," within the meaning of Sections 201, 301 and 401 of ERISA, and who is selected by the Committee to participate in the Plan. Unless otherwise determined by the Committee, an Eligible Employee shall continue as such until termination of employment.~~

~~1.14 "Employer Contributions" has the meaning given to such term in Section 2.14.~~

~~1.15 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.~~

~~1.16 "In Service Sub Account" means each bookkeeping Sub Account maintained by the Committee on behalf of each Participant pursuant to Sections 2.4 and 2.5(ii). The Committee shall specify from time to time the maximum number of In Service Sub Accounts that may be established for any one Participant.~~

~~1.17 "Insolvent" means that the Company or an Affiliate, whichever is applicable, has become subject to a pending voluntary or involuntary proceeding as a debtor under the United States Bankruptcy Code or has become unable to pay its debts as they mature.~~

~~1.18 "Participant" means any Eligible Employee or Director who has at any time elected to defer the receipt of a Bonus and/or Base Salary in accordance with the Plan and who, in conjunction with his Beneficiary, has not received a complete distribution of the amount credited to his Account.~~

~~1.19 "Plan" means this deferred compensation plan, which shall be known as the Newell Rubbermaid Inc. 2002 Deferred Compensation Plan.~~

~~1.20 "Retirement Sub Account" means the bookkeeping Sub Account maintained by the Committee on behalf of each Participant pursuant to Sections 2.4 and 2.5(i).~~

~~1.21 "Sub Account" means each bookkeeping Retirement Sub Account and In Service Sub Account maintained by the Committee on behalf of each Participant pursuant to Section 2.5.~~

~~1.22 "Termination of Service Date" means the date a Participant ceases to be an employee of the Company and its Affiliates by death, retirement, Disability or otherwise. The "Termination of Service Date" of any Participant who is a Director and who is not an Eligible Employee shall be the date such Participant ceases to be a member of the Board.~~

~~1.23 "Year" means a calendar year.~~

~~SECTION II~~
~~DEFERRALS, CONTRIBUTIONS AND ACCOUNTS~~

~~2.1 ELIGIBILITY. Subject to Section 2.3, an Eligible Employee or Director may elect to defer receipt of all or a specified part of his Base Salary and/or Bonus for any Year in accordance with Section 2.2. An Eligible Employee's, or Director's, entitlement to defer shall cease with respect to the Year following the Year in which he ceases to be an Eligible Employee or Director, as applicable.~~

~~2.2 ELECTION TO DEFER. Unless otherwise provided by the Committee, an Eligible Employee or Director who desires to defer all or part of his Base Salary and/or Bonus pursuant to the Plan must complete and deliver an Election Agreement to the Committee before the first day of the Year for which such compensation would otherwise be paid. An Eligible Employee or Director who timely delivers an executed Election Agreement to the Committee shall be a Participant. Unless otherwise provided by the Committee, an Election Agreement that is timely delivered to the Committee shall be effective for the Year following the Year in which the Election Agreement is delivered to the Committee, unless such Election Agreement is revoked or modified with the consent of the Committee or until terminated automatically upon~~

either the termination of the Plan, the Company or any Affiliate which employs the Participant becoming Insolvent or the Participant's Termination of Service Date. Notwithstanding the above, in the event that an individual first becomes an Eligible Employee or Director during the course of a Year, rather than as of the first day of a Year, the individual's Election Agreement must be filed no later than thirty (30) days following the date he first becomes an Eligible Employee or Director, as applicable, and such Election Agreement shall be effective only with regard to Base Salary and Bonuses earned following the filing of the Election Agreement with the Committee.

2.3 AMOUNT DEFERRED. A Participant shall designate on the Election Agreement the portion of his Base Salary and/or Bonus that is to be deferred in accordance with the following rules.

(i) BASE SALARY. A Participant may defer up to 50% of the Base Salary that the Participant would otherwise receive during the Year for services performed as an Eligible Employee, provided, however, that the Participant shall not be permitted to defer less than $2,000 of such amount during any one Year, and any such attempted deferral shall not be effective. A Participant may defer up to 100% of the Base Salary that the Participant would otherwise receive during the Year for services performed as a Director, provided, however, that the portion of such Base Salary that is eligible for deferral will be reduced by applicable employment taxes if such reduction is required in order to provide the Company or its Affiliates with a source of funds, from such Base Salary, with which to pay such employment taxes.

(ii) BONUS. A Participant may defer up to 100% of the Bonus that the Participant earns during the Year. Notwithstanding the preceding sentence, the portion of a Participant's Bonus that is eligible for deferral will be reduced by applicable employment taxes if such reduction is required in order to provide the Company or its Affiliates with a source of funds, from the Bonus, with which to pay such employment taxes. In any event, a Participant shall not be permitted to defer less than $2,000 of his Bonus during any one Year, and any such attempted deferral shall not be effective. To the extent permitted by the Committee, a Participant may specify in the Election Agreement that different percentages or dollar amounts shall apply to Bonuses payable under different bonus or incentive compensation plans.

2.4 ACCOUNTS.

(i) CREDITING OF DEFERRALS. Base Salary and/or Bonus that a Participant elects to defer shall be treated as if it were set aside in one or more Sub Accounts on the date the Base Salary and/or Bonus would otherwise have been paid to the Participant. in accordance with procedures established from time to time by the Committee. A Participant may specify, in his Election Agreement, the portion of his deferral that is to be credited to a Retirement Sub Account and/or to one or more In-Service Sub Accounts. To the extent that a Participant does not specify the Sub Account to which deferrals shall be credited, such deferrals shall be credited to the Participant's Retirement Sub Account.

