# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 10-Q

**Quarterly Report Pursuant to Section 13 or 15(d)**
**of the Securities Exchange Act of 1934**

**for the Quarterly Period Ended March 31, 2012**

**Commission File Number 1-9608**

# NEWELL RUBBERMAID INC.
(Exact name of registrant as specified in its charter)

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

Three Glenlake Parkway
Atlanta, Georgia 30328
(Address of principal executive offices)
(Zip Code)

(770) 418-7000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes R No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes R No o

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

| Large accelerated filer R | Accelerated filer o | Non-accelerated filer o | Smaller reporting company o |
|---|---|---|---|
| | | (Do not check if a smaller reporting company) | |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No R

Number of shares of common stock outstanding (net of treasury shares) as of March 31, 2012: 289.9 million.

**TABLE OF CONTENTS**


| | |
|---|---|
| PART I. FINANCIAL INFORMATION | 3 |
| Item 1. Financial Statements | 3 |
| Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations | 24 |
| Item 3. Quantitative and Qualitative Disclosures about Market Risk | 35 |
| Item 4. Controls and Procedures | 35 |
| PART II. OTHER INFORMATION | 36 |
| Item 1. Legal Proceedings | 36 |
| Item 1A. Risk Factors | 36 |
| Item 2. Unregistered Sales of Equity Securities and Use of Proceeds | 36 |
| Item 6. Exhibits | 37 |
| SIGNATURES | 38 |

**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**NEWELL RUBBERMAID INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)**
*(Amounts in millions, except per share data)*

| | Three Months Ended March 31, | |
|---|---|---|
| | 2012 | 2011 |
| Net sales | $ 1,332.4 | $ 1,274.2 |
| Cost of products sold | 821.8 | 789.3 |
| GROSS MARGIN | 510.6 | 484.9 |
| Selling, general and administrative expenses | 373.7 | 351.1 |
| Restructuring costs | 12.7 | 5.8 |
| OPERATING INCOME | 124.2 | 128.0 |
| Nonoperating expenses: | | |
| Interest expense, net | 20.2 | 21.9 |
| Losses related to extinguishments of debt | — | 4.8 |
| Other (income) expense, net | (0.3) | 1.5 |
| Net nonoperating expenses | 19.9 | 28.2 |
| INCOME BEFORE INCOME TAXES | 104.3 | 99.8 |
| Income taxes | 25.0 | 25.9 |
| INCOME FROM CONTINUING OPERATIONS | 79.3 | 73.9 |
| Income from discontinued operations, net of tax | — | 1.8 |
| NET INCOME | $ 79.3 | $ 75.7 |
| Weighted average shares outstanding: | | |
| Basic | 292.1 | 294.2 |
| Diluted | 294.7 | 298.2 |
| Earnings per share: | | |
| Basic: | | |
| Income from continuing operations | $ 0.27 | $ 0.25 |
| Income from discontinued operations | — | 0.01 |
| Net income | $ 0.27 | $ 0.26 |
| Diluted: | | |
| Income from continuing operations | $ 0.27 | $ 0.25 |
| Income from discontinued operations | — | 0.01 |
| Net income | $ 0.27 | $ 0.25 |
| Dividends per share | $ 0.08 | $ 0.05 |

*See Notes to Condensed Consolidated Financial Statements (Unaudited).*

**NEWELL RUBBERMAID INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)**
*(Amounts in millions)*

| | Three Months Ended March 31, | |
|---|---|---|
| | 2012 | 2011 |
| NET INCOME | $ 79.3 | $ 75.7 |
| Other comprehensive income, net of tax: | | |
| Foreign currency translation adjustments | 45.5 | 45.4 |
| Unrecognized pension and other postretirement costs | 1.6 | 7.3 |
| Derivative hedging loss | (1.4) | (2.9) |
| Total other comprehensive income, net of tax | 45.7 | 49.8 |
| COMPREHENSIVE INCOME | $ 125.0 | $ 125.5 |

*See Notes to Condensed Consolidated Financial Statements (Unaudited).*

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

| | March 31, 2012 | December 31, 2011 |
|---|---|---|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ 190.1 | $ 170.2 |
| Accounts receivable, net | 942.2 | 1,002.0 |
| Inventories, net | 858.9 | 699.9 |
| Deferred income taxes | 156.4 | 130.7 |
| Prepaid expenses and other | 144.4 | 145.2 |
| TOTAL CURRENT ASSETS | 2,292.0 | 2,148.0 |
| PROPERTY, PLANT AND EQUIPMENT, NET | 561.6 | 551.4 |
| GOODWILL | 2,386.8 | 2,366.0 |
| OTHER INTANGIBLE ASSETS, NET | 673.1 | 666.1 |
| OTHER ASSETS | 375.3 | 429.4 |
| TOTAL ASSETS | $ 6,288.8 | $ 6,160.9 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | $ 527.4 | $ 468.5 |
| Accrued compensation | 98.1 | 131.4 |
| Other accrued liabilities | 592.7 | 693.5 |
| Short-term debt | 496.9 | 103.6 |
| Current portion of long-term debt | 12.8 | 263.9 |
| TOTAL CURRENT LIABILITIES | 1,727.9 | 1,660.9 |
| LONG-TERM DEBT | 1,803.4 | 1,809.3 |
| OTHER NONCURRENT LIABILITIES | 806.7 | 838.1 |
| STOCKHOLDERS' EQUITY: | | |
| Preferred stock, authorized shares, 10.0 at $1.00 par value | — | — |
| None issued and outstanding | | |
| Common stock, authorized shares, 800.0 at $1.00 par value | 307.6 | 305.3 |
| Outstanding shares, before treasury: | | |
| 2012 – 307.6 | | |
| 2011 – 305.3 | | |
| Treasury stock, at cost: | (446.4) | (432.8) |
| Shares held: | | |
| 2012 – 17.7 | | |
| 2011 – 17.0 | | |
| Additional paid-in capital | 594.7 | 586.3 |
| Retained earnings | 2,152.7 | 2,097.3 |
| Accumulated other comprehensive loss | (661.3) | (707.0) |
| STOCKHOLDERS' EQUITY ATTRIBUTABLE TO PARENT | 1,947.3 | 1,849.1 |
| STOCKHOLDERS' EQUITY ATTRIBUTABLE TO NONCONTROLLING INTERESTS | 3.5 | 3.5 |
| TOTAL STOCKHOLDERS' EQUITY | 1,950.8 | 1,852.6 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | $ 6,288.8 | $ 6,160.9 |

*See Notes to Condensed Consolidated Financial Statements (Unaudited).*

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

| | Three Months Ended March 31, | |
|---|---|---|
| | 2012 | 2011 |
| OPERATING ACTIVITIES: | | |
| Net income | $ 79.3 | $ 75.7 |
| Adjustments to reconcile net income to net cash used in operating activities: | | |
| Depreciation and amortization | 39.4 | 40.7 |
| Losses related to extinguishments of debt | — | 4.8 |
| Deferred income taxes | 19.6 | 35.4 |
| Non-cash restructuring benefits | — | (0.5) |
| Stock-based compensation expense | 9.4 | 8.1 |
| Other, net | 0.9 | 4.1 |
| Changes in operating assets and liabilities, excluding the effects of acquisitions and divestitures: | | |
| Accounts receivable | 71.8 | 45.1 |
| Inventories | (148.5) | (131.7) |
| Accounts payable | 54.0 | 70.3 |
| Accrued liabilities and other | (173.3) | (260.3) |
| NET CASH USED IN OPERATING ACTIVITIES | (47.4) | (108.3) |
| INVESTING ACTIVITIES: | | |
| Acquisitions and acquisition-related activity | (3.7) | (18.9) |
| Capital expenditures | (48.3) | (44.9) |
| Proceeds from sales of businesses and other noncurrent assets | 10.0 | 2.7 |
| NET CASH USED IN INVESTING ACTIVITIES | (42.0) | (61.1) |
| FINANCING ACTIVITIES: | | |
| Short-term borrowings, net | 392.7 | 190.0 |
| Repayments of debt | (250.3) | (0.5) |
| Repurchase and retirement of shares of common stock | (16.4) | — |
| Cash consideration paid for exchange of convertible notes (1) | — | (3.1) |
| Cash dividends | (24.2) | (14.7) |
| Excess tax benefits related to stock-based compensation | 10.6 | — |
| Other stock-based compensation activity, net | (6.5) | (3.9) |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | 105.9 | 167.8 |
| Currency rate effect on cash and cash equivalents | 3.4 | 1.7 |
| INCREASE IN CASH AND CASH EQUIVALENTS | 19.9 | 0.1 |
| Cash and cash equivalents at beginning of period | 170.2 | 139.6 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | $ 190.1 | $ 139.7 |

(1) Consideration provided in connection with the convertible notes exchanged in March 2011 consisted of cash as well as issuance of shares of the Company's common stock, which issuance is not included in the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2011. See Footnote 6 of the Notes to Condensed Consolidated Financial Statements for further information.

*See Notes to Condensed Consolidated Financial Statements (Unaudited).*

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

**Footnote 1 — Basis of Presentation and Significant Accounting Policies**

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

**Seasonal Variations**

Sales of the Company's products tend to be seasonal, with sales and operating income in the first quarter generally lower than any other quarter during the year, driven principally by reduced volume and the mix of products sold in the first quarter. Historically, the Company has earned more than 60% of its annual operating income during the second and third quarters of the year. The seasonality of the Company's sales volume combined with the accounting for fixed costs, such as depreciation, amortization, rent, personnel costs and interest expense, impacts the Company's results on a quarterly basis. In addition, the Company has historically generated more than 65% of its operating cash flow in the second half of the year due to seasonal variations in operating results, the timing of annual performance-based compensation payments, and credit terms provided to customers. Accordingly, the Company's results for the three months ended March 31, 2012 may not necessarily be indicative of the results that may be expected for the full year ending December 31, 2012.

**Recent Accounting Pronouncements**

Changes to U.S. GAAP are established by the Financial Accounting Standards Board ("FASB") in the form of accounting standards updates ("ASUs") to the FASB's Accounting Standards Codification. The Company considers the applicability and impact of all ASUs.

In June 2011, the FASB issued ASU 2011-05, "*Presentation of Comprehensive Income*," which requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income, or in two separate but consecutive statements. Additionally, ASU 2011-05 eliminates the option to present comprehensive income and its components as part of the statement of stockholders' equity. Effective January 1, 2012, the Company adopted ASU 2011-05 as amended by ASU 2011-12, "*Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05.*" ASU 2011-12 defers the effective date of provisions in ASU 2011-05 that require presentation of reclassifications out of comprehensive income by income statement line item on the statement of comprehensive income, with all other requirements of ASU 2011-05 unaffected. The Company adopted ASU 2011-05 and ASU 2011-12 beginning January 1, 2012 and has elected to present items of net income and other comprehensive income in two consecutive statements.

In September 2011, the FASB issued ASU 2011-08 "*Intangibles - Goodwill and Other (Topic 350): Testing Goodwill for Impairment*," which amends existing guidance by giving an entity the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If this is the case, a more detailed two-step goodwill impairment test will need to be performed which is used to identify potential goodwill impairments and to measure the amount of goodwill impairment losses to be recognized, if any. ASU 2011-08 is effective for annual and interim goodwill impairment tests performed by the Company after January 1, 2012. The Company did not perform goodwill impairment tests during the three months ended March 31, 2012 and does not expect ASU 2011-08 to have a material impact on the Company's future goodwill impairment tests.

Other recently issued ASUs were assessed and determined to be either not applicable or are expected to have a minimal impact on the Company's consolidated financial position and results of operations.

**Venezuelan Operations**

The Company considers Venezuela a highly inflationary economy. Accounting standards require the functional currency of foreign operations operating in highly inflationary economies to be the same as the reporting currency of the Company. Accordingly, the functional currency of the Company's Venezuelan operations is the U.S. Dollar. The Company's Venezuelan operations had approximately $46.1 million of net monetary assets denominated in Bolivar Fuertes as of March 31, 2012 which are subject to

changes in value based on changes in the Transaction System for Foreign Currency Denominated Securities (“SITME”) rate. Foreign currency exchange through the SITME is allowed within a specified band of 4.5 to 5.3 Bolivar Fuerte to U.S. Dollar, but most of the exchanges have been executed at the rate of 5.3 Bolivar Fuerte to U.S. Dollar. During the three months ended March 31, 2012, the Company’s Venezuelan operations generated less than 1% of consolidated net sales.

**Income Taxes**

At the end of each interim period, the Company makes its best estimate of the effective tax rate expected to be applicable for the full fiscal year. This estimate reflects, among other items, the Company's best estimate of operating results and foreign currency exchange rates. The Company's quarterly income tax rate may differ from its estimated annual effective tax rate because accounting standards require the Company to exclude the actual results of certain entities expected to generate a pretax loss when applying the estimated annual effective tax rate to the Company's consolidated pretax results in interim periods. In estimating the annual effective tax rate, the Company does not include the estimated impact of unusual and/or infrequent items, which may cause significant variations in the customary relationship between income tax expense and pretax income.

**Reclassifications**

Certain 2011 amounts have been reclassified to conform to the 2012 presentation.

**Footnote 2 — Discontinued Operations**

On July 1, 2011, the Company sold its hand torch and solder business to an affiliate of Worthington Industries, Inc. for cash consideration of $51.0 million, $8.0 million of which were held in escrow for one year. If and when the relevant conditions are resolved and the escrow is released, the Company will recognize the $8.0 million held in escrow as income in discontinued operations.

The following table provides a summary of amounts included in discontinued operations for the hand torch and solder business for the three months ended March 31, (*in millions*):

| | 2012 | 2011 |
|---|---|---|
| Net sales | $ — | $ 28.5 |
| Income from discontinued operations, net of income tax expense of $0.9 for 2011 | $ — | $ 1.8 |

**Footnote 3 — Stockholders’ Equity and Accumulated Other Comprehensive Income (Loss)**

In August 2011, the Company announced a $300.0 million three-year share repurchase program (the "SRP"). Under the SRP, the Company may repurchase its own shares of common stock through a combination of a 10b5-1 automatic trading plan, discretionary market purchases or in privately negotiated transactions. The SRP is authorized to run for a period of three years ending in August 2014. During the three months ended March 31, 2012, the Company repurchased 0.9 million shares pursuant to the SRP for $16.4 million, and such shares were immediately retired.

The following table displays the components of accumulated other comprehensive loss as of March 31, 2012 (*in millions*):

| | Foreign Currency Translation Loss | Unrecognized Pension & Other Postretirement Costs, Net of Tax | Derivative Hedging Income (Loss), Net of Tax | Accumulated Other Comprehensive Loss |
|---|---|---|---|---|
| Balance at December 31, 2011 | $ (207.1) | $ (501.3) | $ 1.4 | $ (707.0) |
| Current period change | 45.5 | 1.6 | (1.4) | 45.7 |
| Balance at March 31, 2012 | $ (161.6) | $ (499.7) | $ — | $ (661.3) |

The following table depicts the components of other comprehensive income presented on a pretax basis and the associated income tax impact (*in millions*):

| | Foreign Currency Translation Loss | Unrecognized Pension & Other Postretirement Costs | Derivative Hedging Income (Loss) | Accumulated Other Comprehensive Income (Loss) |
|---|---|---|---|---|
| Three months ended March 31, 2012 | | | | |
| Pretax income (loss) | $ 45.5 | $ 3.8 | $ (1.9) | $ 47.4 |
| Tax (expense) benefit | — | (2.2) | 0.5 | (1.7) |
| After-tax income (loss) | $ 45.5 | $ 1.6 | $ (1.4) | $ 45.7 |
| Three months ended March 31, 2011 | | | | |
| Pretax income (loss) | $ 45.4 | $ 8.9 | $ (3.6) | $ 50.7 |
| Tax (expense) benefit | — | (1.6) | 0.7 | (0.9) |
| After-tax income (loss) | $ 45.4 | $ 7.3 | $ (2.9) | $ 49.8 |

**Footnote 4 — Restructuring Costs**

*Project Renewal*

In October 2011, the Company announced Project Renewal, a program designed to reduce the complexity of the organization and increase investment in growth platforms within the business. In connection with the program, the Company consolidated three operating groups into two and 13 global business units into nine. In addition, the consolidation of a limited number of manufacturing facilities and distribution centers will be implemented as part of the program, with the goal of increasing operational efficiency, reducing costs and improving gross margin. The Company expects to record pretax restructuring charges of $90 to $100 million for Project Renewal, of which $75 to $90 million are expected to be cash costs. Project Renewal is expected to be complete by the end of 2012.

