SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A No. 1

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
for the Quarterly Period Ended March 31, 1998

Commission File Number 1-9608

NEWELL CO.

(Exact name of registrant as specified in its charter)

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

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

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

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

Yes /x/ No / /

Number of shares of Common Stock outstanding
as of April 23, 1998: 159,328,239

THIS AMENDMENT NO. 1 TO NEWELL CO.'S QUARTERLY REPORT ON FORM 10-Q FOR THE THREE MONTHS ENDED MARCH 31, 1998 CHANGES THE PRESENTATION OF ITS UNAUDITED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION TO REFLECT THAT EXPENSES RELATED TO THE WRITE-OFF OF

INTANGIBLE ASSETS AND THE AMORTIZATION OF TRADE NAMES AND GOODWILL HAVE BEEN CONSIDERED IN THE DETERMINATION OF OPERATING INCOME. SUCH EXPENSES WERE TREATED PREVIOUSLY AS NONOPERATING EXPENSES. THIS FILING AMENDS PART I, ITEMS 1 AND 2 AND EXHIBIT 27 IN ITEM 6. "NEWELL" OR THE "COMPANY" REFERS TO NEWELL CO. ALONE OR WITH ITS WHOLLY OWNED SUBSIDIARIES, AS THE CONTEXT REQUIRES.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

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

	Three Months Ended March 31, 1998	1997
Net sales	$747,270	$629,374
Cost of products sold	523,834	440,090
GROSS INCOME	223,436	189,284
Selling, general and administrative expenses	128,737	109,958
Trade names and goodwill amortization and other	20,589	6,076
OPERATING INCOME	74,110	73,250
Nonoperating expenses (income):		
Interest expense	11,825	12,785
Other, net	(185,833)	(2,056)
Net nonoperating expenses (income)	(174,008)	10,729
INCOME BEFORE INCOME TAXES	248,118	62,521
Income taxes	98,255	24,758
NET INCOME	$149,863	$37,763
Earnings per share:		
Basic	$ 0.94	$ 0.24
Diluted	0.91	0.24
Dividends per share	$ 0.18	$ 0.16
Weighted average shares outstanding:		
Basic	159,289	158,958
Diluted	169,876	159,598

See notes to consolidated financial statements.

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

	March 31, 1998	% of Total	December 31, 1997	% of Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 12,548	0.3%	$ 36,103	0.9%
Accounts receivable, net	456,388	12.3%	524,613	13.3%
Inventories, net	662,250	17.8%	625,208	15.8%
Deferred income taxes	117,878	3.2%	130,451	3.3%
Prepaid expenses and other	84,976	2.3%	65,245	1.7%
TOTAL CURRENT ASSETS	1,334,040	35.9%	1,381,620	35.0%
MARKETABLE EQUITY SECURITIES	-	0.0%	307,121	7.8%
OTHER LONG-TERM INVESTMENTS	53,750	1.4%	51,020	1.3%
OTHER ASSETS	147,368	4.0%	143,893	3.6%
PROPERTY, PLANT AND EQUIPMENT, NET	703,975	18.9%	696,086	17.7%
TRADE NAMES AND GOODWILL	1,477,953	39.8%	1,364,072	34.6%
TOTAL ASSETS	$3,717,086	100.0%	$3,943,812	100.0%

See notes to consolidated financial statements.

NEWELL CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONT.)
(Unaudited, in thousands)