(ii) CREDITING OF GAINS, LOSSES AND EARNINGS TO ACCOUNTS. Each Participant's Account will be credited with gains, losses and earnings based on investment directions made by the Participant in accordance with investment deferral crediting options and procedures established from time to time by the Committee. The Committee specifically retains the right in its sole discretion to change the investment deferral crediting options and procedures from time to time. By electing to defer any amount pursuant to the Plan, each Participant shall thereby acknowledge and agree that the Company or any Affiliate is not and shall not be required to make any investment in connection with the Plan, nor is it required to follow the Participant's investment directions in any actual investment it may make or acquire in connection with the Plan or in determining the amount of any actual or contingent liability or obligation of the Company or an Affiliate thereunder or relating thereto. Any amounts credited to a Participant's Account with respect to which a Participant does not provide investment direction shall be credited with gains, losses and earnings as if such amounts were invested in an investment option to be selected by the Committee in its sole discretion.

2.5 DATE OF DISTRIBUTION.

(i) RETIREMENT SUB ACCOUNT. Subject to the following provisions, a Participant may elect, on the first Election Agreement that he delivers to the Committee pursuant to which amounts are credited to his Retirement Sub Account, to defer the distribution or commencement of the distribution of his Retirement Sub Account to (A) January of the Year commencing immediately after the Year in which occurs his Termination of

~~Service Date or (B) January of any Year following his Termination of Service Date provided that such Year is no later than the Year following the Year in which the Participant attains age 65.~~

~~(A) TERMINATION PRIOR TO AGE 60. If a Participant's Termination of Service Date occurs as a result of his voluntary termination, or involuntary termination without cause, prior to his attainment of age 60, his Retirement Sub-Account will be distributed as soon as practicable after his Termination of Service Date. If a Participant's Termination of Service Date occurs as a result of his involuntary termination without cause (as determined by the Committee in its sole discretion) prior to his attainment of age 60, his Retirement Sub-Account will be distributed in January of the Year elected by the Participant.~~

~~(B) TERMINATION AFTER AGE 60 AND PRIOR TO AGE 65. If a Participant's Termination of Service Date occurs after he attains age 60 and prior to his attainment of age 65, his Retirement Sub-Account will be distributed or will commence to be distributed in January of the Year elected by the Participant.~~

~~(C) TERMINATION AFTER AGE 65. If a Participant's Termination of Service Date occurs after he attains age 65, his Retirement Sub-Account will be distributed or will commence to be distributed in January of the Year commencing immediately after his Termination of Service Date.~~

~~(ii) IN-SERVICE SUB-ACCOUNT. Subject to the following provisions, a Participant may elect, on the first Election Agreement that he delivers to the Committee pursuant to which amounts are credited to an In-Service Sub-Account, to defer the distribution or commencement of the distribution of such In-Service Sub-Account to January of any Year that commences prior to the Participant's Termination of Service Date as long as that Year commences not less than two Years after the date of the initial election pursuant to which amounts are credited to such In-Service Sub-Account. If a Participant's Termination of Service Date occurs as a result of his voluntary termination, or involuntary termination without cause, prior to the complete distribution of his In-Service Sub-Account, amounts credited to that In-Service Sub-Account will be distributed as soon as~~

~~practicable after his Termination of Service Date. If a Participant's Termination of Service Date occurs as a result of his involuntary termination without cause (as determined by the Committee in its sole discretion) prior to the complete distribution of his In-Service Sub-Account, amounts credited to that In-Service Sub-Account will be distributed pursuant to the payment schedule elected by the Participant.~~

~~2.6 FORM OF DISTRIBUTION.~~

~~(i) RETIREMENT SUB-ACCOUNT. Subject to the following provisions, a Participant may elect, on the first Election Agreement that he delivers to the Committee pursuant to which amounts are credited to his Retirement Sub-Account, to receive his Retirement Sub-Account in cash in a single lump sum or in annual installments over a period not in excess of ten years.~~

~~(A) TERMINATION PRIOR TO AGE 60. If a Participant's Termination of Service Date occurs as a result of his voluntary termination, or involuntary termination without cause, prior to his attainment of age 60, his Retirement Sub-Account will be distributed in a single lump sum. If a Participant's Termination of Service Date occurs as a result of his involuntary termination without cause (as determined by the Committee in its sole discretion) prior to his attainment of age 60, his Retirement Sub-Account will be distributed in the distribution form elected by the Participant.~~

~~(B) TERMINATION AFTER AGE 60. If a Participant's Termination of Service Date occurs after he attains age 60, his Retirement Sub-Account will be distributed in the distribution form elected by the Participant.~~

~~(ii) IN-SERVICE SUB-ACCOUNT. Subject to the following provisions, a Participant may elect, on the first Election Agreement that he delivers to the Committee pursuant to which amounts are credited to an In-Service Sub-Account, to receive that In-Service Sub-Account in cash in a single lump sum or in annual installments over a period not in excess of five years. If a Participant's Termination of Service Date occurs as a result of his voluntary termination, or involuntary termination without cause, prior to the complete distribution of his In-Service Sub-Account, amounts credited to that In-Service Sub-Account will be distributed in a single lump sum. If a Participant's Termination of Service Date occurs as a result of his involuntary termination without cause (as determined by the Committee in its sole discretion) prior to the complete distribution of his In-Service Sub-Account, amounts credited to that In-Service Sub-Account will be distributed in the distribution form elected~~

~~by the Participant.~~

~~(iii) GENERAL. The lump sum payment or the first installment, as the case may be, shall be made as specified in Section 2.5. In the event that a Sub Account is paid in installments, the amount of such Sub Account remaining unpaid shall continue to be credited with gains, losses and earnings as provided in Section 2.4. The payment to a Participant or his Beneficiary of a single lump sum or the number of installments elected by the Participant pursuant to this Section shall discharge all obligations of the Company and the Affiliates to such Participant or Beneficiary under the Plan with respect to that Sub Account. In the event that a Sub Account is paid in installments, the amount of each installment shall be determined in accordance with procedures established from time to time by the Committee.~~