Restructuring charges incurred in connection with Project Renewal were as follows for the periods indicated (*in millions*):

| | Three Months Ended March 31, 2012 | Three Months Ended March 31, 2011 | Since inception through March 31, 2012 |
|---|---|---|---|
| Restructuring charges | $ 11.3 | $ — | $ 42.5 |

The following table depicts the restructuring charges incurred in connection with Project Renewal for the three months ended March 31, (*in millions*):

| | 2012 |
|---|---|
| Employee severance, termination benefits and relocation costs | $ 7.6 |
| Exited contractual commitments and other | 3.7 |
| | $ 11.3 |

Restructuring provisions were determined based on estimates prepared at the time the restructuring actions were approved by management, are periodically updated for changes and also include amounts recognized as incurred. The following table depicts the activity in accrued restructuring reserves for Project Renewal for the three months ended March 31, 2012 (*in millions*):

| | December 31, 2011 Balance | Provision | Costs Incurred | March 31, 2012 Balance |
|---|---|---|---|---|
| Employee severance, termination benefits and relocation costs | $ 11.2 | $ 7.6 | $ (5.5) | $ 13.3 |
| Exited contractual commitments and other | 4.5 | 3.7 | (3.9) | 4.3 |
| | $ 15.7 | $ 11.3 | $ (9.4) | $ 17.6 |

The following table depicts the activity in accrued restructuring reserves for Project Renewal for the three months ended March 31, 2012 aggregated by reportable business segment (*in millions*):

| Segment | December 31, 2011 Balance | Provision | Costs Incurred | March 31, 2012 Balance |
|---|---|---|---|---|
| Newell Consumer | $ 8.7 | $ 8.6 | $ (6.2) | $ 11.1 |
| Newell Professional | 2.4 | 2.3 | (1.5) | 3.2 |
| Baby & Parenting | 1.8 | 0.2 | (0.7) | 1.3 |
| Corporate | 2.8 | 0.2 | (1.0) | 2.0 |
| | $ 15.7 | $ 11.3 | $ (9.4) | $ 17.6 |

*European Transformation Plan*

In June 2010, the Company announced a program to simplify and centralize its European business (the “European Transformation Plan”). The European Transformation Plan includes initiatives designed to transform the European organizational structure and processes to centralize certain operating activities, improve performance, leverage the benefits of scale and to facilitate a more efficient and cost effective implementation of an enterprise resource planning program in Europe, all with the aim of increasing operating margin in the European region to at least 10%.

The European Transformation Plan is expected to result in cumulative restructuring charges totaling between $40 and $45 million, substantially all of which are employee-related cash costs, including severance, retirement, and other termination benefits and relocation costs. The Company expects the European Transformation Plan to be substantially complete by December 31, 2012.

Restructuring charges incurred in connection with the European Transformation Plan are reported in the Company's Corporate segment and were as follows for the periods indicated (*in millions*):

| | Three Months Ended March 31, 2012 | Three Months Ended March 31, 2011 | Since inception through March 31, 2012 |
|---|---|---|---|
| Restructuring charges | $ 1.4 | $ 5.8 | $ 20.3 |

Restructuring provisions were determined based on estimates prepared at the time the restructuring actions were approved by management, are periodically updated for changes and also include amounts recognized as incurred. The following table depicts the activity in accrued restructuring reserves for the European Transformation Plan for the three months ended March 31, 2012 (*in millions*):

| | December 31, 2011 Balance | Provision | Costs Incurred | March 31, 2012 Balance |
|---|---|---|---|---|
| Employee severance, termination benefits and relocation costs | $ 6.0 | $ 0.8 | $ (1.8) | $ 5.0 |
| Exited contractual commitments and other | 2.1 | 0.6 | (0.7) | 2.0 |
| | $ 8.1 | $ 1.4 | $ (2.5) | $ 7.0 |

*Project Acceleration*

In 2010, the Company completed a global initiative referred to as Project Acceleration aimed at strengthening and transforming the Company’s portfolio. Project Acceleration was designed to reduce manufacturing overhead, better align the Company’s distribution and transportation processes to achieve logistical excellence, reorganize the Company’s overall business structure to align with the Company’s core organizing concept, the global business unit, to achieve best total cost, and exit selected low-margin, commodity-like, mostly resin-intensive product categories.

A summary of activity in accrued restructuring reserves for the three months ended March 31, 2012 is as follows (*in millions*):

| | December 31, 2011 Balance | Provision | Costs Incurred | March 31, 2012 Balance |
|---|---|---|---|---|
| Employee severance, termination benefits and relocation costs | $ 3.3 | $ — | $ (0.5) | $ 2.8 |
| Exited contractual commitments and other | 5.9 | — | (0.3) | 5.6 |
| | $ 9.2 | $ — | $ (0.8) | $ 8.4 |

The following table depicts the activity in accrued restructuring reserves for the three months ended March 31, 2012 aggregated by reportable business segment (*in millions*):

| Segment | December 31, 2011 Balance | Provision | Costs Incurred | March 31, 2012 Balance |
|---|---|---|---|---|
| Newell Consumer | $ 2.7 | $ — | $ — | $ 2.7 |
| Newell Professional | 3.7 | — | (0.1) | 3.6 |
| Corporate | 2.8 | — | (0.7) | 2.1 |
| | $ 9.2 | $ — | $ (0.8) | $ 8.4 |

The table below shows restructuring costs recognized for all restructuring activities for the periods indicated, aggregated by reportable business segment (*in millions*):

| | Three Months Ended March 31, | |
|---|---|---|
| Segment | 2012 | 2011 |
| Newell Consumer | $ 8.6 | $ — |
| Newell Professional | 2.3 | — |
| Baby & Parenting | 0.2 | — |
| Corporate | 1.6 | 5.8 |
| | $ 12.7 | $ 5.8 |

Cash paid for all restructuring activities was $12.9 million and $11.8 million for the three months ended March 31, 2012 and 2011, respectively.

**Footnote 5 — Inventories, Net**

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

| | March 31, 2012 | December 31, 2011 |
|---|---|---|
| Materials and supplies | $ 148.6 | $ 130.8 |
| Work in process | 135.5 | 105.6 |
| Finished products | 574.8 | 463.5 |
| | $ 858.9 | $ 699.9 |

**Footnote 6 — Debt**

The following is a summary of outstanding debt *(in millions)*:

| | March 31, 2012 | December 31, 2011 |
|---|---|---|
| Medium-term notes | $ 1,374.9 | $ 1,632.3 |
| Junior convertible subordinated debentures | 436.7 | 436.7 |
| Commercial paper | 320.7 | — |
| Receivables facility | 175.0 | 100.0 |
| Other debt | 5.8 | 7.8 |
| Total debt | 2,313.1 | 2,176.8 |
| Short-term debt | (496.9) | (103.6) |
| Current portion of long-term debt | (12.8) | (263.9) |
| Long-term debt | $ 1,803.4 | $ 1,809.3 |

**Interest Rate Swaps**

As of March 31, 2012, the Company was party to a fixed-for-floating interest rate swap designated as a fair value hedge. The interest rate swap relates to $250.0 million of the principal amount of the medium-term notes and results in the Company effectively

paying a floating rate of interest on the medium-term notes subject to the interest rate swap.

The medium-term note balances at March 31, 2012 and December 31, 2011 include mark-to-market adjustments of $33.3 million and $35.8 million, respectively, to record the fair value of the hedge of the fixed-rate debt, and the mark-to-market adjustment had the effect of increasing the reported value of the medium-term notes. In addition, the unamortized amount as of March 31, 2012 and December 31, 2011, associated with terminated interest rate swaps, $11.0 million and $15.8 million, respectively, is included in the value of the medium-term notes. Compared to the stated rates of the underlying medium-term notes, the interest rate swaps, including amortization of settled interest rate swaps, had the effect of reducing interest expense by $7.0 million and $7.7 million for the three months ended March 31, 2012 and 2011, respectively.

**Medium-term Notes**

During the three months ended March 31, 2012, the Company repaid and retired $250.0 million principal amount of the 6.75% senior notes based on the maturity date.

**Convertible Notes**

In September 2010, the Company completed an exchange of newly issued shares of common stock and cash for $324.7 million of the $345.0 million outstanding principal amount of the convertible notes due 2014 (the "Convertible Notes") (the “Exchange Offer”). In the aggregate, the Company paid approximately $52.0 million in cash and issued approximately 37.7 million shares of the Company’s common stock for $324.7 million principal amount of the Convertible Notes validly offered for exchange by the holders pursuant to the Exchange Offer.

In March 2011, the Company completed exchanges of newly issued shares of common stock and cash for an additional $20.0 million outstanding principal amount of Convertible Notes. The Company paid approximately $3.1 million in cash and issued approximately 2.3 million shares of the Company’s common stock for the $20.0 million principal amount of Convertible Notes. The Company determined that the fair value of total consideration (including cash) paid to the holders of Convertible Notes, using the fair market value of common stock at settlement, was $47.4 million. In accordance with the applicable authoritative accounting guidance, the Company determined the fair value of the liability component of the Convertible Notes received, with the residual value representing the equity component. The excess of the fair value of the liability component, or $21.8 million, over the carrying value of the Convertible Notes exchanged, $17.3 million, was recognized as a loss related to the extinguishment of debt during the three months ended March 31, 2011. Including the write-off of unamortized issuance costs, the Company recorded a pretax loss of $4.8 million, which is included in losses related to extinguishments of debt in the Condensed Consolidated Statement of Operations for the three months ended March 31, 2011.

**Junior Convertible Subordinated Debentures**

In 1997, a 100% owned finance subsidiary (the “Subsidiary”) of the Company issued 10.0 million shares of 5.25% convertible preferred securities (the “Preferred Securities”). Each of these Preferred Securities is convertible into 0.9865 of a share of the Company’s common stock. As of March 31, 2012, the Company fully and unconditionally guarantees the 8.4 million shares of the Preferred Securities issued by the Subsidiary that were outstanding as of that date, which are callable at 100% of the liquidation preference of $421.2 million. The proceeds received by the Subsidiary from the issuance of the Preferred Securities were invested in the Company’s 5.25% Junior Convertible Subordinated Debentures (the “Debentures”), which mature on December 1, 2027. The Preferred Securities are mandatorily redeemable upon the repayment of the Debentures at maturity or upon acceleration of the Debentures. As of March 31, 2012, the Company has not elected to defer interest payments on the $436.7 million of outstanding Debentures.

**Receivables-Related Borrowings**

In September 2011, the Company renewed its 364-day receivables facility that provides for borrowings of up to $200.0 million such that it will expire in September 2012 (the “Receivables Facility”). Under the Receivables Facility, the Company and certain operating subsidiaries (collectively, “the Originators”) sell their receivables to a financing subsidiary as the receivables are originated. The financing subsidiary is wholly owned by the Company and is the owner of the purchased receivables and the borrower under the Receivables Facility. The assets of the financing subsidiary are restricted as collateral for the payment of debt or other obligations arising under the Receivables Facility, and the financing subsidiary’s assets and credit are not available to satisfy the debts and obligations owed to the Company’s or any other Originator’s creditors. The Company includes the financing subsidiary’s assets, liabilities and results of operations in its consolidated financial statements. The Receivables Facility requires, among other things, that the Company maintain certain interest coverage and total indebtedness to total capital ratios, and the Company was in compliance with such requirements as of March 31, 2012. As of March 31, 2012, the financing subsidiary owned $563.1 million of outstanding accounts receivable, and these amounts are included in accounts receivable, net in the Company’s

Condensed Consolidated Balance Sheet at March 31, 2012. As of March 31, 2012, the Company had outstanding borrowings of $175.0 million under the Receivables Facility at a weighted average rate of 1.0%, which have been classified as short-term borrowings.

**Revolving Credit Facility and Commercial Paper**

On December 2, 2011, the Company entered into a five-year credit agreement (the "Credit Agreement") with a syndicate of banks. The Credit Agreement provides for an unsecured syndicated revolving credit facility with a maturity date of December 2, 2016, and an aggregate commitment at any time outstanding of up to $800.0 million (the "Facility"). The Credit Agreement contains customary representations and warranties, covenants and events of default. As of March 31, 2012, there were no borrowings or standby letters of credit issued or outstanding under the Facility, and the Company was in compliance with the provisions of the Credit Agreement.

In lieu of borrowings under the Facility, the Company may issue up to $800.0 million of commercial paper. The Facility provides the committed backup liquidity required to issue commercial paper. Accordingly, commercial paper may be issued only up to the amount available for borrowing under the Facility. As of March 31, 2012, the Company had outstanding commercial paper obligations of $320.7 million while no commercial paper obligations were outstanding as of December 31, 2011.

**Footnote 7 — Derivatives**

The use of financial instruments, including derivatives, exposes the Company to market risk related to changes in interest rates, foreign currency exchange rates and commodity prices. The Company enters into interest rate swaps related to debt obligations with initial maturities ranging from five to ten years. The Company uses interest rate swap agreements to manage its interest rate exposure and to achieve a desired proportion of variable and fixed-rate debt. These derivatives are designated as fair value hedges based on the nature of the risk being hedged. The Company also uses derivative instruments, such as forward contracts, to manage the risk associated with the volatility of future cash flows denominated in foreign currencies and changes in fair value resulting from changes in foreign currency exchange rates. The Company’s foreign exchange risk management policy generally emphasizes hedging transaction exposures of one-year duration or less and hedging foreign currency intercompany financing activities with derivatives with maturity dates of one year or less. The Company uses derivative instruments to hedge various foreign exchange exposures, including the following: (i) variability in foreign currency-denominated cash flows, such as the hedges of inventory purchases for products produced in one currency and sold in another currency and (ii) currency risk associated with foreign currency-denominated operating assets and liabilities, such as forward contracts and other instruments that hedge cash flows associated with intercompany financing activities. Additionally, the Company purchases certain raw materials which are subject to price volatility caused by unpredictable factors. Where practical, the Company uses derivatives as part of its commodity risk management process. The Company reports its derivative positions in the Condensed Consolidated Balance Sheets on a gross basis and does not net asset and liability derivative positions with the same counterparty. The Company monitors its positions with, and the credit quality of, the financial institutions that are parties to its financial transactions.

Derivative instruments are accounted for at fair value. The accounting for changes in the fair value of a derivative depends on the intended use and designation of the derivative instrument. For a derivative instrument that is designated and qualifies as a fair value hedge, the gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in current earnings. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative is initially reported as a component of accumulated other comprehensive income (loss) (“AOCI”), net of tax, and is subsequently reclassified into earnings when the hedged transaction affects earnings. The ineffective portion of the gain or loss is recognized in current earnings. Gains and losses from changes in fair values of derivatives that are not designated as hedges for accounting purposes are recognized currently in earnings, and such amounts were not material for the three months ended March 31, 2012 and 2011.

The following table summarizes the Company's outstanding derivative instruments and their effects on the Condensed Consolidated Balance Sheets as of March 31, 2012 and December 31, 2011 (*in millions*):

| Derivatives designated as hedging instruments | Balance Sheet Location | Assets | | Balance Sheet Location | Liabilities | |
|---|---|---|---|---|---|---|
| | | March 31, 2012 | December 31, 2011 | | March 31, 2012 | December 31, 2011 |
| Interest rate swaps | Other assets | $ 33.3 | $ 35.8 | Other noncurrent liabilities | $ — | $ — |
| Foreign exchange contracts on inventory-related purchases | Prepaid expenses and other | 0.4 | 1.9 | Other accrued liabilities | 0.4 | — |
| Foreign exchange contracts on intercompany borrowings | Prepaid expenses and other | 0.1 | 0.5 | Other accrued liabilities | 0.1 | — |
| Total assets | | $ 33.8 | $ 38.2 | Total liabilities | $ 0.5 | $ — |

The fair values of outstanding derivatives that are not designated as hedges for accounting purposes were not material as of March 31, 2012 and December 31, 2011.

The Company is not a party to any derivatives that require collateral to be posted prior to settlement.

## Fair Value Hedges

The following table presents the pretax effects of derivative instruments designated as fair value hedges on the Company's Condensed Consolidated Statements of Operations for the three months ended March 31, (*in millions*):

| Derivatives in fair value relationships | Location of gain (loss) recognized in income | Amount of gain (loss) recognized in income | |
|---|---|---|---|
| | | 2012 | 2011 |
| Interest rate swaps | Interest expense, net | $ (2.5) | $ (8.6) |
| Fixed-rate debt | Interest expense, net | $ 2.5 | $ 8.6 |

The Company did not realize any ineffectiveness related to fair value hedges during the three months ended March 31, 2012 and 2011.

