



Dividends per share	\$ 0.21	\$ 0.20	\$ 0.63	\$ 0.60
Weighted average shares outstanding:				
Basic	266,567	281,937	269,056	281,738
Diluted	276,500	292,041	278,987	281,738

See notes to consolidated financial statements.

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

	September 30, 2000	% of Total	December 31, 1999	% of Total
	-----	-----	-----	-----
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 21,439	0.3%	\$ 102,164	1.5%
Accounts receivable, net	1,236,989	18.2%	1,178,423	17.5%
Inventories, net	1,170,533	17.3%	1,034,794	15.4%
Deferred income taxes	260,914	3.8%	250,587	3.7%
Prepaid expenses and other	164,401	2.4%	172,601	2.6%
	-----	-----	-----	-----
TOTAL CURRENT ASSETS	2,854,276	42.0%	2,738,569	40.7%
MARKETABLE EQUITY SECURITIES	6,892	0.1%	10,799	0.2%
OTHER LONG-TERM INVESTMENTS	71,863	1.1%	65,905	1.0%
OTHER ASSETS	308,228	4.5%	335,699	5.0%
PROPERTY, PLANT AND EQUIPMENT, NET	1,573,960	23.2%	1,548,191	23.0%
TRADE NAMES AND GOODWILL	1,973,309	29.1%	2,024,925	30.1%
	-----	-----	-----	-----
TOTAL ASSETS	\$6,788,528	100.0%	\$6,724,088	100.0%
	=====	=====	=====	=====

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

	September 30, 2000	% of Total	December 31, 1999	% of Total
	-----	-----	-----	-----
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Notes payable	\$ 19,501	0.3%	\$ 97,291	1.4%
Accounts payable	343,511	5.1%	376,596	5.6%
Accrued compensation	103,236	1.5%	113,373	1.7%
Other accrued liabilities	781,421	11.5%	892,481	13.3%
Income taxes	92,523	1.3%	-	-
Current portion of long-term debt	100,017	1.5%	150,142	2.2%
	-----	-----	-----	-----

TOTAL CURRENT LIABILITIES	1,440,209	21.2%	1,629,883	24.2%
LONG-TERM DEBT	2,064,746	30.4%	1,455,779	21.7%
OTHER NON-CURRENT LIABILITIES	345,477	5.1%	354,107	5.3%
DEFERRED INCOME TAXES	58,877	0.9%	85,655	1.3%
MINORITY INTEREST	1,181	0.0%	1,658	0.0%
COMPANY-OBLIGATED MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED SECURITIES OF A SUBSIDIARY TRUST	500,000	7.4%	500,000	7.4%
STOCKHOLDERS' EQUITY				
Common stock - authorized shares, 800.0 million at \$1 par value; Outstanding shares:	282,170	4.1%	282,026	4.2%
2000 282.2 million				
1999 282.0 million				
Treasury stock; Outstanding shares:	(407,458)	(6.0%)	(2,760)	(0.1%)
2000 15.6 million				
1999 0.1 million				
Additional paid-in capital	214,868	3.2%	213,112	3.2%
Retained earnings	2,492,564	36.7%	2,334,609	34.7%
Accumulated other comprehensive loss	(204,106)	(3.0%)	(129,981)	(1.9%)
	-----	----	-----	----
TOTAL STOCKHOLDERS' EQUITY	2,378,038	35.0%	2,697,006	40.1%
	-----	----	-----	----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$6,788,528	100.0%	\$6,724,088	100.0%
	=====	=====	=====	=====

See notes to consolidated financial statements.