~~2.7 MODIFICATION OF DATE AND/OR FORM OF DISTRIBUTION. Notwithstanding the payment terms designated by a Participant on the first Election Agreement that he delivers to the Committee under the Plan, a Participant may elect to change the form of payment of a Sub Account to a form of payment otherwise permitted under Section 2.6 and a Participant may elect to change the date of distribution of a Sub Account to a date otherwise permitted under Section 2.5; provided that such election shall be made on a form provided by the Committee, and provided further that any election made less than eighteen months prior to the Participant's Termination of Service Date (or less than eighteen months prior to the scheduled date of the first, or only, payment from the Sub Account) shall not be valid, and in such case, the distribution of his Sub Account shall be made in accordance with the latest valid election of the Participant.~~

~~2.8 DEATH OF A PARTICIPANT.~~

~~(i) General. In the event of the death of a Participant, the remaining amount of his Account shall be paid to his Beneficiary or Beneficiaries as described in Section 2.8(ii). Each Participant shall designate a Beneficiary or Beneficiaries on a beneficiary designation form provided by the Committee. A Participant's Beneficiary designation may be changed at any time prior to his death by the execution and delivery of a new beneficiary designation. The Beneficiary designation on file with the Company that bears the latest date at the time of the Participant's death shall govern. In the absence of a Beneficiary designation, the amount of the Participant's Account shall be paid to the Participant's estate in a lump sum amount within 90 days after the appointment of an executor or administrator or as otherwise determined by the Committee.~~

~~(ii) Form and Date of Distribution. Notwithstanding any other provision, upon the death of a Participant, the remaining balance in his Account shall be paid as follows. If the Participant dies after payment of his Account has commenced, the remaining balance of his Account will continue to be paid to his~~

~~Beneficiary or Beneficiaries in accordance with the payment schedule that has already commenced. Unless otherwise provided by the Committee, if the Participant dies before payments from his Account have commenced, his Account will be paid to his Beneficiary or Beneficiaries in accordance with the form of payment elected by the Participant, commencing (A) in the event that the Participant has not attained age 60 at the time of his death, in January of the Year commencing after the Year in which occurs the Participant's death or (B) in the event that the Participant has attained age 60 at the time of his death, in January of the Year elected by the Participant.~~

~~2.9 DISABILITY. Notwithstanding any other provision, and unless otherwise provided by the Committee, upon the Disability of a Participant, the remaining balance in each of his Sub Accounts shall be paid as follows. If the Disability occurs after payment of the Participant's Sub Account has commenced, the remaining balance of his Sub Account will continue to be paid in accordance with the payment schedule that has already commenced. If the Disability occurs before payment of the Participant's Sub Account has commenced, his Sub Account will be paid in accordance with the form of payment elected by the Participant commencing either (a) as soon as practicable after the Participant is no longer entitled to any benefits under the long term disability plan, if any, of the Company or Affiliate, as applicable or (b) with the consent of the Committee, as soon as practicable after the occurrence of the Disability.~~

~~2.10 SMALL PAYMENTS. Notwithstanding the foregoing, if a Participant elects to receive his Retirement Sub Account in installment payments and his Retirement Sub Account has a balance of less than $25,000 at the time that installment payments are scheduled to commence, the entire amount of the Participant's Retirement Sub Account may at the discretion of the Committee be paid in a single lump sum.~~

~~2.11 ACCELERATION.~~

~~(i) Notwithstanding any other provision of the Plan, in the event of an unforeseeable emergency, as defined in section 1.457-2(b)(4) and (5) of the Treasury Regulations, that is caused by an event beyond the control of the Participant and that would result in severe financial hardship to the individual if acceleration were not permitted, the Committee may in its sole discretion accelerate the payment to the Participant of the amount of his Account, but only up to the amount necessary to meet the emergency.~~

~~(ii) Notwithstanding any other provision of the Plan, each Participant shall be permitted, at any time, to make an election to receive, payable as soon as practicable after such election is received by the Committee, a distribution of part or all of his Account in a single lump sum, if (and only if) the amount in the~~

~~Participant's Account subject to such distribution is reduced by 10%, which 10% amount shall thereupon irrevocably be forfeited.~~

~~2.12 TERMINATION OF PARTICIPATION. Notwithstanding any other provision of the Plan, no Participant who is an Eligible Employee shall be permitted to continue to participate in the Plan upon a determination by the Committee that such Participant is not a member of a select group of management or highly compensated employees of his employer, within the meaning of ERISA. Upon such a determination, the Committee may direct that the Participant receive an immediate lump sum payment equal to the amount credited to his Account.~~

~~2.13 VESTING OF ACCOUNTS. Subject to Sections 2.1 1(ii) and 2.15(iii) and the following sentence, each Participant shall at all times have a nonforfeitable interest in his Account balance. Notwithstanding the preceding sentence, the portion of each Participant's Account, if any, attributable to Employer Contributions shall be subject to such vesting schedule as may be determined by the Company or Affiliate from time to time in accordance with the provisions of Section 2.14.~~

~~2.14 EMPLOYER CONTRIBUTIONS. The Company or any Affiliate may, in its discretion, provide contributions ("Employer Contributions") under this Plan with respect to one or more Participants. The amount and vesting schedule of such Employer Contributions, if any, shall be determined by the Company or Affiliate in its sole discretion.~~

~~2.15 CHANGE IN CONTROL. Notwithstanding any other provisions of the Plan, the following provisions shall apply upon the occurrence of a Change in Control.~~

~~(i) TRUST. As soon as administratively practicable following the occurrence of a Change in Control, the Company shall transfer to a trust, the assets of which shall remain liable for the claims of the Company's or its Affiliate's general creditors in the event of the Insolvency of the Company or any such Affiliate, an amount (which amount may include a letter of credit, as specified in such trust) equal to the aggregate account balances, determined as of the date of the Change in Control, of all persons then participating in the Plan.~~

~~(ii) UNREDUCED DISTRIBUTION. A Participant may make an election, on an Election Agreement that he delivers to the Committee at least one year prior to the occurrence of a Change in Control, to receive his entire Account in a single lump sum as soon as administratively practicable following the occurrence of a Change in Control. In the event that a Change in Control occurs prior to the distribution of a Participant's entire Account, any such election made by a Participant shall override his other elections regarding the form and timing of the distribution of his Account.~~