## Cash Flow Hedges

The following table presents the pretax effects of derivative instruments designated as cash flow hedges on the Company's Condensed Consolidated Statements of Operations and AOCI for the three months ended March 31, (*in millions*):

| Derivatives in cash flow hedging relationships | Location of gain (loss) recognized in income | Amount of gain (loss) reclassified from AOCI into income | |
|---|---|---|---|
| | | 2012 | 2011 |
| Foreign exchange contracts on inventory-related purchases | Cost of products sold | $ 0.2 | $ (1.6) |
| Foreign exchange contracts on intercompany borrowings | Interest expense, net | (0.1) | (0.1) |
| | | $ 0.1 | $ (1.7) |

| Derivatives in cash flow hedging relationships | Amount of gain (loss) recognized in AOCI | |
|---|---|---|
| | 2012 | 2011 |
| Foreign exchange contracts on inventory-related purchases | $ (1.7) | $ (5.3) |
| Foreign exchange contracts on intercompany borrowings | (1.3) | (1.9) |
| | $ (3.0) | $ (7.2) |

The Company did not realize any ineffectiveness related to cash flow hedges during the three months ended March 31, 2012 and 2011.

The amount of gain or loss that the Company expects to reclassify into earnings during the next 12 months is not material as of

March 31, 2012.

## Footnote 8 — Employee Benefit and Retirement Plans

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

| | U.S. | | International | |
|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 |
| Service cost-benefits earned during the period | $ 0.8 | $ 1.4 | $ 1.6 | $ 1.4 |
| Interest cost on projected benefit obligation | 11.5 | 12.7 | 6.2 | 6.3 |
| Expected return on plan assets | (14.9) | (14.6) | (6.2) | (6.5) |
| Amortization of prior service cost, actuarial loss and other | 5.6 | 4.4 | 0.5 | 0.3 |
| Net periodic pension cost | $ 3.0 | $ 3.9 | $ 2.1 | $ 1.5 |

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

| | 2012 | 2011 |
|---|---|---|
| Service cost-benefits earned during the period | $ 0.3 | $ 0.3 |
| Interest cost on projected benefit obligation | 1.8 | 2.1 |
| Amortization of prior service benefit and actuarial loss, net | (0.3) | (0.3) |
| Net other postretirement benefit costs | $ 1.8 | $ 2.1 |

The Company made a cash contribution to the Company-sponsored profit sharing plan of $18.8 million and $17.6 million during the three months ended March 31, 2012 and 2011, respectively.

## Footnote 9 — Income Taxes

As of March 31, 2012, there were no significant changes to the Company's unrecognized tax benefits as reported in its Form 10-K for the year ended December 31, 2011.

The Company's income tax expense and resulting effective tax rate are based upon the respective estimated annual effective tax rates applicable for the respective periods adjusted for the effects of items required to be treated as discrete to the period, including changes in tax laws, changes in estimated exposures for uncertain tax positions, and other items. The Company's effective tax rate for the three months ended March 31, 2012 was favorably impacted by a change in the geographical mix in earnings.

**Footnote 10 — Earnings per Share**

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

| | 2012 | 2011 |
|---|---|---|
| Numerator for basic and diluted earnings per share: | | |
| Income from continuing operations | $ 79.3 | $ 73.9 |
| Income from discontinued operations | — | 1.8 |
| Net income | $ 79.3 | $ 75.7 |
| Dividends and equivalents for share-based awards expected to be forfeited | — | — |
| Net income for basic earnings per share | $ 79.3 | $ 75.7 |
| Effect of Preferred Securities [1] | — | — |
| Net income for diluted earnings per share | $ 79.3 | $ 75.7 |
| Denominator for basic and diluted earnings per share: | | |
| Weighted-average shares outstanding | 289.3 | 291.2 |
| Share-based payment awards classified as participating securities | 2.8 | 3.0 |
| Denominator for basic earnings per share | 292.1 | 294.2 |
| Dilutive securities [2] | 2.6 | 3.1 |
| Convertible Notes [3] | — | 0.9 |
| Preferred Securities [1] | — | — |
| Denominator for diluted earnings per share | 294.7 | 298.2 |
| Basic earnings per share: | | |
| Income from continuing operations | $ 0.27 | $ 0.25 |
| Income from discontinued operations | — | 0.01 |
| Net income | $ 0.27 | $ 0.26 |
| Diluted earnings per share: | | |
| Income from continuing operations | $ 0.27 | $ 0.25 |
| Income from discontinued operations | — | 0.01 |
| Net income | $ 0.27 | $ 0.25 |

(1) The Preferred Securities are anti-dilutive for each of the three months ended March 31, 2012 and 2011, and therefore have been excluded from diluted earnings per share. Had the Preferred Securities been included in the diluted earnings per share calculation, net income for each of the three-month periods ended March 31, 2012 and 2011 would be increased by $3.5 million and weighted-average shares outstanding would be increased by 8.3 million shares for all periods presented.

(2) Dilutive securities include "in the money" options, non-participating restricted stock units and performance stock units. The weighted-average shares outstanding exclude the effect of 10.5 million and 12.3 million stock options for the three months ended March 31, 2012 and 2011, respectively, because such securities were anti-dilutive. The weighted-average shares outstanding for the three months ended March 31, 2012 also exclude the weighted average effect of 1.0 million performance stock units outstanding at March 31, 2012 because the securities were anti-dilutive.

(3) As disclosed in Footnote 6, substantially all of the remaining outstanding principal amount of the Convertible Notes was extinguished in March 2011. The Convertible Notes did not meaningfully impact diluted average shares outstanding in periods subsequent to March 31, 2011 because the maximum amount of shares required to settle the "in the money" portion of the $0.1 million principal amount of the Convertible Notes is not material. Dilution for the three months ended March 31, 2011 takes into consideration the period of time the Convertible Notes were outstanding.

**Footnote 11 — Stock-Based Compensation**

The Company accounts for stock-based compensation pursuant to certain authoritative guidance which requires measurement of compensation cost for all stock awards at fair value on the date of grant and recognition of compensation, net of estimated forfeitures, over the requisite service period for awards expected to vest. The Company recognized $9.4 million and $8.1 million of pretax stock-based compensation during the three months ended March 31, 2012 and 2011, respectively.

The following table summarizes the changes in the number of shares of common stock under option for the three months ended March 31, 2012 (*shares in millions*):

| | Shares | Weighted-Average Exercise Price | Exercisable at Period End | Aggregate Intrinsic Value Exercisable |
|---|---|---|---|---|
| Outstanding at December 31, 2011 | 15.4 | $ 21 | 9.8 | $ 5.4 |
| Exercised | (1.1) | 8 | | |
| Forfeited / expired | (0.7) | 23 | | |
| Outstanding at March 31, 2012 | 13.6 | $ 22 | 10.9 | $ 15.6 |

The following table summarizes the changes in the number of shares of restricted stock and restricted stock units for the three months ended March 31, 2012 (*shares in millions*):

| | Shares | Weighted-Average Grant Date Fair Value |
|---|---|---|
| Outstanding at December 31, 2011 | 6.1 | $ 13 |
| Granted | 1.6 | 19 |
| Vested | (1.9) | 9 |
| Forfeited | (0.1) | 17 |
| Outstanding at March 31, 2012 | 5.7 | $ 16 |

During the three months ended March 31, 2012, the Company awarded 1.0 million performance stock units which entitle recipients to shares of the Company’s stock at the end of a three-year vesting period, if specified market conditions are achieved (“PSUs”). The PSUs entitle recipients to shares of common stock equal to 0% up to 200% of the number of units granted at the vesting dates depending on the level of achievement of the specified market and service conditions. As of March 31, 2012, 2.2 million PSUs were outstanding, and based on performance through March 31, 2012, recipients of PSUs would be entitled to 1.3 million shares at the vesting date. The PSUs are included in the preceding table as if the participants earn shares equal to 100% of the units granted.

During 2011, the Company awarded 0.7 million performance stock units which entitle the Company's Chief Executive Officer to shares of the Company's stock if specified market and service conditions are achieved. The performance stock units vest no earlier than two years from the date of grant and no later than seven years from the date of grant. Based on performance through March 31, 2012, the market conditions have been achieved and, accordingly, the performance stock units will vest in July 2013 if the service conditions are achieved. The 0.7 million performance stock units are included in the preceding table as outstanding as of March 31, 2012 and December 31, 2011.

**Footnote 12 — Fair Value Disclosures**

**Recurring Fair Value Measurements**

The following tables present the Company's non-pension financial assets and liabilities which are measured at fair value on a recurring basis (*in millions*):

| Description | Fair Value as of March 31, 2012 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| Assets | | | | |
| Investment securities, including mutual funds [1] | $ 13.9 | $ 7.8 | $ 6.1 | $ — |
| Interest rate swaps | 33.3 | — | 33.3 | — |
| Foreign currency derivatives | 0.5 | — | 0.5 | — |
| Total | $ 47.7 | $ 7.8 | $ 39.9 | $ — |
| Liabilities | | | | |
| Foreign currency derivatives | $ 0.5 | $ — | $ 0.5 | $ — |
| Total | $ 0.5 | $ — | $ 0.5 | $ — |

| Description | Fair Value as of December 31, 2011 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| Assets | | | | |
| Investment securities, including mutual funds [1] | $ 17.7 | $ 7.3 | $ 10.4 | $ — |
| Interest rate swaps | 35.8 | — | 35.8 | — |
| Foreign currency derivatives | 2.4 | — | 2.4 | — |
| Total | $ 55.9 | $ 7.3 | $ 48.6 | $ — |

(1) The values of investment securities, including mutual funds, are classified as cash and cash equivalents ($0.9 million and $5.1 million as of March 31, 2012 and December 31, 2011, respectively) and other assets ($13.0 million and $12.6 million as of March 31, 2012 and December 31, 2011, respectively). For mutual funds that are publicly traded, fair value is determined on the basis of quoted market prices and, accordingly, these investments have been classified as Level 1. Other investment securities are valued at the net asset value per share or unit multiplied by the number of shares or units held as of the measurement date and have been classified as Level 2.

**Non-recurring Fair Value Measurements**

The Company's nonfinancial assets which are measured at fair value on a nonrecurring basis include property, plant and equipment, goodwill, intangible assets and certain other assets. During the three months ended March 31, 2012, impairments associated with plans to dispose of certain property, plant and equipment were not material. The Company generally uses projected cash flows, discounted as necessary, to estimate the fair values of the impaired assets using key inputs such as management's projections of cash flows on a held-and-used basis (if applicable), management's projections of cash flows upon disposition and discount rates. Accordingly, these fair value measurements fall in Level 3 of the fair value hierarchy. These assets and certain liabilities are measured at fair value on a nonrecurring basis as part of the Company's impairment assessments and as circumstances require. During the three months ended March 31, 2012, no nonrecurring fair value measurements were required for testing goodwill and other indefinite-lived intangible assets for impairment.

**Financial Instruments**

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, derivative instruments, notes payable and short and long-term debt. The carrying values for current financial assets and liabilities, including cash and cash equivalents, accounts receivable and accounts payable, approximate fair value due to the short maturity of such instruments. The fair values of the Company's derivative instruments are recorded in the Condensed Consolidated Balance Sheets and are disclosed in Footnote 7.

The fair values of certain of the Company's long-term debt are based on quoted market prices (Level 1) and are as follows (*in millions*):

| | March 31, 2012 | | December 31, 2011 | |
|---|---|---|---|---|
| | Fair Value | Book Value | Fair Value | Book Value |
| Medium-term notes | $ 1,439.2 | $ 1,374.9 | $ 1,679.7 | $ 1,632.3 |
| Preferred securities underlying the junior convertible subordinated debentures | 398.1 | 421.2 | 356.0 | 421.2 |

The carrying amounts of all other significant debt approximate fair value.

**Footnote 13 — Segment Information**

Effective January 1, 2012, the Company, as part of Project Renewal, implemented certain changes to its organizational structure that resulted in the consolidation of the Company's three operating groups into two and of its 13 global business units ("GBU") into nine. One of the two new operating groups is primarily consumer-facing ("Newell Consumer"), while the other is primarily commercial-facing ("Newell Professional"). Additionally, while not an operating group, the Baby & Parenting GBU is treated as a stand-alone operating segment. The Company's three operating and reportable segments are as follows:

| Reportable Segments | Key Brands | Description of Primary Products |
|---|---|---|
| Newell Consumer | Rubbermaid®, Levolor®, Goody®, Sharpie®, Expo®, Paper Mate®, Parker®, Waterman®, Calphalon® | Indoor/outdoor organization, food storage and home storage products; window treatments; hair care accessories; writing instruments, including pens, pencils, markers and highlighters; fine writing instruments and leather goods; gourmet cookware, bakeware, cutlery and small kitchen electrics |
| Newell Professional | Rubbermaid® Commercial Products, Irwin®, Shur-line®, Bulldog®, Lenox®, Dymo®, Mimio® | Cleaning and refuse products, hygiene systems, material handling solutions and medical and computer carts, and wall-mounted work stations; hand tools and power tool accessories, manual paint applicators and convenience hardware; industrial bandsaw blades and cutting tools for pipes and HVAC systems; office technology solutions such as label makers and printers and interactive teaching solutions |
| Baby & Parenting | Graco®, Aprica® | Infant and juvenile products such as car seats, strollers, highchairs and playards |

The comparative information for segment results and identifiable assets has been restated to conform to the 2012 presentation and is as follows (*in millions*):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2012 | 2011 |
| Net Sales (1) | | |
| Newell Consumer | $ 639.6 | $ 656.4 |
| Newell Professional | 510.6 | 467.5 |
| Baby & Parenting | 182.2 | 150.3 |
| | $ 1,332.4 | $ 1,274.2 |
| Operating Income (Loss) (2) | | |
| Newell Consumer | $ 75.5 | $ 90.8 |
| Newell Professional | 70.7 | 60.1 |
| Baby & Parenting | 22.4 | 7.4 |
| Restructuring costs | (12.7) | (5.8) |
| Corporate | (31.7) | (24.5) |
| | $ 124.2 | $ 128.0 |

| | March 31, 2012 | December 31, 2011 |
|---|---|---|
| Identifiable Assets | | |
| Newell Consumer | $ 1,453.1 | $ 1,363.7 |
| Newell Professional | 1,178.3 | 1,126.3 |
| Baby & Parenting | 295.6 | 305.3 |
| Corporate [3] | 3,361.8 | 3,365.6 |
| | $ 6,288.8 | $ 6,160.9 |

**Geographic Area Information**

| | Three Months Ended March 31, 2012 | Three Months Ended March 31, 2011 |
|---|---|---|
| Net Sales [1], [4] | | |
| United States | $ 860.6 | $ 844.9 |
| Canada | 73.4 | 78.5 |
| Total North America | 934.0 | 923.4 |
| Europe, Middle East and Africa | 205.1 | 187.9 |
| Latin America | 77.2 | 72.3 |
| Asia Pacific | 116.1 | 90.6 |
| Total International | 398.4 | 350.8 |
| | $ 1,332.4 | $ 1,274.2 |
| Operating Income (Loss) [2], [6] | | |
| United States | $ 71.4 | $ 78.7 |
| Canada | 14.0 | 12.3 |
| Total North America | 85.4 | 91.0 |
| Europe, Middle East and Africa [5] | 23.4 | 15.0 |
| Latin America | (9.2) | 5.0 |
| Asia Pacific | 24.6 | 17.0 |
| Total International | 38.8 | 37.0 |
| | $ 124.2 | $ 128.0 |

(1) All intercompany transactions have been eliminated. Sales to Wal-Mart Stores, Inc. and subsidiaries amounted to approximately 9.9% and 10.0% of consolidated net sales in the three months ended March 31, 2012 and 2011, respectively.

(2) Operating income (loss) by segment is net sales less cost of products sold and selling, general & administrative ("SG&A") expenses. Operating income by geographic area is net sales less cost of products sold, SG&A expenses, impairment charges, and restructuring costs. Certain headquarters expenses of an operational nature are allocated to business segments and geographic areas primarily on a net sales basis. Depreciation and amortization is allocated to the segments on a percentage of sales basis, and the allocated depreciation and amortization is included in segment operating income.

(3) Corporate assets primarily include goodwill, capitalized software, cash and deferred tax assets.