	March 31, 1998	% of Total	December 31, 1997	% of Total
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Notes payable	$41,610	1.1%	$ 39,220	1.0%
Accounts payable	114,157	3.1%	132,374	3.4%
Accrued compensation	57,537	1.5%	79,306	2.0%
Other accrued liabilities	410,161	11.0%	388,741	9.9%
Income taxes	82,129	2.2%	11,663	0.3%
Current portion of long-term debt	1,214	0.0%	12,721	0.3%
TOTAL CURRENT LIABILITIES	706,808	18.9%	664,025	16.9%
LONG-TERM DEBT	523,120	14.1%	783,980	19.9%
OTHER NONCURRENT LIABILITIES	181,080	4.9%	183,041	4.6%
DEFERRED INCOME TAXES	39,933	1.1%	90,120	2.3%
MINORITY INTEREST	8,035	0.2%	8,352	0.2%
COMPANY-OBLIGATED MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED SECURITIES OF A SUBSIDIARY TRUST	500,000	13.5%	500,000	12.7%
STOCKHOLDERS' EQUITY				
Common stock authorized shares, 400.0 million at $1 par value;	159,328	4.3%	159,236	4.0%
Outstanding shares:				
1998 159.3 million				
1997 159.2 million				
Additional paid-in capital	205,553	5.5%	204,105	5.2%
Retained earnings	1,415,943	38.1%	1,294,750	32.8%
Net unrealized gain on securities available for sale	-	0.0%	78,839	2.0%
Cumulative translation adjustment	(22,714)	(0.6)%	(22,636)	(0.6)%
TOTAL STOCKHOLDERS' EQUITY	1,758,110	47.3%	1,714,294	43.4%
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$3,717,086	100.0%	$3,943,812	100.0%

See notes to consolidated financial statements.

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

	For the Three Months Ended March 31,	
	1998	1997
OPERATING ACTIVITIES:		
Net income	$ 149,863	$ 37,763
Adjustments to reconcile net income to net cash provided by Operating activities:		
Depreciation and amortization	33,823	30,151
Deferred income taxes	12,599	11,357
Net gain on sale of marketable Equity securities	(115,674)	-
Write-off of intangible Assets and other	4,288	-
Other	(1,005)	(264)
Changes in current accounts, excluding the effects of acquisitions:		
Accounts receivable	84,908	44,717
Inventories	(29,381)	(17,859)
Other current assets	(21,929)	7,438
Accounts payable	(26,970)	(21,613)
Accrued liabilities and other	(30,712)	(49,445)
NET CASH PROVIDED BY OPERATING ACTIVITIES	59,810	42,245
INVESTING ACTIVITIES:		
Acquisitions, net	(132,474)	(117,625)
Expenditures for property, plant and equipment	(27,095)	(15,399)
Sale of marketable Equity securities	378,321	-
Disposals of non-current assets and other	(3,968)	9,093
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	214,784	(123,931)

See notes to consolidated financial statements.
/TABLE

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

	For the Three Months Ended March 31, 1998	1997
FINANCING ACTIVITIES:		
Proceeds from issuance of debt	27,129	137,418
Payments on notes payable and long-term debt	(297,106)	(25,620)
Proceeds from exercised stock options and other	1,540	3,117
Cash dividends	(28,670)	(25,432)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(297,107)	89,483
Exchange rate effect on cash	(1,042)	(6,459)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(23,555)	1,338
Cash and cash equivalents at beginning of year	36,103	4,360
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 12,548	$ 5,698
Supplemental cash flow disclosures - Cash paid during the period for:		
Income taxes	$ 4,556	$ 5,294
Interest	$ 19,401	$ 14,877

See notes to consolidated financial statements.

/TABLE

NEWELL CO. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - GENERAL INFORMATION

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

NOTE 2 - ACQUISITIONS AND DIVESTITURES

On March 5, 1997, the Company purchased Insilco Corporation's Rolodex business unit ("Rolodex"), a marketer of office products including card files, personal organizers and paper punches. Rolodex was integrated into the Company's Newell Office Products division. On May 30, 1997, the Company acquired Cooper Industries Incorporated's Kirsch business ("Kirsch"), a manufacturer and distributor of drapery hardware and custom window coverings in the United States and international markets. The Kirsch North American operations were combined with the Newell Window Furnishings division. The European operations of Kirsch exist as a separate division, Kirsch Window Fashions Europe. On June 13, 1997, the Company acquired Rubbermaid Incorporated's office products business, including the ELDON {R} brand name (now referred to as "Eldon"). Eldon is a designer, manufacturer and supplier of computer and plastic desk accessories, resin-based office furniture and storage and organization products. Eldon was integrated into the Company's Newell Office Products division. On March 30, 1998, the Company acquired Swish Track and Pole ("Swish") from Newmond PLC. Swish is a manufacturer and marketer of decorative and functional window furnishings in Europe and operates as part of Kirsch Window Fashions Europe. For these and other minor acquisitions, the Company paid $848.1 million in cash and assumed $15.4 million of debt. The transactions were accounted for as purchases; therefore, results of operations are included in the accompanying consolidated financial statements since their respective dates of acquisition. The acquisition costs were allocated on a preliminary basis to the fair market value of the assets acquired and liabilities assumed and resulted in trade names and goodwill of approximately $601.1 million. The final adjustments to the purchase price allocations are not expected to be material to the consolidated financial statements. The unaudited consolidated results of operations for the three months ended March 31, 1998 and 1997 on a pro forma basis, as though the Rolodex, Kirsch, Eldon, and Swish businesses had