~~(iii) REDUCED DISTRIBUTION. Notwithstanding any other provision of the Plan, each Participant shall be permitted, during the one year period commencing upon the occurrence of a Change in Control, to make an election to receive, payable as soon as practicable after such election is received by the Committee, a distribution of part or all of his Account in a single lump sum, if (and only if) the amount in the Participant's Account subject to such distribution is reduced by 5%, which 5% amount shall thereupon irrevocably be forfeited.~~

~~SECTION III~~

~~ADMINISTRATION~~

~~The Company, through the Committee, shall be responsible for the general administration of the Plan and for carrying out the provisions hereof. The Committee shall have all such powers as may be necessary to carry out the provisions of the Plan, including the power to (i) resolve all questions relating to eligibility for participation in the Plan and the amount in the Account of any Participant and all questions pertaining to claims for benefits and procedures for claim~~

~~review, (ii) resolve all other questions arising under the Plan, including any factual questions and questions of construction, and (iii) take such further action as the Company shall deem advisable in the administration of the Plan. The actions taken and the decisions made by the Committee hereunder shall be final and binding upon all interested parties. In accordance with the provisions of Section 503 of ERISA, the Committee shall provide a procedure for handling claims of Participants or their Beneficiaries under the Plan. Such procedure shall be in accordance with regulations issued by the Secretary of Labor and shall provide adequate written notice within a reasonable period of time with respect to the denial of any such claim as well as a reasonable opportunity for a full and fair review by the Committee of any such denial. Unless the context clearly requires otherwise, the masculine pronoun wherever used herein shall be construed to include the feminine pronoun.~~

~~SECTION IV~~
~~AMENDMENT AND TERMINATION~~

~~4.1 AMENDMENT. The Company reserves the right to amend the Plan at any time by action of the Board; provided, however, that no such action shall adversely affect any Participant or Beneficiary who has an Account, or result in any change in the timing or manner of payment of the amount of any Account (except as otherwise permitted under the Plan), without the consent of the Participant or Beneficiary.~~

~~4.2 Termination. The Company reserves the right to terminate the Plan at any time by action of the Board. In the event that the Company terminates the Plan, each Participant shall receive a distribution of his Account, at the discretion of the Committee,~~

~~either (a) in a single lump sum as soon as administratively practicable following termination of the Plan or (b) in the form of payment elected by the Participant commencing as soon as administratively practicable following termination of the Plan.~~

~~SECTION V~~
~~MISCELLANEOUS~~

~~5.1 NON ALIENATION OF DEFERRED COMPENSATION. Except as permitted by the Plan, no right or interest under the Plan of any Participant or Beneficiary shall, without the written consent of the Company, be (i) assignable or transferable in any manner, (ii) subject to alienation, anticipation, sale, pledge, encumbrance, attachment, garnishment or other legal process or (iii) in any manner liable for or subject to the debts or liabilities of the Participant or Beneficiary.~~

~~5.2 PARTICIPATION BY EMPLOYEES OF AFFILIATES. An Eligible Employee who is employed by an Affiliate and who elects to participate in the Plan shall participate on the same basis as an Eligible Employee of the Company.~~

~~5.3 INTEREST OF PARTICIPANT.~~

~~(i) The obligation of the Company and the Affiliates under the Plan to make payment of amounts reflected in an Account merely constitutes the unsecured promise of the Company and the Affiliates to make payments from their general assets and no Participant or Beneficiary shall have any interest in, or a lien or prior claim upon, any property of the Company or any Affiliate. Nothing in the Plan shall be construed as guaranteeing future employment to Eligible Employees. It is the intention of the Company and the Affiliates that the Plan be unfunded for tax purposes and for purposes of Title I of ERISA. The Company may create a trust to hold funds to be used in payment of its and the Affiliates' obligations under the Plan, and may fund such trust; provided, however, that any funds contained therein shall remain liable for the claims of the Company's and any Affiliate's general creditors.~~

~~(ii) In the event that, in the discretion of the Committee, the Company and/or its Affiliates purchases an insurance policy or policies insuring the life of any Participant (or any other property) to allow the Company and/or its Affiliates to recover the cost of providing the benefits, in whole or in part, hereunder, neither the Participants nor their Beneficiaries or other distributees shall have nor acquire any rights whatsoever therein or in the proceeds therefrom. The Company and/or its Affiliates shall be the sole owner and beneficiary of any such policy or policies and, as such, shall possess and may exercise all incidents of ownership therein. A Participant's~~

~~participation in the underwriting or other steps necessary to acquire such policy or policies may be required by the Company and, if required, shall not be a suggestion of any beneficial interest in such policy or policies to such Participant or any other person.~~

~~5.4 CLAIMS OF OTHER PERSONS. The provisions of the Plan shall in no event be construed as giving any other person, firm or corporation any legal or equitable right as against the Company or any Affiliate or the officers, employees or directors of the Company or any Affiliate, except any such rights as are specifically provided for in the Plan or are hereafter created in accordance with the terms and provisions of the Plan.~~

~~5.5 SEVERABILITY. The invalidity and unenforceability of any particular provision of the Plan shall not affect any other provision hereof, and the Plan shall be construed in all respects as if such invalid or unenforceable provision were omitted.~~

~~5.6 GOVERNING LAW. Except to the extent preempted by federal law, the provisions of the Plan shall be governed and construed in accordance with the laws of the State of Illinois.~~

~~5.7 RELATIONSHIP TO OTHER PLANS. The Plan is intended to serve the purposes of and to be consistent with any bonus or incentive compensation plan approved by the Committee for purposes of the Plan.~~

~~5.8 SUCCESSORS. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business and/or assets of the Company expressly to assume this Plan. This Plan shall be binding upon and inure to the benefit of the Company and any successor of or to the Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business and/or assets of the Company whether by sale, merger, consolidation, reorganization or otherwise (and such successor shall thereafter be deemed the "Company" for the purposes of this Plan), and the heirs, beneficiaries, executors and administrators of each Participant. In the event that any successor to the Company shall fail to assume this Plan, the Plan shall immediately terminate and each Participant shall immediately receive distribution of his Account in a single lump sum.~~