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

	For the Nine Months Ended September 30,	
	2000	1999
	----	----
OPERATING ACTIVITIES:		
Net income	327,234	23,792
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	221,837	198,202
Deferred income taxes	(32,992)	25,061
Net loss on marketable equity securities	-	822
Other	(6,813)	159,323
Changes in current accounts, excluding the effects of acquisitions:		
Accounts receivable	(53,870)	(123,436)
Inventories	(145,570)	(57,339)
Other current assets	1,164	(12,756)
Accounts payable	(31,025)	1,416
Accrued liabilities and other	4,873	73,210
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 284,838	\$ 288,295
	-----	-----
INVESTING ACTIVITIES:		
Acquisitions, net	\$ (70,790)	\$ (34,907)
Expenditures for property, plant and equipment	(240,501)	(139,726)
Sale of marketable equity securities	-	11,438
Disposals of non-current assets and other	15,504	22,301
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	\$ (295,787)	\$ (140,894)
	-----	-----

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

For the Nine Months Ended  
 September 30,

-----

2000                      1999  
 ----                      ----

FINANCING ACTIVITIES:		
Proceeds from issuance of debt	\$ 831,945	\$548,779
Payments on notes payable and long-term debt	(324,939)	(603,812)
Proceeds from exercised stock options and other	(147)	26,537
Common stock repurchase	(402,962)	-
Cash dividends	(169,102)	(169,437)
	-----	-----
NET CASH USED IN FINANCING ACTIVITIES	\$ (65,205)	\$(197,933)
	-----	-----
Exchange rate effect on cash	(4,571)	(2,040)
DECREASE IN CASH AND CASH EQUIVALENTS	\$ (80,725)	\$ (52,572)
	-----	-----
Cash and cash equivalents at beginning of year	102,164	86,554
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 21,439	\$ 33,982
	=====	=====
Supplemental cash flow disclosures -		
Cash paid during the period for:		
Income taxes	\$ 121,315	\$ 105,995
Interest	\$ 133,768	\$ 100,841

See notes to consolidated financial statements.

NEWELL RUBBERMAID INC. AND SUBSIDIARIES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - GENERAL INFORMATION

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

NOTE 2 - ACQUISITIONS

The Company acquired Mersch SA ("Mersch") on January 24, 2000 and Brio on May 24, 2000. Both are manufacturers and suppliers of picture frames in Europe, and now operate as part of Newell Frames and Albums Europe.

For these and for other minor acquisitions, the Company paid \$50.8 million in cash and assumed \$10.6 million of debt. The transactions were accounted for as purchases; therefore, results of

operations are included in the accompanying consolidated financial statements since their respective acquisition dates. The acquisition costs were allocated on a preliminary basis to the fair market value of the assets acquired and liabilities assumed and resulted in trade names and goodwill of approximately \$31.2 million.

The Company began to formulate an integration plan for these acquisitions as of their respective acquisition dates. These plans may include exit costs for certain plants and product lines and employee terminations associated with the integrations. The final adjustments to the purchase price allocations are not expected to be material to the consolidated financial statements.

The unaudited consolidated results of operations for the nine months ended September 30, 2000 and 1999 on a pro forma basis, as though the Mersch and Brio businesses (as well as the 1999 acquisitions of Ateliers 28, Reynolds, McKechnie and Ceanothe) had been acquired on January 1, 1999, are as follows:

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Nine Months Ended  
September 30,  
-----  
(in millions,  
except per share amounts)

	2000 ----	1999 ----
Net sales	\$ 4,962.5	\$ 5,018.6
Net income	\$ 327.0	\$ 24.0
Basic earnings per share	\$ 1.22	\$ 0.09

NOTE 3 - RESTRUCTURING COSTS

In the first nine months of 2000, the Company recorded a pre-tax restructuring charge of \$12.8 million (\$7.9 million after taxes). This restructuring charge included \$5.6 million of facility exit costs, \$4.8 million of severance costs, \$1.7 million of costs to exit contractual commitments and \$0.7 million of discontinued product lines. Most of these restructuring charges were associated with the integration of the Rubbermaid businesses into Newell.

As of September 30, 2000, \$12.6 million of reserves remain. These reserves consist primarily of \$5.5 million for exit costs associated with the closure of four facilities, \$4.7 million in contractual future maintenance costs on abandoned Rubbermaid computer software and \$2.4 million for exit costs associated with discontinued product lines at Little Tikes.