been acquired on January 1, 1997, are as follows (in millions, except per share amounts):

	Three Months Ended March 31, 1998	Three Months Ended March 31, 1997
Net sales	$ 763.9	$ 770.9
Net income	149.4	34.6
Earnings per share (basic)	$ 0.94	$ 0.22

NOTE 3 INVENTORIES

The components of inventories at the end of each period, net of the LIFO reserve, were as follows (in millions):

	March 31, 1998	December 31, 1997
Materials and supplies	$ 154.1	$ 136.0
Work in process	114.0	100.6
Finished products	394.2	388.6
	$ 662.3	$ 625.2

NOTE 4 MARKETABLE EQUITY SECURITIES

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 stockholders' equity (and excluded from earnings). Marketable Equity Securities at December 31, 1997 are summarized as follows (in millions):

	December 31, 1997
Aggregate market value	$ 307.1
Aggregate cost	176.8
Unrealized gain	$ 130.3

On March 3, 1998, the Company sold all of its marketable equity securities, which included 7,862,300 shares it held in The Black & Decker Corporation. The Black & Decker transaction resulted in net proceeds of approximately $378.3 million and a net pre-tax gain, after fees and expenses, of approximately $191.5 million.

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at the end of each period consisted of the following (in millions):

	March 31, 1998	December 31, 1997
Land	$ 41.1	$ 33.8
Buildings and improvements	277.9	272.1
Machinery and equipment	850.9	835.4
	1,169.9	1,141.3
Allowance for depreciation	(465.9)	(445.2)
	$ 704.0	$ 696.1

NOTE 6 - LONG-TERM DEBT

Long-term debt at the end of each period consisted of the following (in millions):

	March 31, 1998	December 31, 1997
Medium-term notes	$ 263.0	$ 263.0
Commercial paper	241.0	517.0
Other long-term debt	20.3	16.7
	524.3	796.7
Current portion	(1.2)	(12.7)
	$ 523.1	$ 784.0

Commercial paper in the amount of $241.0 million at March 31, 1998 was classified as long-term since it is supported by the 5-year $1.3 billion revolving credit agreement.

NOTE 7 MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED SECURITIES OF A SUBSIDIARY TRUST OF THE COMPANY

In December 1997, a wholly owned subsidiary trust of the Company issued 10,000,000 of its 5.25% convertible quarterly income preferred securities (the "Convertible Preferred Securities"), with a liquidation preference of $50 per security, to certain institutional buyers. The Convertible Preferred Securities represent an undivided beneficial interest in the assets of the trust. Each of the Convertible Preferred Securities is convertible at the option of the holder into shares of the Company's Common Stock at the rate of 0.9865 shares of Common Stock for each preferred security (equivalent to $50.685 per share of Common Stock), subject to adjustment in certain circumstances. Holders of the Convertible Preferred Securities are entitled to a quarterly cash distribution at the annual rate of 5.25%

of the $50 liquidation preference commencing March 1, 1998. The Convertible Preferred Securities are subject to a Company guarantee and are callable by the Company initially at 103.15% of the liquidation preference beginning in December 2001 and decreasing over time to 100% of the liquidation preference beginning in December 2007.