~~5.9 Withholding of Taxes. The Company and its Affiliates may withhold or cause to be withheld from any amounts deferred or payable under the Plan all federal, state, local and other taxes as shall be legally required.~~

~~5.10 ELECTRONIC OR OTHER MEDIA. Notwithstanding any other provision of the Plan to the contrary, including any provision that requires the use of a written instrument, the Committee may establish procedures for the use of electronic or other media in communications~~

~~and transactions between the Plan or the Committee and Participants and Beneficiaries. Electronic or other media may include, but are not limited to, e-mail, the Internet, intranet systems and automated telephonic response systems.~~

~~EXECUTED at Freeport, Illinois on this 28th day of December, 2001.~~

~~NEWELL RUBBERMAID INC.~~

~~By:~~ ____

~~Title: Senior Vice President & Treasurer~~

EXHIBIT 10.3

~~SUMMARY OF NEWELL RUBBERMAID INC. CASH BONUS PLAN~~

~~The Company has a corporate bonus plan, effective January 1, 2002, that provides for the payment of annual cash bonuses to group presidents and other corporate executives. Payments to group presidents are based on the operating income (75% of the bonus payout) and cash flow (25% of the bonus payout) for the fiscal year of the group for which the group president is responsible. Payments to other participating corporate executives are based on the Company's total earnings per share (75% of the bonus payout) and cash flow (25% of the bonus payout) for the fiscal year. If the group's operating income and cash flow, or the Company's earnings per share and cash flow, as applicable, equal target levels, the designated employees receive specified percentages of their annual salaries in the form of cash bonuses. Company or group performance below the target levels will result in lower or no bonus payments, and Company or group performance above the target levels will result in higher bonus payments.~~

EMPLOYMENT SECURITY AGREEMENT

This Employment Security Agreement ("Agreement") is entered into as of this ____ day of ________, ___, by and between Newell Rubbermaid Inc., a Delaware corporation ("Employer") and ________________________ ("Executive").

WITNESSETH:

WHEREAS, Executive is currently employed by Employer and by Newell Operating Company, a subsidiary of Employer, as the ____________________ of each of Employer and Newell Operating Company;

WHEREAS, Employer desires to provide certain security to Executive in connection with Executive's employment with Employer; and

WHEREAS, Executive and Employer desire to enter into this Employment Security Agreement ("Agreement") pertaining to the terms of the security Employer is providing to Executive with respect to his employment;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. TERM. The term of this Agreement shall be the period beginning on the date hereof and terminating on the first to occur of (a) the date 24 months after the date of Executive's termination of employment under circumstances described in paragraph 2 and (b) the date Executive attains or would have attained age 65 (the "Term").

2. BENEFITS UPON TERMINATION OF EMPLOYMENT. If, at any time during the twelve month period following a Change in Control and prior to Executive's attainment of age 65, (1) the employment of Executive with Employer is terminated by Employer for any reason other than Good Cause, or (2) Executive terminates his employment with Employer for Good Reason, the following provisions will apply:

(a) Employer shall, as hereinafter described in this subsection (a), pay Executive:

(1) Executive's Base Salary during the Severance Period; and

(2) Executive's Bonus for each year during the Severance Period. Such Base Salary will be paid during the Severance Period in monthly or other installments of the same frequency as the payments of his salary being received by Executive at the date of the Change in Control, and will commence as soon as practicable, but in no event later than the date 30 days after termination of employment. Such Bonus for any calendar year will be paid on March 1 of the next following calendar year.

(b) Executive shall receive any and all benefits accrued under any other Incentive Plans and Retirement Plans to the date of termination of employment, the amount, form and time of payment of such benefits to be determined by the terms of such

~~Incentive Plans and Retirement Plans, and Executive's employment shall be deemed to have terminated by reason of retirement under circumstances that have the most favorable result for Executive thereunder for all purposes of such Plans. Payment shall be made at the earliest date permitted under any such Plan that is not funded with a trust agreement.~~

~~(c) For purposes of all Incentive Plans and Retirement Plans Executive shall be given service credit for all purposes for, and shall be deemed to be an employee of Employer during, the Severance Period, notwithstanding the fact that he is not an employee of Employer or any Affiliate or Associate thereof during the Severance Period; provided that, if the terms of any of such Incentive Plans or Retirement Plans do not permit such credit or deemed employee treatment, Employer will make payments and distributions to Executive outside of the Plans in amounts substantially equivalent to the payments and distributions Executive would have received pursuant to the terms of the Plans and attributable to such credit or deemed employee treatment, had such credit or deemed employee treatment been permitted pursuant to the terms of the Plans. Executive shall not receive any amount under an Incentive Plan pursuant to this subsection (c) to the extent that such amount is included within the Executive's Bonus payable pursuant to clause (a)(2) above.~~

~~(d) If upon the date of termination of Executive's employment, Executive holds any options with respect to stock of Employer, all such options will immediately become exercisable upon such date and will be exercisable for 90 days thereafter. To the extent such acceleration of exercise of such options is not permissible under the terms of any plan pursuant to which the options were granted, Employer will pay to Executive, in a lump sum, within 90 days after termination of employment, an amount equal to the excess, if any, of the aggregate fair market value~~

~~of all stock of Employer subject to such options, determined on the date of termination of employment, over the aggregate option price of such stock, and Executive will surrender all such options unexercised.~~

~~(e) During the Severance Period, Executive and his spouse will continue to be covered by all Welfare Plans, maintained by Employer in which he or his spouse were participating immediately prior to the date of his termination, as if he continued to be an employee of Employer; provided that, if participation in any one or more of such Welfare Plans is not possible under the terms~~

~~thereof, Employer will provide substantially identical benefits. Such coverage will cease if and when Executive obtains employment with another employer during the Severance Period, and becomes eligible for coverage under any substantially similar plans provided by his new employer.~~