(4) Geographic sales information is based on the region from which the products are shipped and invoiced.

(5) The Europe, Middle East and Africa operating income is after considering $10.0 million and $5.3 million of incremental SG&A costs associated with the European Transformation Plan for the three months ended March 31, 2012 and 2011, respectively.

(6) The following table summarizes the restructuring costs by region included in operating income (loss) above:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2012 | 2011 |
| Restructuring Costs | | |
| United States | $ 10.4 | $ — |
| Canada | 0.5 | — |
| Total North America | 10.9 | — |
| Europe, Middle East and Africa | 1.2 | 5.8 |
| Latin America | 0.2 | — |
| Asia Pacific | 0.4 | — |
| Total International | 1.8 | 5.8 |
| | $ 12.7 | $ 5.8 |

**Footnote 14 — Other Accrued Liabilities**

Other accrued liabilities included the following (*in millions*):

| | March 31, 2012 | December 31, 2011 |
|---|---|---|
| Customer accruals | $ 205.7 | $ 250.7 |
| Accruals for manufacturing, marketing and freight expenses | 101.8 | 105.1 |
| Accrued self-insurance liabilities | 67.2 | 66.8 |
| Accrued pension, defined contribution and other postretirement benefits | 41.1 | 54.6 |
| Accrued contingencies, primarily legal, environmental and warranty | 35.0 | 37.2 |
| Accrued restructuring (See Footnote 4) | 33.0 | 33.0 |
| Other | 108.9 | 146.1 |
| Other accrued liabilities | $ 592.7 | $ 693.5 |

Customer accruals are promotional allowances and rebates, including cooperative advertising, given to customers in exchange for their selling efforts and volume purchased. The self-insurance accrual is primarily casualty liabilities such as workers' compensation, general and product liability and auto liability and is estimated based upon historical loss experience combined with actuarial evaluation methods, review of significant individual files and the application of risk transfer programs.

**Footnote 15 — Litigation and Contingencies**

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

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

The Company, using current product sales data and historical trends, actuarially calculates the estimate of its exposure for product liability. The Company has product liability reserves of $41.5 million and $39.7 million as of March 31, 2012 and December 31, 2011, respectively. The Company is insured for product liability claims for amounts in excess of established deductibles and accrues for the estimated liability as described up to the limits of the deductibles. All other claims and lawsuits are handled on a case-by-case basis.

*Legal Matters*

The Company is currently a party to two purported state class actions and one purported national Canadian class action. The cases include allegations that a certain model car seat sold by an affiliate of the Company did not satisfy all requisite government safety standards. The Company is vigorously defending all three actions.

In July 2007, the Company acquired all of the outstanding equity interests of PSI Systems, Inc. (“Endicia”), provider of DYMO|Endicia Internet Postage. Endicia was party to a lawsuit against it alleging patent infringement which was filed on November 22, 2006 in the U.S. District Court for the Central District of California. In this case, Stamps.com sought unspecified damages, attorneys’ fees and injunctive relief in order to prevent Endicia from continuing to engage in activities that are alleged to infringe on Stamps.com’s patents. In 2010, the Court entered judgment in favor of the Company terminating the action on summary judgment, and on June 15, 2011, the U.S. Court of Appeals for the Federal Circuit affirmed that judgment. Stamps.com’s petition for a rehearing before the Federal Circuit panel was denied and Stamps.com has no further right of appeal. A separate case, in which Endicia and Stamps.com each claimed infringement of different patents, was settled during March 2012 without payment by either the Company or Stamps.com.

The City of Sao Paulo’s Green and Environmental Office (the “Sao Paulo G&E Office”) is seeking fines of up to approximately $4.0 million related to alleged improper storage of hazardous materials at the Company’s tool manufacturing facility located in Sao Paulo, Brazil. The Company has obtained a stay of enforcement of a notice of fine due October 1, 2009 issued by the Sao Paulo G&E Office. The Company plans to continue to contest the fines.

*Environmental Matters*

As of March 31, 2012, 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 ("U.S. EPA") 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 March 31, 2012 ranged between $21.6 million and $25.6 million. As of March 31, 2012, the Company had a reserve of $22.2 million for such environmental remediation and response costs in the aggregate, which is included in other accrued liabilities and other noncurrent liabilities in the Condensed Consolidated Balance Sheet. No insurance recovery was taken into account in determining the Company’s cost estimates or reserve, nor do the Company’s cost estimates or reserves reflect any discounting for present value purposes, except with respect to certain long-term operations and maintenance CERCLA matters, which are estimated at their present value of $18.7 million by applying a 5% discount rate to undiscounted obligations of $26.7 million.

Two of the Company's subsidiaries, Goody Products, Inc. and Berol Corporation (the “Company Parties”), are among over 300 entities named by Maxus Energy Corporation (“Maxus”) and Tierra Solutions, Inc. (“Tierra”) as third-party defendants in New Jersey Department of Environmental Protection, et al. (collectively “DEP”) v. Occidental Chemical Corporation, et al., pending in the Superior Court of New Jersey, Law Division - Essex County. Through the third-party complaint, Maxus and Tierra allege that releases from two facilities formerly operated by the Company Parties contributed to contamination in the Passaic River and other bodies of water and seek contribution for certain clean-up and removal costs, as well as other damages for which they may be found liable to DEP.

In addition, U.S. EPA has issued General Notice Letters (“GNLs”) to over 100 entities, including the Company and Berol Corporation, alleging that they are PRPs at the Diamond Alkali Superfund Site, which includes a 17-mile stretch of the Lower Passaic River and its tributaries. 72 of the GNL recipients, including the Company on behalf of itself and the Company Parties, have taken over the performance of the remedial investigation and feasibility study (“RI/FS”) for the Lower Passaic River. U.S. EPA continues to evaluate remedial options, the scope and cost of which have yet to be determined. U.S. EPA has also indicated that it will seek to have the PRPs fund the remedy. The site is also subject to a Natural Resource Damage Assessment.

Given the uncertainties pertaining to this matter-including that the litigation and RI/FS are ongoing, the ultimate remediation has not yet been determined, the parties have not agreed upon a final allocation for the investigation and any remediation, and the extent to which the Company Parties may be held liable or responsible is not yet known-it is not possible for the Company to estimate its ultimate liability related to this matter. Based on currently known facts and circumstances, the Company does not

believe that this matter is reasonably likely to have a material impact on the Company's results of operations because the Company Parties' facilities are not alleged to have discharged the contaminants which are of the greatest concern in the river sediments, and because there are numerous other parties who will likely share in any costs of remediation and/or damages. However, in the event of one or more adverse determinations related to this matter, it is possible that the ultimate liability resulting from this matter and the impact on the Company's results of operations could be material.

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 that sites acquired in business combinations may require environmental response costs, 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 proceedings with certainty, except as otherwise may be described above, it believes that the ultimate resolution of the Company’s proceedings, including any amounts it may be required to pay in excess of amounts reserved, will not have a material effect on the Company’s condensed consolidated financial statements.

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

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 accompanying condensed consolidated financial statements and notes thereto.

**Business Overview**

Newell Rubbermaid is a global marketer of consumer and commercial products that help people flourish every day, where they live, learn, work and play. The Company’s products are marketed under a strong portfolio of brands, including Rubbermaid®, Levolor®, Goody®, Calphalon®, Sharpie®, Paper Mate®, Parker®, Waterman®, Irwin®, Lenox®, Dymo®, Graco®, and Aprica®.

Effective January 1, 2012, the Company, as part of Project Renewal, implemented changes to its organizational structure that resulted in the consolidation of the Company's three operating groups into two and the consolidation of its 13 global business units into nine. One of the two new operating groups is consumer-facing ("Newell Consumer"), while the other is commercial-facing ("Newell Professional"). In addition, while not an operating group, the Baby & Parenting global business unit is treated as a stand-alone operating segment.

**Business Strategy**

Newell Rubbermaid’s vision is to become a global company of Brands That Matter™ and great people, known for best-in-class results. The Company is committed to building consumer-meaningful brands through understanding the needs of consumers and using those insights to create innovative, highly differentiated product solutions that offer performance and value.

The transformation that began several years ago building Brands That Matter™ and insight-driven innovations that win in the marketplace has created a solid foundation. The Company now has a stronger and more tightly focused portfolio of leading brands with a margin structure that allows for brand investment. The Company has devised its new Growth Game Plan, which is the strategy the Company is implementing to fulfill its ambition to build a bigger, faster-growing, more global and more profitable company. The Growth Game Plan encompasses the following aspects:

*Business Model*

- A brand-led business with a strong home in the United States and global ambition.
- Consumer brands that win at the point of decision through excellence in performance, design and innovation.
- Professional brands that win the loyalty of the chooser by improving the productivity and performance of the user.
- Collaboration with our partners across the total enterprise in a shared commitment to growth and creating value.
- Delivering competitive returns to shareholders through consistent, sustainable and profitable growth.

*Where To Play*

- Win Bigger — Deploying resources to businesses and regions with higher growth opportunities through investments in innovation and geographic expansion.
- Win Where We Are — Optimizing the performance of businesses and brands in existing markets by investing in innovation to increase market share and reducing structural spend within the existing geographic footprint.
- Incubate For Growth — Investing in businesses that have unique opportunities for growth, with a primary focus on businesses that are in the early stages of the business cycle.

*5 Ways To Win*

- Make The Brands Really Matter — Sharpening brand strategies on the highest impact growth levers and partnering to win with customers and suppliers.
- Build An Execution Powerhouse — Realigning the customer development organization and developing joint business plans for new channel penetration and broader distribution.
- Unlock Trapped Capacity For Growth — Delivering savings from ongoing restructuring projects, working capital reductions and simplification of business processes.
- Develop The Team For Growth — Driving a performance culture aligned to the business strategy and building a more global perspective and talent base.
- Extend Beyond Our Borders — Accelerating investments and growth in emerging markets.

In implementing the tenets of its strategy, the Company is focused on Every Day Great Execution, or EDGE, to capitalize on and maximize the benefits of investment and growth opportunities and to optimize the cost structure of the business.

## Organizational Structure

The Company's core organizing concept is the global business unit ("GBU") and each GBU supports one or more of the Company's key brands worldwide, with a focus on developing and marketing differentiated products designed to meet consumers' needs. The GBU structure positions the business units to leverage research and development, branding, marketing and innovation on a global basis and facilitates the Company's objective of optimizing working capital and shared resources. The Company's nine GBUs comprise the Company's three operating segments as follows:

| Reportable Segments | GBU | Key Brands | Description of Primary Products |
|---|---|---|---|
| Newell Consumer | Home, Organization & Style | Rubbermaid®, Levolor®, Goody® | Indoor/outdoor organization, food storage and home storage products; window treatments; hair care accessories |
| | Writing & Creative Expression | Sharpie®, Expo®, Paper Mate® | Writing instruments, including pens, pencils, markers and highlighters |
| | Fine Writing & Luxury Accessories | Parker®, Waterman® | Fine writing instruments and leather goods |
| | Culinary Lifestyles | Calphalon® | Gourmet cookware, bakeware, cutlery and small kitchen electrics |
| Newell Professional | Commercial Products | Rubbermaid® Commercial Products | Cleaning and refuse products, hygiene systems, material handling solutions and medical and computer carts, and wall-mounted work stations |
| | Construction Tools & Accessories | Irwin®, Shur-line®, Bulldog® | Hand tools and power tool accessories, manual paint applicators and convenience hardware |
| | Labeling Technology & Integrated Solutions | Dymo®, Mimio® | Office technology solutions such as label makers and printers and interactive teaching solutions |
| | Industrial Products & Services | Lenox® | Industrial bandsaw blades, power tool accessories and cutting tools for pipes and HVAC systems |
| Baby & Parenting | Baby & Parenting | Graco®, Aprica® | Infant and juvenile products such as car seats, strollers, highchairs, and playards |

## Market and Performance Overview

The Company operates in the consumer and commercial products markets, which are generally impacted by overall economic conditions in the regions in which the Company operates. The Company's results for the first three months of 2012 were impacted by the following factors:

- Core sales, which exclude foreign currency, increased 5.2% in the first quarter compared to the same period last year. Customer pre-buys in advance of the April 2012 launch of SAP in Europe contributed an estimated 230 basis points to the core sales increase. New products, geographic expansion and core sales growth in emerging markets were the primary drivers of the remaining core sales growth, with double-digit core sales growth in Latin America and Asia Pacific. Also contributing to the increase was strong core sales growth in the Company's Newell Professional and Baby & Parenting segments.

- Core sales increased 10.1% in Newell Professional, of which an estimated 375 to 425 basis points of growth was a result of customer purchases in advance of the April 2012 launch of SAP in Europe. Core sales grew 21.4% in Baby & Parenting, with the growth rates enhanced because of depressed year-ago comparisons and 150 to 180 basis points of growth attributable to the customer pre-buys in Europe. Newell Consumer realized a core sales decline of 2.0%, which is an estimated 3.1% to 3.5% decline after adjusting for the customer pre-buys in Europe.

- Input and sourced product cost inflation was more than offset by pricing, mix and productivity which resulted in a 20 basis point increase in gross margins compared to the same period in 2011. The Company's gross margins increased despite continued operational challenges in the Décor business.

- Continued focused spend for strategic SG&A activities to drive sales, enhance the new product pipeline, develop growth platforms and expand geographically. During the first three months of 2012, the Company's spend for strategic brand-building and consumer demand creation and commercialization activities included spend for the following:

  - Continued investments to support the global roll out of Paper Mate®'s InkJoy® line of writing instruments, which feature innovative ultra-low viscosity ink for a smooth writing experience;

  - Continued expansion of dedicated Parker® "shop-in-shop" retail outlets in China and other regions to enhance in-store merchandising;

  - Expanding the launch of the Parker® Ingenuity Collection featuring Parker 5th™ Technology into Japan and China in the first half of 2012;

  - Launch of Irwin® 2500 Series Level featuring a robust new frame design that enables guaranteed vial accuracy for the life of the product; and

  - Expansion of sales forces in the Industrial Products & Services, Construction Tools & Accessories, Fine Writing & Luxury Accessories, and Commercial Products GBUs to drive greater sales penetration, enhance the availability of products and to support geographic expansion.

- Continued the execution of Project Renewal to simplify the business, reduce structural costs and increase investment in the most significant growth platforms within the business.

- Continued the execution of the European Transformation Plan, which includes projects designed to improve the financial performance of the European business, centralize decision making in the Geneva headquarters, and prepare the region for the SAP go-live in April 2012.

- Retirement of $250.0 million principal amount of the 6.75% medium-term notes based on the maturity date.

- Continued the $300.0 million three-year share repurchase plan that expires in August 2014, pursuant to which the Company repurchased and retired an additional 0.9 million shares of common stock for $16.4 million during the first quarter of 2012.

## Projects and Initiatives

*Project Renewal*

In October 2011, the Company launched Project Renewal, a program designed to reduce the complexity of the organization and increase investment in the most significant growth platforms within the business, funded by a reduction in structural selling, general & administrative ("SG&A") costs. Cost savings from the program are expected to be achieved in large part through the consolidation of three operating groups into two — Newell Professional and Newell Consumer — and of 13 GBUs into nine, with the Baby & Parenting GBU operating as a stand-alone operating segment.

In connection with the program, the Company expects to incur cash costs of $75 to $90 million and record pretax restructuring charges in the range of $90 to $100 million through the end of 2012, the majority of which are employee-related cash costs, including severance, retirement, and other termination benefits and costs. Charges of between $55 and $70 million are expected to be incurred in 2012. The consolidation of a limited number of manufacturing facilities and distribution centers has also been initiated as part of the program, with the goal of increasing operational efficiency, reducing costs, and improving gross margin, and the Company estimates a total net headcount reduction of approximately 500 resulting from Project Renewal.

During the first quarter of 2012, the Company continued the execution of a project to close the Newell Consumer segment's Greenville, Texas facility and consolidate operations of the facility into the Company's existing facilities in the states of Kansas and Ohio. In addition, the Company began reorganizing its sales and marketing functions within certain GBUs in the Newell Professional segment and began a project to consolidate certain distribution operations in the Newell Professional segment. Through March 31, 2012, the Company has incurred restructuring charges of approximately $43 million under Project Renewal.

The Company expects to generate cost savings of approximately $90 to $100 million when the program is fully implemented by the end of 2012. The majority of the savings will be reinvested in the business to unlock accelerated growth.