NOTE 4 - INVENTORIES

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

	September 30, 2000 -----	December 31, 1999 -----
Materials and supplies	\$ 249.7	\$ 240.0
Work in process	179.0	149.5
Finished products	741.8	645.3
	-----	-----
	\$ 1,170.5	\$ 1,034.8
	=====	=====

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NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

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

	September 30, 2000	December 31, 1999
	-----	-----
Land	\$ 58.9	\$ 63.4
Buildings and improvements	688.6	691.3
Machinery and equipment	2,265.5	2,200.7
	-----	-----
	\$ 3,013.0	\$ 2,955.4
Allowance for depreciation	(1,439.0)	(1,407.2)
	-----	-----
	\$ 1,574.0	\$ 1,548.2
	=====	=====

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

#### NOTE 6 - LONG-TERM DEBT

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

	September 30, 2000	December 31, 1999
	-----	-----
Medium-term notes	\$ 1,109.5	\$ 859.5
Commercial paper	1,050.0	718.5
Other long-term debt	5.2	27.9
	-----	-----
	\$ 2,164.7	\$ 1,605.9
Current portion	(100.0)	(150.1)
	-----	-----
	\$ 2,064.7	\$ 1,455.8
	=====	=====

At September 30, 2000, \$1,050.0 million (principal amount) of long-term commercial paper was outstanding. The entire amount is classified as long-term debt because the amount is backed by a long-term revolving credit agreement.

#### NOTE 7 - EARNINGS PER SHARE

The earnings per share amounts are computed based on the weighted average monthly number of shares outstanding during the year. "Basic" earnings per share is calculated by dividing net income by weighted average shares outstanding. "Diluted" earnings per share is calculated by dividing net income by weighted average shares outstanding, including the assumption of the exercise and/or conversion of all potentially dilutive securities ("in the money" stock options and company-obligated mandatorily redeemable convertible preferred securities of a subsidiary trust). A reconciliation of the difference between basic and diluted earnings per share for the first nine months of 2000 and 1999 is shown below (in millions, except per share data):

	Basic Method	"In the money" stock options	Convertible Preferred Securities	Diluted Method
	-----	-----	-----	-----
Three months ended September 30, 2000:				
Net Income	\$ 123.0	N/A	\$ 4.1	\$ 127.1
Weighted average shares outstanding	266.6	0.0	9.9	276.5
Earnings per Share	\$ 0.46	-	-	\$ 0.46
Three months ended September 30, 1999:				
Net Income	\$ 72.7	N/A	4.1	\$ 76.8
Weighted average shares outstanding	281.9	0.2	9.9	292.0
Earnings per Share	\$ 0.26	-	-	\$ 0.26

Nine months ended September 30, 2000:				
Net Income	\$ 327.2	N/A	12.3	\$ 339.5
Weighted average				
shares outstanding	269.1	0.0	9.9	279.0
Earnings per Share	\$ 1.22	-	-	\$ 1.22
Nine months ended September 30, 1999:				
Net Income	\$ 23.8	N/A	0.0	\$ 23.8
Weighted average				
shares outstanding	281.7	0.0	0.0	281.7
Earnings per Share (A)	\$ 0.08	-	-	\$ 0.08

(A) Diluted earnings per share for this period excludes the impact of "in the money" stock options and convertible preferred securities because they are antidilutive.

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#### NOTE 8 - COMPREHENSIVE INCOME (LOSS)

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

	Nine months ended September 30,		
	2000	1999	
Comprehensive Income (Loss):			
Net income	\$ 327.2	\$ 23.8	
Unrealized gain (loss) on marketable securities	(2.6)	4.5	
Foreign currency translation (loss)	(71.5)	(35.1)	
	-----	-----	
Total Comprehensive Income (Loss)	\$ 253.1	\$(6.8)	
	=====	=====	
Accumulated Other Comprehensive Income (Loss):			
Balance at December 31, 1999	\$ 0.1	\$ (130.1)	\$ (130.0)
Change during nine months ended September 30, 2000	(2.6)	(71.5)	(74.1)
	-----	-----	-----
Balance at September 30, 2000	\$ (2.5)	\$ (201.6)	\$ (204.1)
	=====	=====	=====

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#### NOTE 9 - INDUSTRY SEGMENT INFORMATION

The Company's results by business segment were as follows, in millions:

For the three months

For the nine months

	ended September 30,		ended September 30,	
	2000	1999	2000	1999
----- Net Sales -----				
Plastic Storage & Organization	\$ 433.2	\$ 435.9	\$ 1,286.6	\$ 1,327.9
Home Decor	326.4	327.8	972.1	941.6
Office Products	326.9	309.3	948.0	885.5
Infant/Juvenile Care & Play	221.5	194.4	675.2	609.3
Hardware & Tools	181.1	147.7	535.0	432.7
Food Preparation, Cooking & Serving	197.6	194.4	532.2	526.0
	-----	-----	-----	-----
	\$1,686.7	\$1,609.5	\$4,949.1	\$4,723.0
	=====	=====	=====	=====
----- Operating Income -----				
Plastic Storage & Organization	\$ 58.0	\$ 33.3	\$ 153.6	\$ 9.8
Home Decor	43.3	40.0	117.0	118.5
Office Products	62.4	46.7	195.5	158.4
Infant/Juvenile Care & Play	25.3	(0.8)	82.3	24.2
Hardware & Tools	35.1	27.3	87.8	77.6
Food Preparation, Cooking & Serving	35.3	34.8	72.3	70.5
Corporate	(18.6)	(16.9)	(58.6)	(57.7)
	-----	-----	-----	-----
	240.8	164.4	649.9	401.3
Restructuring costs	(4.2)	(14.5)	(12.8)	(201.2)
	-----	-----	-----	-----
	\$236.6	\$149.9	\$637.1	\$200.1
	=====	=====	=====	=====

	September 30, 2000	December 31, 1999
	-----	-----
----- Identifiable Assets -----		
Plastic Storage & Organization	\$1,178.3	\$1,155.3
Home Decor	821.4	818.0
Office Products	745.8	720.9
Infant/Juvenile Care & Play	490.1	433.9
Hardware & Tools	368.1	376.5
Food Preparation, Cooking & Serving	567.4	539.8
Corporate	2,617.4	2,679.7
	-----	-----
	\$6,788.5	\$6,724.1
	=====	=====

Operating income is net sales less cost of products sold and selling, general and administrative ("SG&A") expenses, but is not affected either by nonoperating (income) expenses or by income taxes. Nonoperating (income) expenses consists principally of net interest expense. In calculating operating income for individual business segments, certain headquarter expenses of an operational nature are allocated to business segments primarily on a net sales basis. Trade names and goodwill amortization is considered a corporate expense and not allocated to business segments. All intercompany transactions have been eliminated and transfers of finished goods between areas are not significant. Corporate assets primarily include trade names and goodwill, equity investments and deferred tax assets.

NOTE 10 - NEW ACCOUNTING PRONOUNCEMENTS

Since June 1998, the Financial Accounting Standards Board ("FASB") has issued SFAS Nos. 133, 137 and 138 related to "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133, as amended" or "Statements"). These Statements establish accounting and reporting standards requiring that every derivative instrument be recorded on the balance sheet as either an asset or liability measured at its fair value. The Statements require that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met, in which case the gains or losses would offset the related results of the hedged item. The Company is required to adopt these Statements on January 1, 2001. While the impact of the adoption of this statement is dependent on the fair value of our derivatives at the date of adoption, the impact of adopting SFAS 133, as amended, is not expected to have a material impact on the consolidated financial statements. However, the adoption of these Statements could increase volatility in earnings and



PART I

Item 2.

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

Results of Operations

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of products sold	72.2%	72.4%	72.4%	72.7%
<b>GROSS INCOME</b>	<b>27.8%</b>	<b>27.6%</b>	<b>27.6%</b>	<b>27.3%</b>
Selling, general and administrative expenses	12.7%	16.6%	13.7%	18.0%
Restructuring costs	0.3%	0.9%	0.2%	4.3%
Trade names and goodwill amortization and other	0.8%	0.8%	0.8%	0.8%
<b>OPERATING INCOME</b>	<b>14.0%</b>	<b>9.3%</b>	<b>12.9%</b>	<b>4.2%</b>
Nonoperating expenses:				
Interest expense	1.9%	1.6%	1.9%	1.6%
Other, net	0.2%	0.3%	0.2%	0.2%
<b>Net nonoperating expenses</b>	<b>2.1%</b>	<b>1.9%</b>	<b>2.1%</b>	<b>1.8%</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>11.9%</b>	<b>7.4%</b>	<b>10.8%</b>	<b>2.4%</b>
Income taxes	4.6%	2.9%	4.2%	1.9%
<b>NET INCOME</b>	<b>7.3%</b>	<b>4.5%</b>	<b>6.6%</b>	<b>0.5%</b>

See notes to consolidated financial statements.