~~(f) During the Severance Period Employer shall reimburse Executive for the expenses of an automobile in accordance with the arrangement, if any, in effect at the time of termination of Executive's employment. Such reimbursement will cease if and when Executive obtains employment with another employer during the Severance Period and receives such reimbursement from his new employer.~~

~~(g) Executive shall not be entitled to receive any payments or other compensation during the Severance Period attributable to vacation periods he would have earned had his employment continued during the Severance Period or to unused vacation~~

~~periods accrued as of the date of termination of employment, and Executive waives any right to receive such compensation.~~

~~(h) During the Severance Period Executive shall not be entitled to reimbursement for fringe benefits such as dues and expenses related to club memberships, automobile telephones, expenses for professional services and other similar perquisites.~~

~~3. SETOFF. No payments or benefits payable to or with respect to Executive pursuant to this Agreement shall be reduced by any amount Executive or his spouse may earn or receive from employment with another employer or from any other source, except as expressly provided in subsections 2(e) and 2(f).~~

~~4. DEATH. If Executive dies during the Severance Period all amounts payable hereunder to Executive shall, during the remainder of the Severance Period, be paid to his surviving spouse, and his spouse shall continue to be covered under all applicable Welfare Plans during the remainder of the Severance Period. On the death of the survivor of Executive and his spouse, no further benefits will be paid, and no further Welfare Plan coverage will be provided, under the Agreement; except for benefits accrued under any Incentive Plans and Retirement Plans to the date of termination of employment, to the extent such benefits continue following Executive's death pursuant to the term of such Plans.~~

~~5. DEFINITIONS. For purposes of this Agreement:~~

~~(a) "Affiliate" or "Associate" shall have the meaning set forth in Rule 12b-2 under the Securities Exchange Act of 1934.~~

~~(b) "Base Salary" shall mean Executive's annual base salary at the rate in effect on the date of a Change in Control.~~

~~(c) "Bonus" shall mean an amount determined by multiplying Executive's Base Salary by a percentage that is the average percentage of base salary that was paid (or payable) to Executive as a bonus under the Revised ROI Cash Bonus Plan or the ROA Cash Bonus Plan of Employer, or any successor plan or arrangement, for the three full fiscal years of Employer preceding the date of a Change in Control.~~

~~(d) "Change in Control" shall be deemed to occur on the occurrence of any of the following events without the prior written approval of a majority of the entire Board of Directors of Employer as it exists immediately prior to such event; provided that, in the case of an event described in (1) or (3) below, such approval occurs before the time of such event and, in the case of an event described in (2) below, such approval occurs prior to the time that any other party to the event described in (2) (or any Affiliate or Associate thereof) acquires 20% or more of the Voting Power:~~

~~(1) The acquisition by an entity, person or group (including all Affiliates or Associates of such entity, person or group) of beneficial ownership, as that term is defined in Rule13d-3 under the Securities Exchange Act of 1934, of capital stock of Employer entitled to exercise more than 50% of the outstanding voting power of all capital stock of Employer entitled to vote in elections of directors ("Voting Power");~~

~~(2) The effective time of (I) a merger or consolidation of Employer with one or more other corporations as a result of which the holders of the outstanding Voting Power of Employer immediately prior to such merger or consolidation (other than the surviving or resulting corporation or any Affiliate or Associate thereof) hold less than 50% of the Voting Power of the surviving or resulting corporation, or (II) a transfer of a majority of the Voting Power, or a Substantial Portion of the Property, of Employer other than to an entity of which Employer owns at least 50% of the Voting Power; or~~

~~(3) The election to the Board of Directors of Employer, of directors constituting a majority of the number of directors of Employer then in office.~~

~~(e) "Good Cause" shall be deemed to exist if, and only if:~~

~~(1) Executive engages in acts or omissions constituting dishonesty, intentional breach of fiduciary obligation or intentional wrongdoing or malfeasance; or~~

~~(2) Executive is convicted of a criminal violation involving fraud or dishonesty. Notwithstanding anything herein to the contrary, in the event Employer shall terminate the employment of Executive for Good Cause hereunder, Employer shall give Executive at least thirty (30) days prior written notice~~

~~specifying in detail the reason or reasons for Executive's termination.~~

~~(f) "Good Reason" shall exist if:~~

~~(1) there is a significant change in the nature or the scope of Executive's authority;~~

~~(2) there is a reduction in Executive's rate of base salary;~~

~~(3) Employer changes by 100 miles or more the principal location in which Executive is required to perform services; or~~

~~(4) Employer terminates or amends any Incentive Plan or Retirement Plan so that, when considered in the aggregate with any substitute Plan or Plans, the Incentive Plans and Retirement Plans in which he is participating fail to provide him with a level of benefits provided in the aggregate by such Incentive Plans or Retirement Plans prior to such termination or amendment.~~

~~(g) "Incentive Plans" shall mean any incentive, bonus, deferred compensation or similar plan or arrangement currently or hereafter made available by Employer in which Executive is eligible to participate.~~

~~(h) "Retirement Plans" shall mean any qualified or supplemental defined benefit retirement plan or defined contribution retirement plan, currently or hereinafter made available by Employer in which Executive is eligible to participate.~~

~~(i) "Severance Period" shall mean the period beginning on the date the Executive's employment with Employer terminates under circumstances described in Section 2 and ending on the first to occur of the date 24 months thereafter and the date Executive attains or would have attained age 65.~~

~~(j) "Substantial Portion of the Property of Employer" shall mean 75% of the aggregate book value of the assets of Employer and its Affiliates and Associates as set forth on the most recent balance sheet of Employer, prepared on a consolidated basis, by its regularly employed, independent, certified public accountants.~~

~~(k) "Welfare Plan" shall mean any health and dental plan, disability plan, survivor income plan and life insurance plan or arrangement currently or hereafter made available by Employer in which Executive is eligible to participate.~~

~~6. RESTRICTIVE COVENANTS. Executive shall not, during the Term of this Agreement be associated, directly or indirectly, as employee, proprietor, stockholder, partner, agent, representative, officer, or otherwise, with the operation of any business that is~~