*European Transformation Plan*

In June 2010, the Company announced a program to simplify and centralize its European business (the "European Transformation Plan"). The European Transformation Plan includes initiatives designed to transform the European organizational structure and processes to centralize certain operating activities, improve performance, leverage the benefits of scale and to facilitate a more efficient and cost-effective implementation of an enterprise resource planning system in Europe, all with the aim of increasing operating margin in the European region to at least 10%.

The European Transformation Plan is expected to result in aggregate restructuring and other plan-related costs of $110 to $115 million. The European Transformation Plan is expected to be completed by the end of 2012 and is expected to result in cumulative restructuring charges totaling between $40 and $45 million, substantially all of which are employee-related cash costs, including severance, retirement, and other termination benefits and relocation costs. The Company also expects to incur an additional $70 to $75 million of incremental selling, general and administrative expenses, referred to herein as restructuring-related charges, to implement the European Transformation Plan. Through March 31, 2012, the Company has incurred restructuring and restructuring-related charges of approximately $20 million and $63 million, respectively, under the European Transformation Plan. The Company expects to realize cumulative annual after-tax savings of $55 to $65 million upon completion of the implementation of the European Transformation Plan, the majority of which have been realized and were included in the Company's 2011 operating results.

In April 2012, the Company migrated its enterprise resource planning systems to SAP and began operating in a centralized European business model. The new operating structure is expected to affect the Company's assessment of the realizability of certain income tax assets in Europe and may result in new uncertain income tax positions, both of which could favorably or unfavorably impact the Company's income tax expense in future periods. In addition, the new model is expected to impact the regions in which the Company's sales and operating income are reported in future periods since the Company reports sales and operating income based on the region from which the products are shipped and invoiced. The new model defines how certain regions import and export products.

*One Newell Rubbermaid*

The Company strives to leverage the common business activities and best practices of its GBUs, and to build one common culture of shared values with a focus on collaboration and teamwork. Through this initiative, the Company has established regional shared service centers to leverage nonmarket-facing functional capabilities to reduce costs. The Company is also migrating multiple legacy systems and users to a common SAP global information platform in a phased, multi-year rollout. SAP is expected to enable the Company to integrate and manage its worldwide business and reporting processes more efficiently. Through March 31, 2012, the North American operations of substantially all of the Company's nine GBUs have successfully gone live with their SAP implementation efforts. The Company's European operations went live on SAP in April 2012.

**Foreign Currency – Venezuela**

The Company began accounting for its Venezuelan operations using highly inflationary accounting in January 2010. Under highly inflationary accounting, the Company remeasures assets, liabilities, sales and expenses denominated in Bolivar Fuertes into U.S. Dollars using the applicable exchange rate, and the resulting translation adjustments are included in earnings. As of March 31, 2012, the Company's Venezuelan subsidiary had approximately $46.1 million of net monetary assets denominated in Bolivar Fuertes at the SITME rate of 5.3 Bolivar Fuertes to U.S. Dollar, and as a result, a 5% increase (decrease) in the applicable exchange rate would decrease (increase) the Company's pretax income by $2.3 million.

## Results of Operations

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

| | 2012 | | 2011 | |
|---|---|---|---|---|
| Net sales | $ 1,332.4 | 100.0 % | $ 1,274.2 | 100.0% |
| Cost of products sold | 821.8 | 61.7 | 789.3 | 61.9 |
| Gross margin | 510.6 | 38.3 | 484.9 | 38.1 |
| Selling, general and administrative expenses | 373.7 | 28.0 | 351.1 | 27.6 |
| Restructuring costs | 12.7 | 1.0 | 5.8 | 0.5 |
| Operating income | 124.2 | 9.3 | 128.0 | 10.0 |
| Nonoperating expenses: | | | | |
| Interest expense, net | 20.2 | 1.5 | 21.9 | 1.7 |
| Losses related to extinguishments of debt | — | — | 4.8 | 0.4 |
| Other (income) expense, net | (0.3) | — | 1.5 | 0.1 |
| Net nonoperating expenses | 19.9 | 1.5 | 28.2 | 2.2 |
| Income before income taxes | 104.3 | 7.8 | 99.8 | 7.8 |
| Income taxes | 25.0 | 1.9 | 25.9 | 2.0 |
| Income from continuing operations | 79.3 | 6.0 | 73.9 | 5.8 |
| Income from discontinued operations | — | — | 1.8 | 0.1 |
| Net income | $ 79.3 | 6.0 % | $ 75.7 | 5.9% |

**Three Months Ended March 31, 2012 vs. Three Months Ended March 31, 2011**

**Consolidated Operating Results:**

Net sales for the three months ended March 31, 2012 were $1,332.4 million, representing an increase of $58.2 million, or 4.6%, from $1,274.2 million for the three months ended March 31, 2011. The following table sets forth an analysis of changes in consolidated net sales for the three months ended March 31, 2012 as compared to the three months ended March 31, 2011 (*in millions, except percentages*):

| | | |
|---|---|---|
| Core sales | $ 66.0 | 5.2 % |
| Foreign currency | (7.8) | (0.6) |
| Total change in net sales | $ 58.2 | 4.6 % |

Core sales increased 5.2%, led by double-digit core sales growth in the Newell Professional and Baby & Parenting segments. Customer pre-buys in advance of the April 2012 launch of SAP in Europe contributed an estimated 230 basis points to the core sales increase. Foreign currency had the effect of decreasing net sales by 0.6%. Excluding foreign currency, sales in the Company’s North American and international businesses increased 1.3% and 15.4%, respectively. Core sales grew 1.3% in North America led by strong growth in the Newell Professional and Baby & Parenting segments. Internationally, both Latin America and Asia Pacific reported double-digit core sales increases, and although EMEA reported core sales growth of 12.7%, after adjusting for the impact of the SAP pre-buy, the European region showed a core sales decline of slightly more than 3%, mainly due to the continuing tough macro environment in Western Europe.

Gross margin, as a percentage of net sales, for the three months ended March 31, 2012 was 38.3%, or $510.6 million, versus 38.1%, or $484.9 million, for the three months ended March 31, 2011. The 20 basis point improvement in gross margin was attributable to the impacts of pricing actions realized during the quarter, mix and productivity, partially offset by input and sourced product cost inflation. On an annualized basis, commodities consumed as raw materials generally represent approximately 10% to 15% of annual cost of products sold, with no single type of commodity representing more than 10% of cost of products sold.

SG&A expenses for the three months ended March 31, 2012 were 28.0% of net sales, or $373.7 million, versus 27.6% of net sales, or $351.1 million, for the three months ended March 31, 2011. In constant currency, SG&A expenses increased $24.7 million when compared to the first quarter of 2011 due to a $20.4 million increase in strategic spending directed towards organic growth in faster growing markets and new categories and other short-term strategic initiatives, and a $4.7 million increase in restructuring-

related charges partially offset by lower structural SG&A costs largely due to savings from Project Renewal realized during the quarter.

The Company recorded restructuring costs of $12.7 million and $5.8 million for the three months ended March 31, 2012 and 2011, respectively. The year-over-year increase in restructuring costs is attributable to restructuring projects implemented under Project Renewal, which was announced in October 2011, partially offset by reduced restructuring costs incurred under the European Transformation Plan. The restructuring costs for the three months ended March 31, 2012 relate to Project Renewal and the European Transformation Plan and consisted of $8.4 million of employee severance, termination benefits and employee relocation costs and $4.3 million of exited contractual commitments and other restructuring costs. The restructuring costs for the three months ended March 31, 2011 relate to employee severance, termination benefits and employee relocation costs incurred in connection with the European Transformation Plan. See Footnote 4 of the Notes to Condensed Consolidated Financial Statements for further information.

Operating income for the three months ended March 31, 2012 was $124.2 million, or 9.3% of net sales, versus operating income of $128.0 million, or 10.0% of net sales, for the three months ended March 31, 2011. The primary driver of the change in operating margin was increased SG&A and restructuring costs, partially offset by the increase in gross margin.

Net nonoperating expenses for the three months ended March 31, 2012 were $19.9 million versus $28.2 million for the three months ended March 31, 2011. Excluding the impacts of losses related to extinguishments of debt of $4.8 million, which did not recur in the 2012 period, net nonoperating expenses decreased $3.5 million. Interest expense for the three months ended March 31, 2012 was $20.2 million, a decrease of $1.7 million from $21.9 million for the three months ended March 31, 2011, due to lower debt levels.

The Company's effective income tax rate was 24.0% and 26.0% for the three months ended March 31, 2012 and 2011, respectively. The improvement in the effective tax rate is primarily attributable to the change in the geographical mix in earnings and the timing of certain discrete items. The new operating structure in Europe is expected to affect the Company's assessment of the realizability of certain income tax assets in Europe and may result in new uncertain income tax positions in Europe, both of which could favorably or unfavorably impact the Company's income tax expense in future periods.

Income from discontinued operations during the three months ended March 31, 2011 relates to the Company's hand torch and solder business which was sold on July 1, 2011. See Footnote 2 of the Notes to Condensed Consolidated Financial Statements for further information.

**Business Segment Operating Results:**

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

| | 2012 | 2011 | % Change |
|---|---|---|---|
| Newell Consumer | $ 639.6 | $ 656.4 | (2.6)% |
| Newell Professional | 510.6 | 467.5 | 9.2 |
| Baby & Parenting | 182.2 | 150.3 | 21.2 |
| Total net sales | $ 1,332.4 | $ 1,274.2 | 4.6 % |

The following table sets forth an analysis of changes in net sales in each segment for the three months ended March 31, 2012 as compared to the three months ended March 31, 2011:

| | Newell Consumer | Newell Professional | Baby & Parenting |
|---|---|---|---|
| Core sales | (2.0)% | 10.1 % | 21.4 % |
| Foreign currency | (0.6) | (0.9) | (0.2) |
| Total change in net sales | (2.6)% | 9.2 % | 21.2 % |

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

| | 2012 | 2011 | % Change |
|---|---|---|---|
| Newell Consumer | $ 75.5 | $ 90.8 | (16.9)% |
| Newell Professional | 70.7 | 60.1 | 17.6 |
| Baby & Parenting | 22.4 | 7.4 | 202.7 |
| Restructuring costs | (12.7) | (5.8) | (119.0) |
| Corporate (1) | (31.7) | (24.5) | (29.4) |
| Total operating income | $ 124.2 | $ 128.0 | (3.0)% |

(1) Includes restructuring-related costs of $10.0 million and $5.3 million for the three months ended March 31, 2012 and 2011, respectively, associated with the European Transformation Plan.

**Newell Consumer**

Net sales for the three months ended March 31, 2012 were $639.6 million, a decrease of $16.8 million, or 2.6%, from $656.4 million for the three months ended March 31, 2011. Core sales decreased 2.0%, driven by a decline in sales at the Décor business within the Home, Organization & Style GBU. The core sales decline in the Home, Organization & Style GBU was partially offset by double-digit and mid-single-digit core sales increases in the Fine Writing & Luxury Accessories and Writing & Creative Expression GBUs, respectively. Customer pre-buys in advance of the April 2012 SAP go-live in Europe contributed an estimated 110 to 150 basis points of core sales increases for the Newell Consumer segment. Foreign currency had an unfavorable impact of 0.6%.

Operating income for the three months ended March 31, 2012 was $75.5 million, or 11.8% of net sales, a decrease of $15.3 million, or 16.9%, from $90.8 million, or 13.8% of net sales, for the three months ended March 31, 2011. The 200 basis point decrease in operating margin is attributable to lower volumes adversely impacting gross margins and continuing operational challenges in the Décor business. In constant currency, SG&A costs as a percentage of net sales increased 120 basis points, primarily due to increased SG&A spending for brand building and ongoing strategic activities, partially offset by reductions in structural SG&A costs largely due to savings from Project Renewal realized during the quarter.

**Newell Professional**

Net sales for the three months ended March 31, 2012 were $510.6 million, an increase of $43.1 million, or 9.2%, from $467.5 million for the three months ended March 31, 2011. Core sales increased 10.1%, driven by mid-single to double-digit core sales growth across all GBUs. An estimated 375 to 425 basis points of the Newell Professional core sales increase was attributable to customer pre-buys in advance of the April 2012 SAP go-live in Europe. Foreign currency had an unfavorable impact of 0.9%.

Operating income for the three months ended March 31, 2012 was $70.7 million, or 13.8% of net sales, an increase of $10.6 million, or 17.6%, from $60.1 million, or 12.9% of net sales, for the three months ended March 31, 2011. The 90 basis point improvement in operating margin is attributable to increases in gross margins resulting from leveraging increased volumes as well as pricing gains. On a constant currency basis, SG&A increased commensurate with the increase in net sales.

**Baby & Parenting**

Net sales for the three months ended March 31, 2012 were $182.2 million, an increase of $31.9 million, or 21.2%, from $150.3 million for the three months ended March 31, 2011. Core sales increased 21.4%, driven primarily by timing differences in customer shipments in North America which unfavorably impacted the first quarter 2011 sales, stronger retail sales in the North American markets in the first quarter of 2012 and continued growth in Asia Pacific. Customer pre-buys in advance of the SAP go-live in Europe contributed an estimated 150 to 180 basis points to the core sales increase. Foreign currency had an unfavorable impact of 0.2%.

Operating income for the three months ended March 31, 2012 was $22.4 million, or 12.3% of net sales, an increase of $15.0 million, or 202.7%, from $7.4 million, or 4.9% of net sales, for the three months ended March 31, 2011. The increase in operating margin is primarily attributable to leveraging the cost structure with increased sales volumes, as constant currency SG&A costs remained relatively unchanged.

## Liquidity and Capital Resources

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

| | 2012 | 2011 |
|---|---|---|
| Cash used in operating activities | $ (47.4) | $ (108.3) |
| Cash used in investing activities | (42.0) | (61.1) |
| Cash provided by financing activities | 105.9 | 167.8 |
| Currency effect on cash and cash equivalents | 3.4 | 1.7 |
| Increase in cash and cash equivalents | $ 19.9 | $ 0.1 |

In the cash flow statement, the changes in operating assets and liabilities are presented excluding the effects of changes in foreign currency exchange rates and the effects of acquisitions and divestitures. Accordingly, the amounts in the cash flow statement differ from changes in the operating assets and liabilities that are presented in the balance sheet.

*Sources*

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

Cash used in operating activities for the three months ended March 31, 2012 was $47.4 million compared to $108.3 million for the three months ended March 31, 2011. This improvement is primarily attributable to lower incentive compensation and customer program payments, partially offset by increased contributions to the Company's U.S. pension plan.

During the three months ended March 31, 2012, the Company obtained net proceeds of $392.7 million from its short-term borrowing arrangements, including commercial paper and its receivables facility, and this compared to $190.0 million of net proceeds from these borrowing arrangements in the three months ended March 31, 2011.

*Uses*

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

During the three months ended March 31, 2012, the Company retired the $250.0 million outstanding principal amount of the 6.75% medium-term notes at maturity in March 2012. The Company used short-term borrowings to repay the medium-term notes.

Aggregate dividends paid were $24.2 million and $14.7 million for the three months ended March 31, 2012 and 2011, respectively. The Company’s Board of Directors approved a 60% increase in the Company’s quarterly dividend from $0.05 per share to $0.08 per share, effective with the quarterly dividend paid in June 2011, and the dividend has been maintained at that level.

In August 2011, the Company announced a $300.0 million share repurchase program (the "SRP"). The SRP is authorized to run for a period of three years ending in August 2014. During the three months ended March 31, 2012, the Company repurchased and retired approximately 0.9 million shares pursuant to the SRP for $16.4 million.

Capital expenditures were $48.3 million and $44.9 million for the three months ended March 31, 2012 and 2011, respectively. The largest single capital project in both three month periods was the implementation of SAP, which represented $14.0 million and $13.9 million of capital expenditures for the three months ended March 31, 2012 and 2011, respectively.

Cash paid for restructuring activities was $12.9 million and $11.8 million for the three months ended March 31, 2012 and 2011, respectively, and is included in the cash used in operating activities. These payments relate primarily to employee severance, termination benefits and relocation costs.

**Cash Conversion Cycle**

The Company defines its cash conversion cycle as the sum of inventory and accounts receivable days outstanding (based on cost of products sold and net sales, respectively, for the most recent three-month period, including discontinued operations) minus accounts payable days outstanding (based on cost of products sold for the most recent three-month period, including discontinued operations) at the end of the quarter.