Three Months Ended September 30, 2000 Vs.  
Three Months Ended September 30, 1999

Net sales for the three months ended September 30, 2000 ("third quarter") were \$1,686.7 million, representing an increase of \$77.2 million or 4.8% from \$1,609.5 million in the comparable quarter of 1999. The increase in net sales is primarily due to contributions from Reynolds (acquired in October 1999), McKechnie (acquired in October 1999), Ceanothe (acquired in December 1999), Mersch (acquired in January 2000), Brio (acquired in May 2000) and internal sales growth of 1.9%. The Company defines internal growth as growth from

the core businesses, which include continuing businesses owned more than two years and minor acquisitions. Sales by business segment for the third quarter were as follows, in millions:

	2000	1999	Percentage Increase/ Decrease
	----	----	-----
Plastic Storage & Organization	\$ 433.2	\$ 435.9	(0.6)%
Food Preparation, Cooking & Serving	197.6	194.4	1.6%
Infant/Juvenile Care & Play	221.5	194.4	13.9% (1)
Home Decor	326.4	327.8	(0.4)%
Hardware & Tools	181.1	147.7	22.6% (2)
Office Products	326.9	309.3	5.7% (3)
	-----	-----	
Total	\$1,686.7	\$1,609.5	4.8%
	=====	=====	

- (1) Internal growth.  
(2) 7.8% internal growth plus sales from the McKechnie acquisition.  
(3) 3.7% internal growth plus sales from the Reynolds acquisition.

Gross income as a percentage of net sales in the third quarter of 2000 was 27.8% or \$468.8 million versus 27.6% or \$444.6 million in the comparable quarter of 1999.

Selling, general and administrative expenses ("SG&A") in the third quarter of 2000 were 12.7% of net sales or \$214.5 million versus 16.6% or \$267.5 million in the comparable quarter of 1999. Excluding charges of \$47.2 million relating to recent acquisitions, SG&A expenses in the third quarter of 1999 was \$220.3 million or 13.7% of net sales. Excluding charges, SG&A declined as a result of integration

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cost savings at Rubbermaid Home Products, Rubbermaid Europe, Little Tikes, Panex and Rotring, and tight spending control throughout the rest of the Company's core businesses.

In the third quarter of 2000, the Company recorded a pre-tax restructuring charge of \$4.2 million (\$2.6 million after taxes). The pre-tax charge included \$1.5 million of facility exit costs, \$1.4 million of severance costs and \$1.3 million of costs to exit contractual commitments and discontinue product lines primarily related to the Rubbermaid acquisition.

In the third quarter of 1999, the Company recorded a pre-tax restructuring charge of \$14.5 million (\$8.9 million after taxes). The pre-tax charge related to the Rubbermaid acquisition, and included \$1.3 million of merger costs, executive severance costs of \$4.5 million and \$8.7 million of exit costs primarily related to impaired Rubbermaid capitalized computer software costs and facility exit costs.

Trade names and goodwill amortization and other in the third quarter of 2000 were 0.8% of net sales or \$13.4 million versus 0.8% or \$12.7 million in the comparable quarter of 1999.

Operating income in the third quarter of 2000 was 14.0% of net sales or \$236.6 million versus operating income of 9.3% or \$149.9 million in the comparable quarter of 1999. Excluding restructuring costs and other charges in 1999 and 2000, operating income in the third quarter of 2000 was 14.3% or \$240.9 million versus 14.6% or \$234.8 million in the third quarter of 1999. The increase in operating income was primarily due to \$39.3 million of cost savings and synergies achieved as a result of the Rubbermaid merger. These gains were partially offset by \$34.6 million of increased raw materials costs.