~~competitive with any business of Employer or any of its Affiliates, except that Executive's ownership (or that of his wife and children) of publicly traded securities of any such business having a cost of not more than $50,000, shall not be considered a violation of this Section. For purposes of the preceding sentence, Executive shall be considered as the "stockholder" of any equity securities owned by his spouse and all relatives and children residing in Executive's principal residence.~~

~~7. NO SOLICITATION OF REPRESENTATIVES AND EMPLOYEES. Executive agrees that he shall not, during the Term of this Agreement, directly or indirectly, in his individual capacity or otherwise, induce, cause, persuade, or attempt to do any of the foregoing in order to cause, any representative, agent or employee of Employer or any of its Affiliates~~

~~to terminate such person's employment relationship with Employer or any of its Affiliates, or to violate the terms of any agreement between said representative, agent or employee and Employer or any of its Affiliates.~~

~~8. CONFIDENTIALITY. Executive acknowledges that preservation of a continuing business relationship between Employer or its Affiliates and their respective customers, representatives, and employees is of critical importance to the continued business success of Employer and that it is the active policy of Employer and its Affiliates to guard as confidential the identity of its customers, trade secrets, pricing policies, business affairs, representatives and employees. In view of the foregoing, Executive agrees that he shall not during the Term of this Agreement and thereafter, without the prior written consent of Employer (which consent shall not be withheld unreasonably), disclose to any person or entity any information concerning the business of, or any customer, representative, agent or employee of, Employer or its Affiliates which was obtained by Executive in the course of his employment by Employer. This section shall not be applicable if and to the extent Executive is required to testify in a legislative, judicial or regulatory proceeding pursuant to an order of Congress, any state or local legislature, a judge, or an administrative law judge.~~

~~9. EXECUTIVE ASSIGNMENT. No interest of Executive or his spouse or any other beneficiary under this Agreement, or any right to receive any payment or distribution hereunder, shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment, or other alienation or encumbrance of any kind, nor may such interest or~~

~~right to receive a payment or distribution be taken, voluntarily or involuntarily, for the satisfaction of the obligations or debts of, or other claims against, Executive or his spouse or other beneficiary, including claims for alimony, support, separate maintenance, and claims in bankruptcy proceedings.~~

~~10. BENEFITS UNFUNDED. All rights of Executive and his spouse or other beneficiary under this Agreement shall at all times be entirely unfunded and no provision shall at any time be made with respect to segregating any assets of Employer for payment of any amounts due hereunder. Neither Executive nor his spouse or other beneficiary shall have any interest in or rights against any specific assets of Employer, and Executive and his spouse or other beneficiary shall have only the rights of a general unsecured creditor of Employer.~~

~~11. WAIVER. No waiver by any party at any time of any breach by any other party of, or compliance with, any condition or provision of this Agreement to be performed by any other party shall be deemed a waiver of any other provisions or conditions at the same time or at any prior or subsequent time.~~

~~12. LITIGATION EXPENSES. Employer shall pay 50% of Executive's attorney's fees in connection with any judicial proceeding to enforce this Agreement or to construe or determine the validity of this Agreement or otherwise in connection herewith, whether or not Executive is successful in such litigation.~~

~~13. APPLICABLE LAW. This Agreement shall be construed and interpreted pursuant to the laws of Illinois.~~

~~14. ENTIRE AGREEMENT. This Agreement contains the entire Agreement between Employer and Executive and supersedes any and all previous agreements, written or oral, between the parties relating to the subject matter hereof. No amendment or modification of the terms of this Agreement shall be binding upon the parties hereto unless reduced to writing and signed by Employer and Executive.~~

~~15. NO EMPLOYMENT CONTRACT. Nothing contained in this Agreement shall be construed to be an employment contract between Executive and Employer. Executive is employed at will and Employer may terminate his employment at any time, with or without cause.~~

~~16. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original.~~

~~17. SEVERABILITY. In the event any provision of this Agreement is held illegal or invalid, the remaining provisions of this Agreement shall not be affected thereby.~~

~~18. SUCCESSORS. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives and successors.~~

~~19. EMPLOYMENT WITH AN AFFILIATE. If Executive is employed by Employer and an Affiliate, or solely by an Affiliate, on the date of termination of employment of Executive under circumstances described in Section 2, then (i) employment or termination of employment as used in this Agreement shall mean employment or termination of employment of Executive with Employer and such Affiliate, or with such Affiliate,~~

~~as applicable, and (ii) the obligations of Employer hereunder shall be~~

~~satisfied by Employer and/or such Affiliate as Employer, in its discretion, shall determine; provided that Employer shall remain liable for such obligations to the extent not satisfied by such Affiliate.~~

~~20. NOTICE. Notices required under this Agreement shall be in writing and sent by registered mail, return receipt requested, to the following addresses or to such other address as the party being notified may have previously furnished to the others by written notice.~~

~~If to Employer:~~ ~~Newell Rubbermaid Inc.~~
~~29 East Stephenson Street~~
~~Freeport, Illinois 61032~~

~~Attention:~~ ______________________

~~If to Executive:~~ ______________________
____
____
____

~~21. BOARD APPROVAL. The rights and obligations of Employer under this Agreement are contingent upon the approval or ratification by its Board of Directors of the execution of this Agreement on its behalf.~~

~~IN WITNESS WHEREOF, Executive has hereunto set his hand, and Employer has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.~~