The following table depicts the Company's cash conversion cycle for the periods presented (*in number of days*):

| | March 31, 2012 | December 31, 2011 | March 31, 2011 |
|---|---|---|---|
| Accounts receivable | 65 | 61 | 68 |
| Inventory | 95 | 68 | 95 |
| Accounts payable | (59) | (46) | (62) |
| Cash conversion cycle | 101 | 83 | 101 |

The Company's cash conversion cycle is impacted by the seasonality of its businesses and generally tends to be longer in the first and second quarters, based on historical trends, due to inventory build-ups early in the year for seasonal sales activity and credit terms provided to customers. The Company continues to leverage SAP in North America to improve working capital, and the Company's cash conversion cycle at March 31, 2012 was approximately five days lower than its cash conversion cycle at March 31, 2011, excluding the working capital investments required in preparation for the SAP go-live in Europe on April 1, 2012.

**Financial Position**

The Company is committed to maintaining a strong financial position through maintaining sufficient levels of available liquidity, managing working capital, and monitoring the Company's overall capitalization.

- Cash and cash equivalents at March 31, 2012 were $190.1 million, and the Company had an aggregate of $504.3 million of available borrowing capacity under its receivables facility and the $800.0 million unsecured syndicated revolving credit facility.

- Working capital at March 31, 2012 was $564.1 million compared to $487.1 million at December 31, 2011, and the current ratio at March 31, 2012 was 1.33:1 compared to 1.29:1 at December 31, 2011. The increase in working capital and the current ratio is primarily attributable to seasonal fluctuations, including higher inventory levels and lower customer and compensation-related accruals, partially offset by higher levels of short-term debt.

- The Company monitors its overall capitalization by evaluating total debt to total capitalization. Total debt to total capitalization is defined as the sum of short- and long-term debt, less cash, divided by the sum of total debt and stockholders' equity, less cash. Total debt to total capitalization was 0.52:1 at March 31, 2012 and December 31, 2011.

Over the long-term, the Company plans to improve its current ratio and total debt to total capitalization by improving operating results, managing working capital and using cash generated from operations to repay outstanding debt. The Company has from time to time refinanced, redeemed or repurchased its debt and taken other steps to reduce its debt or lease obligations or otherwise improve its overall financial position and balance sheet. Going forward, depending on market conditions, its cash positions and other considerations, the Company may continue to take such actions.

**Borrowing Arrangements**

In December 2011, the Company entered into a five-year credit agreement (the "Credit Agreement") with a syndicate of banks. The Credit Agreement provides for an unsecured syndicated revolving credit facility with a maturity date of December 2, 2016, and an aggregate commitment at any time outstanding of up to $800.0 million (the "Facility"). The Facility is intended to be used for general corporate purposes and, in addition, provides the committed backup liquidity required to issue commercial paper. Accordingly, commercial paper may be issued only up to the amount available for borrowing under the Facility. The Facility also provides for the issuance of up to $100.0 million of letters of credit, so long as there is a sufficient amount available for borrowing under the Facility. As of March 31, 2012, there were no borrowings or standby letters of credit issued or outstanding under the Facility while commercial paper obligations outstanding were $320.7 million, resulting in $479.3 million of borrowing capacity available under the Facility.

In September 2011, the Company renewed its 364-day receivables financing facility that provides for maximum borrowings of up to $200.0 million such that it will expire in September 2012. As of March 31, 2012, aggregate borrowings of $175.0 million were outstanding under the facility at a weighted-average interest rate of 1.0%.

The following table presents the maximum and average daily borrowings outstanding under the Company's short-term borrowing arrangements during the three months ended March 31, (*in millions*):

| Short-term Borrowing Arrangement | 2012 Maximum | 2012 Average | 2011 Maximum | 2011 Average |
|---|---|---|---|---|
| Commercial paper | $ 335.2 | $ 161.9 | $ 180.0 | $ 78.8 |
| Receivables financing facility | 175.0 | 41.4 | 150.0 | 98.3 |

The indentures governing the Company's medium-term notes contain usual and customary nonfinancial covenants. The Company's borrowing arrangements other than the medium-term notes contain usual and customary nonfinancial covenants and certain financial covenants, including minimum interest coverage and maximum debt-to-total-capitalization ratios. As defined by the agreements governing the borrowing arrangements, minimum interest coverage ratio is computed as adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") divided by adjusted interest expense for the four most recent quarterly periods. Generally, maximum debt-to-total-capitalization is calculated as the sum of short-term and long-term debt, excluding the junior convertible subordinated debentures, divided by the sum of (i) total debt, (ii) total stockholders' equity and (iii) a specified dollar amount ranging from $550.0 million to $750.0 million related to impairment charges incurred by the Company. As of March 31, 2012, the Company had complied with all covenants under the indentures and its other borrowing arrangements, and the Company could access the full borrowing capacity available under the Facility, $479.3 million, and the receivables facility, $25.0 million, and utilize the $504.3 million for general corporate purposes without exceeding the debt-to-total-capitalization limits in its financial covenants. A failure to maintain the financial covenants would impair the Company's ability to borrow under the Facility and the receivables facility and may result in the acceleration of the repayment of certain indebtedness.

## Debt

The Company has varying needs for short-term working capital financing as a result of the seasonal nature of its business. The volume and timing of production impacts the Company's cash flows and has historically involved increased production in the first quarter of the year to meet increased customer demand through the remainder of the year. Working capital fluctuations have historically been financed through short-term financing arrangements, such as commercial paper or borrowings under the Facility or the receivables facility.

Total debt was $2.3 billion and $2.2 billion as of March 31, 2012 and December 31, 2011, respectively. During the three months ended March 31, 2012, the Company repaid the $250.0 million outstanding principal amount of the 6.75% medium-term notes due March 2012 at maturity. As of March 31, 2012, the current portion of long-term debt and short-term debt totaled $509.7 million, including $320.7 million of commercial paper and $175.0 million of borrowings under the receivables facility.

The following table presents the average outstanding debt and weighted average interest rates (*in millions, except percentages*):

| | Three Months Ended March 31, 2012 | Three Months Ended March 31, 2011 |
|---|---|---|
| Average outstanding debt | $ 2,163.8 | $ 2,343.5 |
| Average interest rate [1] | 3.8% | 3.7% |

(1) The average interest rate includes the impacts of outstanding and previously-settled fixed-for-floating interest rate swaps.

The Company's floating-rate debt, which includes medium-term notes that are subject to fixed-for-floating interest rate swaps, was 33.7% and 17.7% of total debt as of March 31, 2012 and December 31, 2011, respectively. The increase in floating-rate debt is primarily due to the $320.7 million commercial paper outstanding at March 31, 2012 compared to no commercial paper outstanding at December 31, 2011 together with an increase of $75.0 million in borrowings outstanding under the receivables facility as compared to December 31, 2011. See Footnote 6 of the Notes to Condensed Consolidated Financial Statements for further information.

## Pension and Other Obligations

The Company has adopted and sponsors pension plans in the U.S. and in various other countries. The Company's ongoing funding requirements for its pension plans are largely dependent on the value of each of the plan's assets and the investment returns realized on plan assets as well as prevailing market rates of interest.

Future increases or decreases in pension liabilities and required cash contributions are highly dependent on changes in interest rates and the actual return on plan assets. The Company determines its plan asset investment mix, in part, on the duration of each plan's liabilities. To the extent each plan's assets decline in value or do not generate the returns expected by the Company or interest rates decline further, the Company may be required to make contributions to the pension plans to ensure the pension obligations are adequately funded as required by law or mandate. During the three months ended March 31, 2012, the Company contributed $25.1 million to its U.S. pension plan, a majority of which was required to be contributed based on the funded status

of the plan.

**Dividends**

The Company’s quarterly dividend is $0.08 per share. The Company intends to maintain dividends at a level such that operating cash flows can be used to repay outstanding debt and improve its investment grade credit rating.

The payment of dividends to holders of the Company’s common stock remains at the discretion of the Board of Directors and will depend upon many factors, including the Company’s financial condition, earnings, legal requirements and other factors the Board of Directors deems relevant.

**Share Repurchase Program**

In August 2011, the Company announced a $300.0 million share repurchase program (the "SRP"). Under the SRP, the Company may repurchase its own shares of common stock through a combination of a 10b5-1 automatic trading plan, discretionary market purchases or in privately negotiated transactions. The SRP is authorized to run for a period of three years ending in August 2014. During the three months ended March 31, 2012, the Company repurchased approximately 0.9 million shares pursuant to the SRP for $16.4 million, and such shares were immediately retired. Since the SRP's inception, the Company has repurchased and retired a total of 4.3 million shares for $62.5 million. The repurchase of additional shares will depend upon many factors, including the Company’s financial condition, liquidity and legal requirements.

**Credit Ratings**

The Company’s credit ratings are periodically reviewed by rating agencies. The Company’s current senior and short-term debt credit ratings from three major credit rating agencies are listed below:

| | Senior Debt Credit Rating | Short-term Debt Credit Rating | Outlook |
|---|---|---|---|
| Moody’s Investors Service | Baa3 | P-3 | Stable |
| Standard & Poor’s | BBB- | A-3 | Stable |
| Fitch Ratings | BBB | F-2 | Stable |

**Outlook**

For the year ending December 31, 2012, the Company expects to generate cash flows from operations of $550 to $600 million after restructuring and restructuring-related cash payments of $110 to $120 million. The Company plans to fund capital expenditures of approximately $200 to $225 million, which include expenditures associated with the implementation of SAP in Europe.

Overall, the Company believes that available cash and cash equivalents, cash flows generated from future operations, access to capital markets, and availability under the Facility and receivables facility will be adequate to support the cash needs of existing businesses. The Company plans to use available cash, borrowing capacity, cash flows from future operations and alternative financing arrangements to repay debt maturities as they come due, including short-term debt of $496.9 million, primarily representing commercial paper obligations and borrowings under the receivables facility.

## Critical Accounting Policies

There have been no significant changes to the Company's critical accounting policies since the filing of its Form 10-K for the year ended December 31, 2011.

## Forward-Looking Statements

Forward-looking statements in this Report are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may relate to, but are not limited to, information or assumptions about the effects of sales (including pricing), income/(loss), earnings per share, return on equity, return on invested capital, operating income or gross margin improvements or declines, Project Renewal, the European Transformation Plan, capital and other expenditures, working capital, cash flow, dividends, capital structure, debt to capitalization ratios, debt ratings, availability of financing, interest rates, restructuring and restructuring-related costs, impairment and other charges, potential losses on divestitures, impacts of changes in accounting standards, pending legal proceedings and claims (including environmental matters), future economic performance, costs and cost savings (including raw material and sourced product inflation, productivity and streamlining), synergies, management’s plans, goals and objectives for future operations, performance and growth or the assumptions relating to any of the forward-looking statements. These statements generally are accompanied by words such as “intend,” “anticipate,”

"believe," "estimate," "project," "target," "plan," "expect," "will," "should," "would" or similar statements. The Company cautions that forward-looking statements are not guarantees because there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, the Company's dependence on the strength of retail, commercial and industrial sectors of the economy in light of the global economic slowdown; currency fluctuations; competition with other manufacturers and distributors of consumer products; major retailers' strong bargaining power; changes in the prices of raw materials and sourced products and the Company's ability to obtain raw materials and sourced products in a timely manner from suppliers; the Company's ability to develop innovative new products and to develop, maintain and strengthen its end-user brands; the Company's ability to expeditiously close facilities and move operations while managing foreign regulations and other impediments; the Company's ability to implement successfully information technology solutions throughout its organization; the Company's ability to improve productivity and streamline operations; changes to the Company's credit ratings; significant increases in the funding obligations related to the Company's pension plans due to declining asset values or otherwise; the imposition of tax liabilities greater than the Company's provisions for such matters; the risks inherent in the Company's foreign operations and those matters set forth in this Report generally and Exhibit 99.1 to this Report. In addition, there can be no assurance that the Company has correctly identified and assessed all of the factors affecting the Company or that the publicly available and other information the Company receives with respect to these factors is complete or correct.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk**

The Company has no material changes to the disclosure on this matter made in its Annual Report on Form 10-K for the year ended December 31, 2011.

**Item 4. Controls and Procedures**

As of March 31, 2012, an evaluation was performed by the Company's management, under the supervision and with the participation of the Company's chief executive officer and chief financial officer, of the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the chief executive officer and the chief financial officer concluded that the Company's disclosure controls and procedures were effective.

There were no changes in the Company's internal control over financial reporting that occurred during the quarter ended March 31, 2012 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company is in the process of replacing various business information systems worldwide with an enterprise resource planning system from SAP. Implementation will continue to occur over several years in phases, primarily focused on geographic region and segment. This activity involves the migration of multiple legacy systems and users to a common SAP information platform. In addition, this conversion will impact certain interfaces with the Company's customers and suppliers, resulting in changes to the tools the Company uses to take orders, procure materials, schedule production, remit billings, make payments and perform other business functions.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

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

### Item 1A. Risk Factors

The risk factors that affect the Company’s business and financial results are discussed in “ITEM 1A. RISK FACTORS” in the 2011 Annual Report on Form 10-K and there has been no material change to the risk factors disclosed in the Company's 2011 Annual Report on Form 10-K.

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

**ISSUER PURCHASES OF EQUITY SECURITIES**

The following table provides information about the Company’s purchases of equity securities during the quarter ended March 31, 2012:

| Period | Total Number of Shares Purchased (2) | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1) | Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1) |
|---|---|---|---|---|
| 1/1/12-1/31/12 | — | $ — | — | $ 253,881,966 |
| 2/1/12-2/29/12 | 747,452 | 18.93 | 30,000 | 253,327,116 |
| 3/1/12-3/31/12 | 877,232 | 18.08 | 875,800 | 237,491,639 |
| Total | 1,624,684 | $ 18.47 | 905,800 | $ 237,491,639 |

(1) On August 12, 2011, the Company announced a $300.0 million share repurchase program (the "SRP"). Under the SRP, the Company may repurchase its own shares of common stock through a combination of a 10b5-1 automatic trading plan, discretionary market purchases or in privately negotiated transactions. The SRP is authorized to run through August 2014. The average purchase price of shares purchased pursuant to the SRP in February and March 2012 was $18.50 per share and $18.08 per share, respectively.

(2) All shares (other than those purchased under the SRP) purchased during the three months ended March 31, 2012 were acquired by the Company to satisfy employees' tax withholding and payment obligations in connection with the vesting of awards of restricted stock units, which are repurchased by the Company based on their fair market value on the vesting date. In February and March 2012, in addition to the shares purchased under the SRP, the Company purchased 717,452 shares (average price: $18.95) and 1,432 shares (average price: $18.62), respectively, in connection with vesting of employees' stock-based awards.

Table of Contents

**Item 6. Exhibits**

| | |
|---|---|
| 10.1 | Amended Newell Rubbermaid Long-Term Incentive Plan. |
| 10.2 | Third Amendment to the Newell Rubbermaid Inc. Management Cash Bonus Plan dated as of February 8, 2012. |
| 10.3 | Form of CEO Stock Option Agreement under the 2010 Stock Plan, as amended. |
| 31.1 | Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 99.1 | Safe Harbor Statement. |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Taxonomy Extension Schema |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase |

**SIGNATURES**

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

NEWELL RUBBERMAID INC.
Registrant

| Date: | May 9, 2012 | /s/ Juan R. Figuereo |
|---|---|---|
| | | Juan R. Figuereo<br>Chief Financial Officer |
| Date: | May 9, 2012 | /s/ John B. Ellis |
| | | John B. Ellis<br>Vice President – Corporate Controller and<br>Chief Accounting Officer |

## Newell Rubbermaid Inc.

## Amended Long-Term Incentive Plan

1. **Grants.** Under the terms and provisions of the Newell Rubbermaid Inc. 2010 Stock Plan as amended July 1, 2011 (the “Stock Plan”), the Organizational Development & Compensation Committee (the “Committee”) of the Board of Directors of Newell Rubbermaid Inc. (the “Company”), at any time and from time to time, may grant awards based on shares of the Company's Common Stock, including Restricted Stock Units, to eligible employees in such amounts as the Committee shall determine. This Long Term Incentive Plan (“LTIP”) establishes a methodology for determining awards of Restricted Stock Units under the Stock Plan in 2012 and subsequent years to eligible employees with positions in Salary Bands 6-10 (“Key Employees”). The Committee will grant Restricted Stock Units to Key Employees pursuant to the guidelines set forth below.

2. **Guidelines.** The number of shares subject to Restricted Stock Units granted to a Key Employee in 2012 and in subsequent calendar years as an LTIP award will be determined as follows:

(a) On or prior to March 31 of each applicable calendar year, the Committee will determine:

(i) For each Key Employee a target value expressed as a percentage of the Key Employee's base salary rate as in effect on December 31 of the prior year, which percentage will be based on the Key Employee's Salary Band as of December 31 of the prior year (the “Target Value”).