The trust invested the proceeds of this issuance of the Convertible Preferred Securities in $500 million of the Company's 5.25% Junior Convertible Subordinated Debentures due 2027 (the "Debentures"). The Debentures are the sole assets of the trust, mature December 1, 2027, bear interest at the rate of 5.25%, payable quarterly, commencing March 1, 1998, and are redeemable by the Company beginning in December 2001. The Company may defer interest payments on the Debentures for a period not to exceed 20 consecutive quarters during which time distribution payments on the Convertible Preferred Securities are also deferred. Under this circumstance, the Company may not declare or pay any cash distributions with respect to its capital stock or debt securities that rank PARI PASSU with or junior to the Debentures. The Company has no current intention to exercise its right to defer payments of interest on the Debentures.

The Convertible Preferred Securities are reflected as outstanding in the Company's consolidated financial statements as Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust.

NOTE 8 EARNINGS PER SHARE

Effective December 31, 1997, the Company adopted SFAS No. 128, "Earnings Per Share." As a result, the Company's reported earnings per share for 1997 were restated. The impact on previously reported earnings per share was immaterial. The earnings per share amounts are computed based on the weighted average monthly number of shares outstanding during the year. "Basic" earnings per share are calculated by dividing net income by weighted average shares outstanding. "Diluted" earnings per share are calculated by dividing net income by weighted average shares outstanding, including the assumption of the exercise and/or conversion of all potentially dilutive securities ("in the money" stock options and convertible preferred securities). A reconciliation of the difference between basic and diluted earnings per share for the first quarter of 1998 is shown below (in millions, except per share amounts):

	Basic Earnings per Share	"In the money" stock options	Convertible Preferred Securities	Diluted Earnings per Share
Net Income	$ 149.9	$ 0.0	$ 4.0	$ 153.9
Weighted average shares outstanding	159.3	0.7	9.9	169.9
Earnings per Share	$ 0.94			$ 0.91

Basic and diluted earnings per share for the first quarter of 1997 was $0.24.

NOTE 9 COMPREHENSIVE INCOME

In the first quarter of 1998, the Company adopted SFAS No. 130, "Reporting Comprehensive Income." The Company's Comprehensive Income consists of net income, foreign currency translation adjustments and unrealized gains on marketable equity securities (if any).

The Company sold its stake in The Black & Decker Corporation during the first quarter of 1998 and has no other material marketable equity security position as of March 31, 1998. Therefore, the Company's Comprehensive Income in the first quarter of 1998 includes, in addition to net income, only foreign currency translation adjustments, which were immaterial. The Company's Comprehensive Income in the first quarter of 1997 included unrealized gains on marketable equity securities of $9.8 million, offset partially by currency translation losses of $6.5 million.

The accumulated Other Comprehensive Income balances are summarized as follows (in millions):

	Foreign Currency Translation	Net Unrealized Gain on Securities Available For Sale (1)	Accumulated Other Comprehensive Income
Balance at December 31, 1997	$ (22.6)	$ 78.8	$ 56.2
Change during three months ended March 31, 1998	(0.1)	(78.8)	(78.9)
Balance at March 31, 1998	$ (22.7)	$ 0.0	$ (22.7)

(1) On March 3, 1998, the Company sold its stake in The Black & Decker Corporation and realized a net pre-tax gain of approximately $191.5 million ($115.7 million after taxes). The difference between the $78.8 million after tax balance at December 31, 1997 and the $115.7 million after tax gain recorded in the first quarter of 1998 primarily represents the appreciation on the shares sold from December 31, 1997 through March 3, 1998.

NOTE 10 INTERIM SEGMENT REPORTING

Effective December 31, 1998, the Company will adopt SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information." After reviewing the criteria for determining segments of an enterprise, the Company believes it has three reportable segments under the reporting requirements: Hardware and Home Furnishings, Office Products, and Housewares. The Company believes that this segmentation is appropriate because it organizes its product categories into these groups when making operating decisions and assessing performance. The Company Divisions included in each group also sell primarily to the same retail channel: Hardware and Home Furnishings (home centers and hardware stores), Office Products (office superstores and contract stationers), and Housewares (discount

stores and warehouse clubs). Financial statement disclosures regarding segments will commence with the 1998 10-K Report filing.

NOTE 11 DISCLOSURES ABOUT PENSIONS AND OTHER POSTRETIREMENT BENEFITS

Effective December 31, 1998, the Company will adopt SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." Management believes that the adoption of this statement will not be material to the consolidated financial statements.