Net nonoperating expenses in the third quarter of 2000 were 2.1% of net sales or \$36.6 million versus net nonoperating income of 1.9% or \$30.6 million in the comparable quarter of 1999. The increase in net non-operating expenses is primarily due to \$7.2 million of increased interest expense as a result of higher debt levels and interest rates.

The effective tax rate was 38.5% in the third quarter of 2000 versus 39.0% in the third quarter of 1999.

Net income for the third quarter of 2000 was \$123.0 million, compared to net income of \$72.7 million in the third quarter of 1999. Diluted earnings per share were \$0.46 in the third quarter of 2000 compared to \$0.26 in the third quarter of 1999. Excluding 2000 restructuring costs of \$4.2 million (\$2.6 million after taxes), 1999 restructuring costs of \$14.5 million (\$8.9 million after taxes), and other 1999 pre-tax charges of \$70.4 million (\$42.9 million after

taxes), net income increased \$1.0 million or 0.8% to \$125.6 million in the third quarter of 2000 from \$124.5 million in 1999. Diluted earnings

per share, calculated on the same basis, increased 6.8% to \$0.47 in the third quarter of 2000 from \$0.44 in the third quarter of 1999. The increase in net income was primarily due to Rubbermaid integration cost savings. These gains were partially offset by increased raw materials costs. The increase in earnings per share was primarily due to Rubbermaid integration cost savings and the impact of the stock repurchase, partially offset by increased raw materials costs.

Nine Months Ended September 30, 2000 Vs.  
 Nine Months Ended September 30, 1999  
 -----

Net sales for the first nine months of 2000 were \$4,949.1 million, representing an increase of \$226.1 million or 4.8% from \$4,723.0 million in the comparable period of 1999. The increase in net sales was primarily attributable to contributions from Reynolds (acquired in October 1999), McKechnie (acquired in October 1999), Ceanothe (acquired in December 1999), Mersch (acquired in January 2000), and 1.6% internal growth. Net sales for each of the Company's segments (and the primary reasons for the increase or decrease were as follows in millions:

	2000	1999	Percentage Increase/Decrease	
	----	----	-----	
Plastic Storage & Organization	\$1,286.6	\$1,327.9	(3.1)	%
Food Preparation, Cooking & Serving	532.2	526.0	(1.1)	%
Infant/Juvenile Care & Play	675.2	609.3	10.8	(1)%
Home Decor	972.1	941.6	3.2	%
Hardware & Tools	535.0	432.7	23.6	(2)%
Office Products	948.0	885.5	7.1	(3)%
	-----	-----		
Total	\$4,949.1	\$4,723.0	4.8%	
	=====	=====		

- (1) Internal growth.
- (2) 6.6% internal growth plus sales from the McKechnie acquisition.
- (3) 5.2% internal growth plus sales from the Reynolds acquisition.

Gross income as a percentage of net sales in the first nine months of 2000 was 27.6% or \$1,364.7 million versus 27.3% or \$1,288.7 million in the comparable period of 1999. Excluding charges of \$3.1 million relating to recent acquisitions, gross income in the first

nine months of 2000 was \$1,367.8 million or 27.6% of net sales. Excluding 1999 charges of \$61.6 million relating to the Rubbermaid merger, gross income for the nine months ended September 30, 1999 was \$1,350.3 million or 28.6% of net sales. The increase in gross income was primarily due to internal growth and cost savings related to recent acquisitions, offset by increased raw materials costs.

Selling, general and administrative expenses ("SG&A") in the first nine months of 2000 were 13.7% of net sales or \$675.7 million versus 18.0% or \$850.0 million in the comparable period of 1999. Excluding charges of \$5.9 million relating to recent acquisitions, SG&A in the first nine months of 2000 was \$669.8 million or 13.5% of net sales. Excluding 1999 charges of \$136.2 million relating to the Rubbermaid merger, SG&A for the nine months ended September 30, 1999 were \$713.8 million or 15.1% of net sales. SG&A declined as a result of integration cost savings at Rubbermaid Home Products, Rubbermaid Europe, Little Tikes, Panex and Rotring, and tight spending control throughout the rest of the Company's core businesses.