(ii) A comparator group of companies for purposes of determining the Company's relative Total Shareholder Return (“TSR”) for the three-year performance period beginning as of January 1 of the year in which this determination is made (the “TSR Comparator Group”).

(b) Of the Target Value determined for each Key Employee for each year:

(i) Time-Based Restricted Stock Units. The Committee will authorize a Restricted Stock Unit grant to each Key Employee for a number of shares of Common Stock determined by dividing 40% of the applicable Target Value for such Key Employee by the Fair Market Value of a share of Common Stock on the date of grant.

(ii) Performance-Based Restricted Stock Units. The Committee will authorize a Restricted Stock Unit grant to each Key Employee for a number of shares determined by dividing 60% of the applicable Target Value for such Key Employee by the Fair Market Value of a share of Common Stock on the date of grant. This Restricted Stock Unit grant will be subject to the TSR Comparator Group analysis as described in Section 2(c).

The grants described above will be made at the same time the Committee determines the criteria described in Section 2(a), and will be based on a Key Employee's Salary Band as of the December 31 of the prior year.

(c) Following the completion of the applicable three-year performance period, the Committee will determine the extent to which the TSR Comparator Group Target has been achieved. The TSR will be calculated based on the following formula:

$$\frac{\text{(Change in Stock Price) + (Dividends)}}{\text{(Beginning Stock Price)}}$$

For this purpose, the beginning stock price will be the average closing stock price (using the first trade date of the month, the last trade date of the month, and the middle trading date of the month, which is typically the fifteenth calendar day of the month, unless such day is not a trading day, in which case then the very first trading day prior to the fifteen calendar day of the month is used in the first month of the applicable performance period) and the ending stock price will be the average closing price in the last month of the applicable performance period.

The Committee will determine the Company's ranking in the comparator group based on the TSR of

the Company and of each other member of the TSR Comparator Group, and will multiply the number of Restricted Stock Units subject to the TSR Comparator Group by the applicable percentage set forth below:

Rankings

1st in TSR comparator group will result in 200%, with a reduction of 10 percentage points (1000 basis points) for each position below 1st through 19th position (which would result in 10%). For any performance in 20th place or below, the percentage shall be 0.

The resulting number is the adjusted number of Restricted Stock Units and thus the number of shares of Common Stock actually issuable pursuant to the Key Employee's Performance-Based Restricted Stock Unit grant.

If a member is added or deleted from the TSR Comparator Group during the three-year performance period, such change will be made retroactively to the beginning of such performance period. If the number of members of the TSR Comparator Group changes, the Committee has the discretion to adjust the ranking levels and percentages set forth in the table above.

No Restricted Stock Units described in Section 2(b)(iii) will be awarded pursuant to this LTIP except on the basis of the attainment of the performance criteria set forth above and in the amount specified herein; provided that the Committee retains the discretion to reduce any amount of Restricted Stock Units awarded hereunder, to reduce the number of shares awarded pursuant to Restricted Stock Units or to terminate a Key Employee's participation in this LTIP. Except as set forth in the Restricted Stock Unit Agreement, an individual who is not employed by the Company or any of its affiliates on the date the Committee determines performance goal achievement will not be eligible to receive the Common Stock issuable pursuant to Restricted Stock Units.

3. **Vesting.** Except as otherwise specified by the Committee or as set forth in the Restricted Stock Unit Agreement of a Key Employee, each Restricted Stock Unit grant will be subject to a three-year cliff vesting schedule ending on the third anniversary of the date of grant.

4. **Dividends and Other Distributions**. Key Employees residing in the United States who hold Restricted Stock Units granted hereunder will be credited with an amount equal to the regular cash dividends that would be paid with respect to the underlying shares had they been issued (assuming that each Restricted Stock Unit represents one share of Common Stock) while such Restricted Stock Units are so held; provided that (a) the dividend equivalents attributable to Time-Based Restricted Stock Units shall be paid in cash to the Key Employees at the time the regular dividends are paid; and (b) in the case of Performance-Based Restricted Stock Units, the dividend equivalents (i) shall be accumulated and held until the end of the applicable vesting period, and (ii) except as otherwise set forth in the Restricted Stock Unit Agreement, shall be subject to adjustment as described in Section 2(c). The Committee shall have the discretion to determine the time at which dividend equivalents described in this Section 4(b) are credited and the form in which they will be credited and paid. The Committee may apply any other restrictions to any dividend equivalents that the Committee deems appropriate. Without limiting the generality of the preceding sentence, if the grant or vesting of Restricted Stock Units is intended to qualify as performance-based compensation, the Committee may apply any restrictions it deems appropriate to the payment of dividend equivalents declared with respect to such Restricted Stock Units, such that the dividend equivalents and/or the Restricted Stock Units maintain eligibility for the performance-based exception under Code Section 162(m). Key Employees who reside outside the United States will not be paid any dividends or dividend equivalents with respect to any Restricted Stock Units granted hereunder.

5. **Restricted Stock Unit Agreements.** Each Restricted Stock Unit grant awarded pursuant to this LTIP will be evidenced by a Restricted Stock Unit Agreement in accordance with Section 4.3 of the Stock Plan, which will specify the number of shares subject to the award, the vesting schedule, the payment provisions, including dividend payment provisions, if any, and such other provisions as the Committee determines including, without limitation, provisions regarding continued employment with the Company, restrictions based upon the achievement of specific Company-wide performance goals, time-based restrictions on vesting following the attainment of performance goals,

and/or restrictions under applicable federal or state securities laws.

6. **Amendment or Termination of LTIP**. Although it is intended that this LTIP be used to determine awards of Restricted Stock Units under the Stock Plan for 2012 and future years, the Committee reserves the right to amend or terminate the LTIP at any time, retroactively or otherwise.

7. **Capitalized Terms.** Capitalized terms used but not defined herein shall have the meanings assigned to such terms pursuant to the Stock Plan.

EXHIBIT 10.2

**THIRD AMENDMENT TO THE**
**NEWELL RUBBERMAID INC.**
**MANAGEMENT CASH BONUS PLAN**

The Newell Rubbermaid Inc. Management Cash Bonus Plan (the “Plan”), is further amended, effective as of February 8, 2012, with respect to bonuses paid for plan years beginning on or after January 1, 2012, as follows:

1. Section 6(c) of the Plan is hereby amended to read in its entirety as follows:

(c) Maximum Bonus Payment. The target and maximum annual bonus award payable to a Participant for a Plan Year is a percentage of his Salary, based on the Participant's participation category and the level of achievement of the performance goals, as set forth below:

| Participation Category | Bonus as a Percentage of Salary if Targets Achieved at 100% Level | Maximum Bonus as a Percentage of Salary |
|---|---|---|
| A/A/A (CEO) | 135% | 270% |
| CFO and Group Presidents | 85% | 170% |
| A/A | 75% | 150% |
| A/B | 65% | 130% |
| A/C | 55% | 110% |
| A | 45% | 90% |
| B/C | 35% | 70% |
| B | 33.5% | 67% |
| C | 16.75% | 33.5% |
| D | 8.375% | 16.75% |

Performance below the target levels will result in a lower or no bonus award.

In no event, however, shall any Participant be paid a bonus award for any Plan Year that exceeds $2,900,000.

This Amendment has been executed by the Corporation, by its duly authorized officer, as of this 8th day of February, 2012.

**NEWELL RUBBERMAID INC.**

By: /s/ James M. Sweet

Title: Executive Vice President - Human Resources and Corporate Communications

# NEWELL RUBBERMAID INC. 2010 STOCK PLAN

## CEO STOCK OPTION AGREEMENT

A Stock Option (the “Option”) granted by Newell Rubbermaid Inc., a Delaware corporation (the “Company”), to the employee named in the attached Option letter (the “Optionee”), for common stock, par value $1.00 per share and related common stock purchase rights (the “Common Stock”), of the Company, shall be subject to the following terms and conditions:

1. Stock Option Grant. Subject to the provisions set forth herein and the terms and conditions of the Newell Rubbermaid Inc. 2010 Stock Plan as amended July 1, 2011 (the “Plan”), a copy of which is attached hereto and the terms of which are hereby incorporated by reference, and in consideration of the agreements of the Optionee herein provided, the Company hereby grants to the Optionee an Option to purchase from the Company the number of shares of Common Stock, at the purchase price per share, and on the schedule, set forth in the attached Option letter. Any Incentive Stock Option is intended to be an incentive stock option within the meaning of Section 422A of the Internal Revenue Code of 1986.

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

3. Exercise of Option. Written notice of an election to exercise any portion of the Option shall be given by the Optionee, or his personal representative in the event of the Optionee's death, in accordance with procedures established by the Organizational Development and Compensation Committee of the Board of Directors of the Company (the “Committee”) as in effect at the time of such exercise.

At the time of exercise of the Option, payment of the purchase price for the shares of Common Stock with respect to which the Option is exercised must be made by one or more of the following methods: (i) in cash, (ii) in cash received from a broker-dealer to whom the Optionee has submitted an exercise notice and irrevocable instructions to deliver the purchase price to the Company from the proceeds of the sale of shares subject to the Option, (iii) by delivery to the Company of other Common Stock owned by the Optionee that is acceptable to the Company, valued at its fair market value on the date of exercise, or (iv) by certifying to ownership by attestation of such previously owned Common Stock.

If applicable, an amount sufficient to satisfy all minimum Federal, state and local withholding tax requirements prior to delivery of any certificate for shares of Common Stock must also accompany the exercise. Payment of such taxes can be made by a method specified above, and/or by directing the Company to withhold such number of shares of Common Stock otherwise issuable upon exercise of the Option with a fair market value equal to the amount of tax to be withheld.

4. Exercise Upon Termination of Employment.

(a) Service on the Board Terminates.

(i) If the Optionee's employment with the Company and all affiliates terminates for any reason other than death, disability or retirement (as defined below), and in connection therewith the Optionee's service on the Board terminates, the Option shall expire on the date of such termination of employment, and no portion shall be exercisable after the date of such termination.

(ii) In the event of the Optionee's death, or if the Optionee's employment with the Company and all affiliates terminates due to disability and in connection therewith his service on the Board terminates, the outstanding portion of the Option shall become fully vested on such date and shall continue to be exercisable until the earlier of the first anniversary of the date of the Optionee's termination of employment, or the date the Option expires by its terms.

(iii) If the Optionee's employment with the Company and all affiliates terminates due to retirement, and in connection therewith his service on the Board terminates, the outstanding portion of the Option shall become fully vested on such date if so provided in the table set forth below and the vested portion of the Option

shall continue to be exercisable until the earlier of the date specified in the table or the date the Option expires by its terms.

| Age or Points | Vesting | Exercise Date |
|---|---|---|
| Age 65 or 70 or more points | All unvested options vest | 10 years following termination of employment |
| 65-69 points | All unvested options vest | 5 years following termination of employment |
| 60-64 points | All unvested options expire | 1 year following termination of employment |

(b) Service on the Board Continues.

(i) If the Optionee's employment with the Company and all affiliates terminates for any reason other than death, disability or retirement, and the Optionee's service on the Board continues thereafter, the outstanding portion of the Option shall continue to vest and remain exercisable in accordance with the Option letter. If the Optionee's service on the Board subsequently terminates, then (A) if the termination of service is due to death or disability, the outstanding portion of the Option shall become fully vested on such date and shall continue to be exercisable until the earlier of the first anniversary of the date of the Optionee's termination of service or the date the Option expires by its terms, (B) if the termination of service is due to retirement, the outstanding portion of the Option shall continue to vest and remain exercisable in the same manner and to the same extent as if the Optionee had continued service on the Board, and (C) if the termination of service is for any reason other than death, disability or retirement, the outstanding portion of the Option shall expire on the date of such termination of service, and no portion shall be exercisable after the date of such termination of service.

(ii) If the Optionee's employment with the Company and all affiliates terminates due to disability or retirement, and the Optionee's service on the Board continues thereafter, the outstanding portion of the Option shall become fully vested on such date and remain exercisable in accordance with the Option letter. If the Optionee's service on the Board subsequently terminates, then (A) if the termination of service is due to death or disability, the outstanding portion of the Option shall continue to be exercisable until the earlier of the first anniversary of the Optionee's termination of service or the date the Option expires by its terms; (B) if the termination of service is due to retirement, the outstanding portion of the Option shall remain exercisable in the same manner and to the extent as if the Optionee had continued service on the Board; and (C) if the termination of service is for any reason other than death, disability or retirement, the outstanding portion of the Option shall expire on the latest of (I) the date of the Optionee's termination of service, (II) the first anniversary of the date of the Optionee's termination of employment or, (III) in the event of the Optionee's prior retirement from the Company, the anniversary of the date of such retirement as may be applicable under Section 4.a.iii above, but in each case no event later than the date the Option expires by its terms, and no portion of the Option shall be exercisable after the date of such expiration.

(c) Definitions. For purposes of this Section 4:

(i) “disability” means (as determined by the Committee in its sole discretion) the inability of the Optionee to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which is expected to result in death or disability or which has lasted or can be expected to last for a continuous period of not less than 12 months;

(ii) “retirement” means (A) while the Optionee is employed, the Optionee's termination of employment without cause on or after the date on which the Optionee has completed five years of credited service and either (I) has attained age 65 or (II) has attained age 55 and the sum of his age and credited service (his “points”) equals or exceeds 60; or (B) while the Optionee is a non-employee Director, retirement in accordance with the Company's retirement policy for Directors;

(iii) "credited service" means the Optionee's period of employment with the Company and all affiliates (including any predecessor company or business acquired by the Company or any affiliate, provided the Optionee was immediately employed by the Company or any affiliate). Age and credited service shall be determined in fully completed years and months, with each month being measured as a continuous period of 30 days;

(iv) "cause" means the Optionee's termination of employment due to unsatisfactory performance or conduct detrimental to the Company or its affiliates, as determined solely by the Company; and

(v) "affiliate" means each entity with whom the Company would be considered a single employer under Sections 414(b) and 414(c) of the Code, substituting "at least 50%" instead of "at least 80%" in making such determination.

(d) General.

(i) Any Optionee whose employment terminates due to retirement as described in this Section 4 must execute and deliver to the Company an agreement, in a form prescribed by the Company, and in accordance with procedures established by the Company, that he will not solicit employees, customers or suppliers of the Company and its affiliates, or compete with the Company and its affiliates, and that he releases all claims against the Company and its affiliates. If the Optionee fails to execute such agreement, or if the agreement is revoked by the Optionee, the Option shall expire on the date of the Optionee's retirement, and no portion shall be exercisable after the date of such retirement.

(ii) The foregoing provisions of this Section 4 shall be subject to the provisions of any written employment security agreement or severance agreement that has been or may be executed by the Optionee and the Company, and the provisions in such employment security agreement or severance agreement concerning exercise of an Option shall supercede any inconsistent or contrary provisions of this Section 4.

(iii) Full vesting of an Incentive Stock Option may result in all or part of the Option being treated as a Non-Qualified Stock Option in accordance with Section 6.4(a) of the Plan.

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

6. Surrender of or Changes to Agreement. In the event the Option shall be exercised in whole, this Agreement shall be surrendered to the Company for cancellation. In the event this Option shall be exercised in part or a change in the number of designation of the shares of Common Stock shall be made, this Agreement shall be delivered by the Optionee to the Company for the purpose of making appropriate notation thereon, or of otherwise reflecting, in such manner as the Company shall determine, the change in the number or designation of such shares.

7. Administration. The Option shall be exercised in accordance with such administrative regulations as the Committee shall from time to time adopt.

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

9. Data Privacy Consent. The Grantee hereby consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this document by the Company and its subsidiaries for the exclusive purpose of implementing, administering and managing Grantee's participation in the Plan. The Grantee understands that the Company and its subsidiaries hold certain personal information about the Grantee, including, but

not limited to, name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all options or any other entitlement to shares of stock or stock units awarded, canceled, purchased, exercised, vested, unvested or outstanding in the Grantee's favor for the purpose of implementing, managing and administering the Plan (“Data”). The Grantee understands that the Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Grantee's country or elsewhere and that the recipient country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that he may request a list with the names and addresses of any potential recipients of the Data by contacting the local human resources representative. The Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's participation in the Plan, including any requisite transfer of such Data, as may be required to a broker or other third party with whom the Grantee may elect to deposit any shares or other award acquired under the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage participation in the Plan. The Grantee understands that he may, at any time, view Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting the local human resources representative in writing. The Grantee understands that refusing or withdrawing consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of refusing to consent or withdrawing consent, the Grantee understands that he may contact his or her local human resources representative.