NOTE 12 SUBSEQUENT EVENT

On May 7, 1998, the Company completed the acquisition of Calphalon Corporation in a stock-for-stock transaction. The transaction will be accounted for as a pooling-of-interests, and as such, will require a restatement of the financial statements for all periods presented. The restatements will commence with the filing of the Form 10-Q for the period ended June 30, 1998. Management believes the restatements will not materially affect the consolidated financial statements.

NOTE 13 RECLASSIFICATION OF TRADE NAMES AND GOODWILL AMORTIZATION

The Company is reclassifying trade names and goodwill amortization from nonoperating expenses to operating expenses for all periods presented.

PART I.

Item 2.

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

RESULTS OF OPERATIONS

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

	Three Months Ended March 31, 1998	Three Months Ended March 31, 1997
Net sales	100.0%	100.0%
Cost of products sold	70.1%	69.9%
GROSS INCOME	29.9%	30.1%
Selling, general and administrative expenses	17.2%	17.5%
Trade names and goodwill amortization and other	2.8%	1.0%
OPERATING INCOME	9.9%	11.6%
Nonoperating expenses (income):		
Interest expense	1.6%	2.0%
Other, net	(24.9)%	(0.3)%
Net nonoperating expenses (income)	(23.3)%	1.7%
INCOME BEFORE INCOME TAXES	33.2%	9.9%
Income taxes	13.1%	3.9%
NET INCOME	20.1%	6.0%

/TABLE

THREE MONTHS ENDED MARCH 31, 1998 VS. THREE MONTHS ENDED MARCH 31, 1997

Net sales for the first three months of 1998 were $747.3 million, representing an increase of $117.9 million or 18.7% from $629.4 million in the comparable quarter of 1997. The overall increase in net sales was primarily attributable to contributions from Rolodex (acquired in March 1997), Kirsch (acquired in May 1997), Eldon (acquired in June 1997), and strong shipments at the Sanford writing instruments business. Net sales for each of the Company's product groups (and the primary reasons for the increase or decrease) were as follows, in millions:

	1998	1997	% change
Hardware & Home Furnishings	$ 373.6	$ 297.9	25.4%(1)
Office Products	202.9	150.2	35.1%(2)
Housewares	170.8	181.3	(5.8)%(3)
	$ 747.3	$ 629.4	18.7%

(1) Internal growth* of 3% plus the Kirsch acquisition.
(2) Internal growth of 8% plus the Rolodex and Eldon acquisitions.
(3) Internal sales declines due to soft European economies and U.S. mass merchant sales.

* The Company defines internal growth as growth from the core businesses, which include continuing business owned more than two years and minor acquisitions.

Gross income as a percentage of net sales in the first three months of 1998 was 29.9% or $223.4 million versus 30.1% or $189.3 million in the comparable quarter of 1997. Gross margins at the Company's core businesses were maintained while the 1997 acquisitions had gross margins which were slightly lower than the Company's average gross margins. As these acquisitions are integrated, the Company expects their gross margins to improve.

Selling, general and administrative expenses ("SG&A") in the first three months of 1998 were 17.2% of net sales or $128.7 million versus 17.5% or $110.0 million in the comparable quarter of 1997. SG&A as a percentage of net sales declined in 1997 as a result of lower core business SG&A spending as a percentage of sales, offset partially by Kirsch, which had a higher SG&A than the Company's average SG&A as a percentage of net sales. As this acquisition is integrated, the Company its SG&A spending as a percentage of net sales to decline.

The Company is reclassifying trade names and goodwill amortization from nonoperating expenses to operating expenses for all periods presented. Trade names and goodwill amortization and other in the first three months of 1998 were 2.8% of net sales or $20.6 million versus 1.0% or $6.1 million in the comparable quarter of 1997. The increase in the first quarter of 1998 was primarily due to one-time charges of $11.4 million (which included write-offs of intangible

assets). The Company expects to record additional one-time charges in the subsequent quarters of 1998 for restructuring related to 1998 acquisitions which were in process at March 31, 1998 but not yet completed.