~~NEWELL RUBBERMAID INC.~~

~~By:~~ ____________________________________

~~Title:~~ __________________________________

____
~~EXECUTIVE~~

EXHIBIT 11

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE OF COMMON STOCK

	YEAR ENDED DECEMBER 31,		
	2001	2000	1999
	(IN THOUSANDS, EXCEPT PER SHARE DATA)		
BASIC EARNINGS PER SHARE:			
Net income	$264,635	$421,575	$95,437
Weighted average shares outstanding	266,657	268,437	281,806
Basic earnings per share	$0.99	$1.57	$0.34
DILUTED EARNINGS PER SHARE:			
Net income	$264,635	$421,575	$95,437
Minority interest in income of subsidiary trust, net of tax (1)	-	-	
Net income, assuming conversion of all applicable securities	$264,635	$421,575	$95,437
Weighted average shares outstanding	266,657	268,437	281,806
Incremental common shares applicable to common stock options based on the average market price during the period	391	63	172
Average common shares issuable assuming conversion of the Company Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust (1)			
Weighted average shares outstanding assuming full dilution	267,048	268,500	281,978
Diluted earnings per share, assuming conversion of all applicable securities	$0.99	$1.57	$0.34

(1) The convertible preferred securities are anti dilutive in 2001, 2000 and 1999 and, therefore, have been excluded from diluted earnings per share. Had the convertible preferred shares been included in the diluted earnings per share calculation, net income would be increased by $16.8 million, $16.4 million and $16.3 million in 2001, 2000 and 1999, respectively and weighted average shares outstanding would have increased by 9.9 million shares in all years.

EXHIBIT 12

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

	YEAR ENDED DECEMBER 31				
	2001	2000	1999	1998	1997
	(IN THOUSANDS, EXCEPT RATIO DATA)				
EARNINGS AVAILABLE TO FIXED CHARGES:					
Income before income taxes	$415,865	$685,487	$230,939	$816,973	$544,590
Fixed Charges -					
Interest expense	137,453	130,033	100,021	100,514	114,357
Portion of rent determined to be interest (1)	36,951	33,957	30,319	26,287	23,343
Minority interest in income of subsidiary trust	26,707	26,725	26,771	26,692	1,528
Equity earnings	(7,221)	(7,996)	(8,118)	(7,127)	(5,831)
	$609,755	$868,206	$379,932	$963,339	$677,987
FIXED CHARGES:					
Interest expense	$137,453	$130,033	$100,021	$100,514	$114,357
Portion of rent determined to be interest (1)	36,951	33,957	30,319	26,287	23,343
Minority interest in income subsidiary trust	26,707	26,725	26,771	26,692	1,528
	$201,111	$190,715	$157,111	$153,493	$139,228
RATIO OF EARNINGS TO FIXED CHARGES	3.03	4.55	2.42	6.28	4.87

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

~~EXHIBIT 21~~

~~NEWELL RUBBERMAID INC. AND SUBSIDIARIES~~
~~SIGNIFICANT SUBSIDIARIES~~

~~NAME~~	~~STATE OF ORGANIZATION~~	~~OWNERSHIP~~
~~Berol Corporation~~	~~Delaware~~	~~72.65% of stock is owned by Newell Rubbermaid Inc.; 27.35% of stock is owned by Newell Operating Company~~
~~Newell Investments, Inc.~~	~~Delaware~~	~~52.4% of stock is owned by Newell Operating Company; 24.1% of stock is owned by Newell Rubbermaid Inc.; 11.4% of stock is owned by Newell Window Furnishings, Inc.; 11.3% of stock is owned by Intercraft Company; 0.8% of stock is owned by Rubbermaid Incorporated~~
~~Newell Operating Company~~	~~Delaware~~	~~77.5% of stock is owned by Newell Rubbermaid Inc.; 22.5% of stock is owned by Newell Holdings Delaware, Inc.~~
~~Rubbermaid Incorporated~~	~~Ohio~~	~~100% of stock is owned by Newell Rubbermaid Inc.~~
~~Rubbermaid Texas Limited~~	~~Texas~~	~~Rubbermaid Incorporated is a general partner with a 1% ownership interest; Rubfinco Inc. (which is 100% owned by Rubbermaid Incorporated) is a limited partner with a 99% ownership interest~~
~~Sanford Investment Company~~	~~Delaware~~	~~100% of stock is owned by Berol Corporation~~
~~Sanford, L.P.~~	~~Illinois~~	~~Newell Operating Company is a general partner with a 1.62% ownership interest; Sanford Investment Company (which is 100% owned by Berol Corporation) is a limited partner with a 98.38% ownership interest~~

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Form 10-K of our report dated January 25, 2002, into the Company's previously filed Form S-8 Registration Statements File Nos. 33-24447, 33-25196, 33-40641, 33-67632, 33-62047, and 333-38621, Form S-3 Registration Statement File Nos. 33-46208, 33-64225, 333-47261, 333-53039, and 333-82829, and Post Effective Amendment No. 1 on Form S-8 to Form S-4 Registration Statement File No. 33-44957.

ARTHUR ANDERSEN LLP

Milwaukee, Wisconsin
March 5, 2002

EXHIBIT 99

NEWELL RUBBERMAID INC. SAFE HARBOR STATEMENT

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

RETAIL ECONOMY

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

These retail economies are affected primarily by such factors as consumer demand and the condition of the consumer products retail industry, which, in turn, are affected by general economic conditions and events such as those of September 11, 2001. In recent years, the consumer products retail industry in the U.S. and, increasingly, elsewhere has been characterized by intense competition and consolidation among both product suppliers and retailers. Because such competition, particularly in weak retail economies, can cause retailers to fail, the Company must continuously monitor, and adapt to changes in, the creditworthiness of its customers.

NATURE OF THE MARKETPLACE

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

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

NEW PRODUCT DEVELOPMENT

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

MARKETING

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

~~PRODUCTIVITY AND STREAMLINING~~

~~Our success also depends on our ability to improve productivity and streamline operations to control and reduce costs. We need to do this while maintaining consistently high customer service levels and making substantial investments in new product development and in~~

~~marketing our end user brands. Our objective is to become our retailer customers' low cost provider and global supplier of choice. To do this, we will need to continuously improve our manufacturing efficiencies and develop sources of supply on a world wide basis.~~

~~The Company has within the last year added or promoted more than 60 executives. The Company's long term success depends on its ability to integrate these management changes.~~

~~ACQUISITION INTEGRATION~~

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

~~FOREIGN OPERATIONS~~

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