10. Electronic Delivery. The Grantee hereby consents and agrees to electronic delivery of any documents that the Company may elect to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other award made or offered under the Plan. The Grantee understands that, unless earlier revoked by the Grantee by giving written notice to the Secretary of the Company, this consent shall be effective for the duration of the Agreement. The Grantee also understands that he or she shall have the right at any time to request that the Company deliver written copies of any and all materials referred to above at no charge. The Grantee hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may elect to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature. The Grantee consents and agrees that any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to the Plan.

NEWELL RUBBERMAID INC.

Senior Vice President, General Counsel and
Corporate Secretary

EXHIBIT 31.1

**CERTIFICATION**

I, Michael B. Polk, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended March 31, 2012 of Newell Rubbermaid Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2012

/s/ Michael B. Polk

Michael B. Polk
Chief Executive Officer

EXHIBIT 31.2

**CERTIFICATION**

I, Juan R. Figuereo, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended March 31, 2012 of Newell Rubbermaid Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 9, 2012

/s/ Juan R. Figuereo

Juan R. Figuereo
Chief Financial Officer

EXHIBIT 32.1

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

In connection with the Quarterly Report of Newell Rubbermaid Inc. (the “Company”) on Form 10-Q for the period ending March 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael B. Polk, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael B. Polk

Michael B. Polk
Chief Executive Officer
May 9, 2012

EXHIBIT 32.2

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

In connection with the Quarterly Report of Newell Rubbermaid Inc. (the “Company”) on Form 10-Q for the period ending March 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Juan R. Figuereo, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Juan R. Figuereo

Juan R. Figuereo
Chief Financial Officer
May 9, 2012

EXHIBIT 99.1

**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, 2011, as well as in its Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, and the documents incorporated by reference therein that constitute forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties. The statements relate to, and other forward-looking statements that may be made by the Company may relate to, but are not limited to, information or assumptions about the effects of Project Renewal, the European Transformation Plan, sales (including pricing), income/ (loss), earnings per share, return on equity, return on invested capital, capital and other expenditures, working capital, cash flow, dividends, capital structure, debt to capitalization ratios, availability of financing, interest rates, restructuring and restructuring-related costs, impairment and other charges, potential losses on divestitures, impacts of changes in accounting standards, pending legal proceedings and claims (including environmental matters), future economic performance, operating income or gross margin improvements or declines, costs and cost savings (including raw material and sourced product inflation, productivity and streamlining), synergies, and management's plans, goals and objectives for future operations, performance and growth. These statements generally are accompanied by words such as “intend,” “anticipate,” “believe,” “estimate,” “project,” “target,” “plan,” “expect,” “will,” “should,” “would” or similar statements. Forward-looking statements are not guarantees because there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. The factors that are discussed below, as well as the matters that are set forth generally in the 2011 Form 10-K and the first quarter 2012 Form 10-Q and the documents incorporated by reference therein could cause actual results to differ. Some of these factors are described as criteria for success. The Company's failure to achieve, or limited success in achieving, these objectives could result in actual results differing materially from those expressed or implied in the forward-looking statements. In addition, there can be no assurance that the Company has correctly identified and assessed all of the factors affecting the Company or that the publicly available and other information the Company receives with respect to these factors is complete or correct.

**The Company is subject to risks related to its dependence on the strength of retail, commercial and industrial sectors of the economy in various parts of the world.**

The Company's business depends on the strength of the retail, commercial and industrial sectors of the economy in various parts of the world, primarily in North America, and to a lesser extent Europe, Central and South America, and Asia. These sectors of the economy are affected primarily by factors such as consumer demand and the condition of the retail industry, which, in turn, are affected by general economic conditions. With continuing challenging and increasingly volatile economic conditions in the U.S., Western Europe and elsewhere, there has been considerable pressure on consumer demand, and the resulting impact on consumer spending has had and may continue to have an adverse effect on demand for the Company's products as well as its financial condition and results of operations. The Company could also be negatively impacted by economic crises in specific countries or regions, including the deterioration in the creditworthiness of, or a default by, the issuers of sovereign debt. Such events could negatively impact the Company's overall liquidity and/or create significant credit risks relative to its local customers and depository institutions. Consumer demand and the condition of these sectors of the economy may also be impacted by other external factors such as war, terrorism, geopolitical uncertainties, public health issues, natural disasters and other business interruptions. The impact of these external factors is difficult to predict, and one or more of the factors could adversely impact the Company's business.

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

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

The combination of these market influences has created an intensely competitive environment in which the Company's principal customers continuously evaluate which product suppliers to use, resulting in downward pricing pressures and the need for big, consumer-meaningful brands, the ongoing introduction and commercialization of innovative new products, continuing improvements in category management and customer service, and the maintenance of strong relationships with large, high-volume purchasers. The Company also faces the risk of changes in the strategy or structure of its major retailer customers, such as overall store and inventory reductions and retailer consolidation. The intense competition in the retail sector combined with the overall

economic environment may result in a number of retailers experiencing financial difficulty or failing in the future. In particular, a failure by one of the Company's large retail customers would adversely impact the Company's sales and operating cash flows. As a result of these factors, the Company may experience a loss of sales, reduced profitability and a limited ability to recover cost increases through price increases.

**If the Company is unable to commercialize a continuing stream of new products that create demand, the Company's ability to compete in the marketplace may be adversely impacted.**

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

**If the Company does not continue to develop and maintain consumer-meaningful brands, its operating results may suffer.**

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

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

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

**The Company's plans to continue to improve productivity and reduce complexity and costs may not be successful, which would adversely affect its ability to compete.**

The Company's success depends on its ability to continuously improve its manufacturing operations to gain efficiencies, reduce supply chain costs and streamline or redeploy nonstrategic selling, general and administrative expenses in order to produce products at a best-cost position and allow the Company to invest in innovation and brand building. In October 2011, the Company announced Project Renewal, a global initiative designed to reduce the complexity of the organization and increase investment in the Company's most significant growth platforms. In June 2010, the Company announced its European Transformation Plan, a program to simplify and centralize its European business and leverage the benefits of scale and to facilitate a more efficient and cost-effective implementation of an enterprise resource planning program. The Company runs the risk that these and similar initiatives may not be completed substantially as planned, may be more costly to implement than expected, or may not have the positive effects anticipated. It is also possible that other major productivity and streamlining programs may be required in the future.

**If the Company is unable to make strategic acquisitions and to integrate its acquired businesses, the Company's future growth could be adversely impacted.**

Although the Company is increasingly emphasizing internal growth rather than growth by acquisition, the Company's ability to continue to make strategic acquisitions and to integrate the acquired businesses successfully, including obtaining anticipated cost savings and operating income improvements within a reasonable period of time, remain important factors in the Company's future growth. Furthermore, the Company's ability to finance major acquisitions may be adversely affected by the Company's financial position and access to credit markets. In addition, significant additional borrowings would increase the Company's borrowing costs and could adversely affect its credit rating and could constrain the Company's future access to capital.

**Circumstances associated with divestitures could adversely affect the Company's results of operations and financial condition.**

The Company continues to evaluate the performance and strategic fit of its businesses and products and may decide to sell or discontinue a business based on such an evaluation. A decision to divest or discontinue a business may result in asset impairments, including those related to goodwill and other intangible assets, and losses upon disposition, both of which could have an adverse effect on the Company's results of operations and financial condition. In addition, the Company may encounter difficulty in finding buyers or executing alternative exit strategies at acceptable prices and terms and in a timely manner. In addition, prospective buyers may have difficulty obtaining financing. Divestitures and business discontinuations could involve additional risks, including the following:

- difficulties in the separation of operations, services, products and personnel;
- the diversion of management's attention from other business concerns;
- the retention of certain current or future liabilities in order to induce a buyer to complete a divestiture;
- the disruption of the Company's business; and
- the potential loss of key employees.

The Company may not be successful in managing these or any other significant risks that it may encounter in divesting or discontinuing a business.

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

International operations, especially in Europe, but also in Asia, Central and South America, and Canada, are important to the Company's business, and the Company's strategy emphasizes international growth. In addition, as the Company sources products in low-cost countries, particularly in Asia, it is exposed to additional risks and uncertainties. Foreign operations can be affected by factors such as currency devaluation; other currency fluctuations; tariffs; nationalization; exchange controls; labor inflation; interest rates; limitations on foreign investment in local business; and other political, economic and regulatory risks and difficulties. The Company also faces risks due to the transportation and logistical complexities inherent in reliance on foreign sourcing.

Venezuela was designated as a highly inflationary economy effective January 1, 2010, and, accordingly, gains and losses resulting from the translation of the net assets (excluding nonmonetary assets) of operations in Venezuela into U.S. Dollars are recorded in earnings. See Footnote 1 of the Notes to Condensed Consolidated Financial Statements for further information.

**The inability to obtain raw materials and finished goods in a timely manner from suppliers would adversely affect the Company's ability to manufacture and market its products.**

The Company purchases raw materials to be used in manufacturing its products. In addition, the Company relies on third-party manufacturers as a source for finished goods. The Company typically does not enter into long-term contracts with its suppliers or sourcing partners. Most raw materials and sourced goods are obtained on a “purchase order” basis; however, in limited cases where the Company has supply contracts with fixed prices, the Company may be required to purchase raw materials at above-market prices, which could adversely impact gross margins. In addition, in some instances the Company maintains single-source or limited-source sourcing relationships, either because multiple sources are not available or the relationship is advantageous due to performance, quality, support, delivery, capacity or price considerations. Financial, operating or other difficulties encountered by the Company's suppliers and/or sourcing partners or changes in the Company's relationships with them could result in manufacturing or sourcing interruptions, delays and inefficiencies, and prevent the Company from manufacturing or obtaining the finished goods necessary to meet customer demand.

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

The Company is in the process of replacing various business information systems worldwide with an enterprise resource planning system from SAP. Through March 31, 2012, the North American operations of substantially all of the Company's nine GBUs have successfully gone live with their SAP implementation efforts. These go-lives are the first major milestones in a multi-year implementation that will occur in several phases, primarily based on geographic region and segment. This activity involves the migration of multiple legacy systems and users to a common SAP information platform. Throughout this process, the Company is changing the way it conducts business and employees' roles in processing and utilizing information. In addition, this conversion will impact certain interfaces with the Company's customers and suppliers, resulting in changes to the manner in which the Company takes orders, procures materials, schedules production, remits billings, makes payments and performs other business functions. Based upon the complexity of this initiative, there is risk that the Company will be unable to complete the implementation in accordance with its timeline and will incur additional costs. The implementation could result in operating inefficiencies, and th

e implementation could impact the Company's ability to perform necessary business transactions, including its ability to supply products on a timely basis. The Company's go-lives have been and will continue to be in a phased approach to reduce the risk of business disruption throughout the Company's business units and regions. However, there can be no assurance that the risk of business disruption can be eliminated with the Company's phased approach. All of these risks could adversely impact the Company's results of operations, financial condition and cash flows.

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

Future events may occur that would adversely affect the reported value of the Company's assets and require impairment charges. Such events may include, but are not limited to, strategic decisions made in response to changes in economic and competitive conditions, the impact of the economic environment on the Company's sales and customer base, the unfavorable resolution of litigation, a material adverse change in the Company's relationship with significant customers or business partners, or a sustained decline in the Company's stock price. The Company continues to evaluate the impact of economic and other developments on the Company and its business units to assess whether impairment indicators are present. Accordingly, the Company may be required to perform impairment tests based on changes in the economic environment and other factors, and these tests could result in impairment charges in the future.

**The Company's businesses are subject to regulation in the U.S. and abroad.**

Changes in laws, regulations and related interpretations may alter the environment in which the Company does business. This includes changes in environmental, competitive and product-related laws, as well as changes in accounting standards, taxation and other regulations. Accordingly, the Company's ability to manage regulatory, tax and legal matters (including environmental, human resource, product liability, patent and intellectual property matters), and to resolve pending legal matters without significant liability could require the Company to take significant reserves in excess of amounts accrued to date or pay significant fines during a reporting period, which could materially impact the Company's results. In addition, new regulations may be enacted in the U.S. or abroad that may require the Company to incur additional personnel-related, environmental or other costs on an ongoing basis, significantly restrict the Company's ability to sell certain products, or incur fines or penalties for noncompliance, any of which could adversely affect the Company's results of operations. Lastly, as a U.S.-based multi-national company, the Company is also subject to tax regulations in the U.S. and multiple foreign jurisdictions, some of which are interdependent. For example, certain income that is earned and taxed in countries outside the U.S. is not taxed in the U.S., provided those earnings are indefinitely reinvested outside the U.S. If these or other tax regulations should change, the Company's financial results could be impacted.

**The resolution of the Company's tax contingencies may result in additional tax liabilities, which could adversely impact the Company's cash flows and results of operations.**

The Company is subject to income tax in the U.S. and numerous jurisdictions outside the U.S. Significant estimation and judgment is required in determining the Company's worldwide provision for income taxes. In the ordinary course of the Company's business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Company is regularly under audit by tax authorities. Although the Company believes its tax estimates are reasonable, the final outcome of tax audits and related litigation could be materially different than that reflected in its historical income tax provisions and accruals. There can be no assurance that the resolution of any audits or litigation will not have an adverse effect on future operating results.

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

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

**If the Company is unable to access the capital markets to refinance its maturing debt, its borrowing costs could increase.**

As of March 31, 2012, the Company had $509.7 million of debt that it will be required to refinance or repay within the next 12 months. It is possible that the Company may seek to address its short-term obligations through the capital markets or other arrangements. However, access to the capital markets cannot be assured, and although the Company believes that alternative arrangements will be available to refinance these obligations, such arrangements could result in an increase in the Company's borrowing costs.

**A reduction in the Company's credit ratings could materially and adversely affect its business, financial condition and results of operations.**

The Company's current senior debt credit ratings from Moody's Investors Service, Standard & Poor's and Fitch Ratings are Baa3, BBB- and BBB, respectively. Its current short-term debt credit ratings from Moody's Investors Service, Standard & Poor's and Fitch Ratings are P-3, A-3 and F-2, respectively. Moody's, Standard & Poor's and Fitch have a stable outlook on their ratings. The Company cannot be sure that any of its current ratings will remain in effect for any given period of time or that a rating will not be lowered by a rating agency if, in its judgment, circumstances in the future so warrant. A downgrade by Moody's or Standard & Poor's, which would reduce the Company's senior debt below investment-grade, could increase the Company's borrowing costs, which would adversely affect the Company's financial results. The Company would likely be required to pay a higher interest rate in future financings, and its potential pool of investors and funding sources could decrease. If the Company's short-term ratings were to be lowered, it would limit, or eliminate entirely, the Company's access to the commercial paper market. The ratings from credit agencies are not recommendations to buy, sell or hold the Company's securities, and each rating should be evaluated independently of any other rating.

**The level of returns on pension and postretirement plan assets and the actuarial assumptions used for valuation purposes could affect the Company's earnings and cash flows in future periods. Changes in government regulations could also affect the Company's pension and postretirement plan expenses and funding requirements.**

The funding obligations for the Company's pension plans are impacted by the performance of the financial markets, particularly the equity markets, and interest rates. Funding obligations are determined under government regulations and are measured each year based on the value of assets and liabilities on a specific date. If the financial markets do not provide the long-term returns that are expected under the governmental funding calculations, the Company could be required to make larger contributions. The equity markets can be, and recently have been, very volatile, and therefore the Company's estimate of future contribution requirements can change dramatically in relatively short periods of time. Similarly, changes in interest rates and legislation enacted by governmental authorities can impact the timing and amounts of contribution requirements. An adverse change in the funded status of the plans could significantly increase the Company's required contributions in the future and adversely impact its liquidity.

Assumptions used in determining projected benefit obligations and the fair value of plan assets for the Company's pension and other postretirement benefit plans are determined by the Company in consultation with outside actuaries. In the event that the Company determines that changes are warranted in the assumptions used, such as the discount rate, expected long-term rate of return on assets, or expected health care costs, the Company's future pension and postretirement benefit expenses could increase or decrease. Due to changing market conditions or changes in the participant population, the assumptions that the Company uses may differ from actual results, which could have a significant impact on the Company's pension and postretirement liabilities and related costs and funding requirements.