Operating income in the first three months of 1998 was 9.9% of net sales or $74.1 million versus 11.6% or $73.3 million in the comparable quarter of 1997. Excluding the one-time charges of $11.4 million, operating income in the first quarter of 1998 was 11.4% of net sales or $85.5 million. The slight decrease in operating margins was primarily due to the 1997 acquisitions, which had operating margins that were lower than the Company's average operating margins. This decrease was offset partially by an increase in margins at several of the Company's core businesses. As the 1997 acquisitions are integrated, the Company expects their operating margins to improve.

Net nonoperating income in the first three months of 1998 was 23.3% of net sales or $174.0 million versus net nonoperating expenses of 1.7% of net sales or $10.7 million in the comparable quarter of 1997. The $184.7 million increase in income was due to a one-time net gain of $191.5 million on the sale of the Company's stake in The Black & Decker Corporation. This increase was offset partially by $6.7 million of distributions related to the convertible preferred securities issued by a subsidiary trust in December 1997.

For the first three months of both 1998 and 1997, the effective tax rate was 39.6%.

Net income for the first three months of 1998 was $149.9 million, representing an increase of $112.1 million from the comparable quarter of 1997. Basic earnings per share increased 291.7% to $0.94 in the first quarter of 1998 versus $0.24 in the first quarter of 1997. Diluted earnings per share increased 279.2% to $0.91 vs. $0.24 in the first quarter of 1997. Excluding the one-time net gain on the sale of Black & Decker stock of $191.5 million ($115.7 million after taxes) and one-time charges of $11.4 million ($6.9 million after taxes), net income increased $3.3 million or 8.7% to $41.1 million the first quarter of 1998 versus $37.8 million in 1997. Basic and diluted earnings per share, excluding the nonrecurring items, increased 8.3% to $0.26 versus $0.24 in the first quarter of 1997.

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 the first three months of 1998 was $59.8 million, representing an increase of $17.6 million from $42.2 million for the comparable period of 1997. The increase was due to higher collections of receivables resulting from strong 1997 fourth quarter sales.

On March 3, 1998, the Company received $378.3 million from the sale of 7,862,300 shares of Black & Decker common stock. The proceeds from the sale were used to pay down commercial paper.

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 discretion of the lender. The Company's uncommitted lines of credit do not have a material impact on the Company's liquidity. Borrowings under the Company's uncommitted lines of credit at March 31, 1998 totaled $41.6 million.

During 1997, the Company amended its revolving credit agreement to increase the aggregate borrowing limit to $1.3 billion, at a floating interest rate. The revolving credit agreement will terminate in August 2002. At March 31, 1998, there were no borrowings under the revolving credit agreement.

In lieu of borrowings under the Company's revolving credit agreement, the Company may issue up to $1.3 billion 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 March 31, 1998, $241.0 million (principal amount) of commercial paper was outstanding. The entire amount is classified as long-term debt.

The Company has a universal shelf registration statement under which the Company may issue up to $500.0 million of debt and equity securities, subject to market conditions. At March 31, 1998, the Company had not issued any securities under that registration statement.

At March 31, 1998, the Company had outstanding $263.0 million (principal amount) of medium-term notes issued under a previous shelf registration statement with maturities ranging from five to ten years at an average annual rate of interest equal to 6.3%.

USES:

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

Cash used in acquiring businesses was $132.5 million and $117.6 million in the first three months of 1998 and 1997, respectively. In the first quarter of 1998, the Company acquired Swish Track and Pole and made another minor acquisition for cash purchase prices totaling $127.7 million. In the first three months of 1997, the Company acquired Rolodex for a cash purchase price totaling $118.0 million. All of these acquisitions were accounted for as purchases and were paid for with proceeds obtained from the issuance of commercial paper.

Capital expenditures were $27.1 million and $15.4 million in the first three months of 1998 and 1997, respectively.

The Company has paid regular cash dividends on its common stock since 1947. On February 10, 1998, the quarterly cash dividend was increased to $0.18 per share from the $0.16 per share that had been paid since February 11, 1997. Prior to this date, the quarterly cash dividend paid was $0.14 per share since February 6, 1996, which was an increase from the $0.12 per share paid since May 11, 1995. Aggregate dividends paid during the first six months of 1998 and 1997 were $28.7 million and $25.4 million, respectively.

Retained earnings increased in the first three months of 1998 and 1997 by $121.2 million and $12.3 million, respectively. The increase in 1998 was primarily due to a net gain of $191.5 million ($115.7 million after taxes) on the sale of the Black & Decker common stock.

Working capital at March 31, 1998 was $627.2 million compared to $717.6 million at December 31, 1997. The current ratio at March 31, 1998 was 1.89:1 compared to 2.08:1 at December 31, 1997.

Total debt to total capitalization (total debt is net of cash and cash equivalents, and total capitalization includes total debt, convertible preferred securities and stockholders equity) was .20:1 at March 31, 1998 and .27:1 at December 31, 1997. The decrease in the first quarter of 1998 was primarily due to the use of the net proceeds from the sale of the Black & Decker common stock to pay down commercial paper.

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

MARKET RISK

The Company's market risk is impacted by changes in interest rates, foreign currency exchange rates, and certain commodity prices. Pursuant to the Company's policies, natural hedging techniques and derivative financial instruments may be utilized to reduce the impact of adverse changes in market prices. The Company does not hold or issue derivative instruments for trading purposes, and has no material sensitivity to changes in market rates and prices on its derivative financial instrument positions.

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 million 5.25% Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust, the proceeds of which reduced commercial paper. Interest rate swaps may be used to adjust interest rate exposures when appropriate based on market conditions, and, for qualifying hedges, the interest differential of swaps is included in interest expense.

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

Due to the diversity of its product lines, the Company does not have material sensitivity to any one commodity. The Company manages commodity price exposures primarily through the duration and terms of its vendor contracts. Based on the Company's overall interest rate, currency rate and commodity price exposures at June 30, 1998, management of the Company believes that a short-term change in any of these exposures will not have a material effect on the consolidated financial statements of the Company.

YEAR 2000 COMPUTER COMPLIANCE

In order to address the "Year 2000 Problem" relating to the inability of certain computer software programs to process 2-digit year-date codes after December 31, 1999, the Company has conducted a comprehensive review of its computer systems and formulated a plan to

modify or replace programs where necessary. It is anticipated that all reprogramming efforts for major systems will be completed by December 31, 1998, allowing more than adequate time for testing. The Company has received confirmations from its primary vendors and customers that they have plans underway to address this issue as well. Management believes that the total cost of implementing the Year 2000 plan will not be significant to the Company's financial results.

FORWARD LOOKING STATEMENTS

Forward-looking statements in this Report are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may relate to, but are not limited to, such matters as sales, income, expenses, margins, earnings per share, return on equity, capital expenditures, dividends, capital structure, free cash flow, debt to capitalization ratios, internal growth rates, future economic performance, 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, and that 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 the Company's Annual Report on Form 10-K, the documents incorporated by reference therein and in Exhibit 99 thereto.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

*11. Computation of Earnings per Share of Common Stock

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

27. Financial Data Schedule

*Previously filed as Exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998.

(b) Reports on Form 8-K:

Registrant filed a Report on Form 8-K dated May 7, 1998, reporting the acquisition by Registrant of Calphalon Corporation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NEWELL CO.
Registrant

/s/ Dale L. Matschullat

Dale L. Matschullat
Vice President - General Counsel

Date: August 13, 1998

5

This schedule contains summary financialinformation extracted from the Newell Co. and Subsidiaries Consolidated Balance Sheets and Statements of Income and is qualified in its entirety by reference to such financial statements.

1,000

3-MOS

DEC-31-1998

MAR-31-1998

12,548

0

456,388

(17,010)

662,250

1,324,208

1,169,867

465,892

3,707,254

696,976

523,120

500,000

0

159,328

1,598,782

3,707,254

747,270

223,436

523,834

673,160

(174,008)

1,235

11,825

248,118

98,255

149,863

0

0

0

149,863

0.94

0.91

Allowances for doubtful accounts are reported as contra accounts to accounts receivable. The corporate reserve for bad debts is a percentage of trade receivables based on the bad debts experienced in one or more past years, general economic conditions, the age of the receivables and other factors that indicate the element of uncollectibility in the receivables outstanding at the end of the period.

See notes to consolidated financial statements.