In the first nine months of 2000, the Company recorded a pre-tax restructuring charge of \$12.8 million (\$7.9 million after taxes). The pre-tax charge included \$5.6 million of facility exit costs, \$4.8 million of severance costs and \$2.4 million of costs to exit contractual commitments and discontinue product lines primarily related to the Rubbermaid acquisition.

In the first nine months of 1999, the Company recorded a pre-tax restructuring charge of \$201.2 million (\$168.1 million after taxes). The pre-tax charge related to the Rubbermaid acquisition, and included \$38.2 million of merger costs (investment banking, legal and accounting fees), executive severance costs of \$89.4 million and \$73.6 million of exit costs primarily related to impaired Rubbermaid

capitalized computer software costs and facility exit costs.

Trade names and goodwill amortization and other in the first nine months of 2000 were 0.8% of net sales or \$39.1 million versus 0.8% or \$37.4 million in the first nine months of 1999.

Operating income in the first nine months of 2000 was 12.9% of net sales or \$637.1 million versus 4.2% or \$200.1 million in the comparable period of 1999. Excluding restructuring costs and other charges in 1999 and 2000, operating income in the first nine months of 2000 was 13.3% or \$658.9 million versus 12.7% or \$599.1 million in the first nine months of 1999. The increase in operating margins excluding charges was primarily due to \$123.1 million of cost savings and synergies achieved as a result of the Rubbermaid merger during the nine months ended September 30, 2000 and internal growth. These savings were partially offset by increased raw materials costs of \$97.6 million.

Net nonoperating expenses in the first nine months of 2000 were 2.1% of net sales or \$105.0 million versus 1.8% of net sales or \$86.6 million in the comparable period of 1999. Net nonoperating expenses

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increased due to \$19.3 million higher interest expense as a result of the Company's increased level of debt and higher interest rates.

Excluding restructuring costs and other gains and charges in 2000 and 1999, the effective tax rate was 38.5% in the first nine months of 2000 versus 39.0% in the first nine months of 1999.

Net income for the first nine months of 2000 was \$327.2 million, compared to \$23.8 million in the first nine months of 1999. Diluted earnings per share were \$1.22 in the first nine months of 2000 compared to \$0.08 in the first nine months of 1999. Excluding 2000 restructuring costs of \$12.8 million (\$7.9 million after taxes), other 2000 pre-tax charges of \$9.0 million (\$5.5 million after taxes), 1999 restructuring costs of \$201.2 million (\$168.1 million after taxes), and other 1999 pre-tax charges of \$197.8 million (\$120.7 million after taxes), net income increased \$28.0 million or 8.9% to \$340.6 million in the first nine months of 2000 versus \$312.6 million in 1999. Diluted earnings per share, calculated on the same basis, increased 14.4% to \$1.27 in the first nine months of 2000 versus \$1.11 in the first nine months of 1999. The increase in net income for the nine months ended September 30, 2000 was primarily due to Rubbermaid integration cost savings, tight spending control at our core businesses and internal growth. These gains were partially offset by increased raw materials costs. The increase in earnings per share was primarily due to Rubbermaid integration cost savings, tight spending control, internal growth and the impact of the stock repurchase, partially offset by increased raw materials costs.

#### Liquidity and Capital Resources

##### Sources:

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

Cash provided from operating activities in the first nine months ended September 30, 2000 was \$284.8 million compared to \$ 288.3 million for the comparable period of 1999. The decrease in operating cash flows is primarily a result of increased inventory levels partially offset by the increase in net income.

The Company has short-term foreign and domestic uncommitted lines of credit with various banks which are available for short-term financing. Borrowings under the Company's uncommitted lines of credit are subject to discretion of the Lender. The Company's uncommitted lines of credit do not have a material impact on the Company's liquidity. Borrowings under the Company's uncommitted lines of credit at September 30, 2000 totaled \$19.5 million.

During 1997, the Company amended its revolving credit agreement to increase the aggregate borrowing limit to \$1.3 billion, at a

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floating interest rate. The revolving credit agreement will terminate in August 2002. At September 30, 2000, there were no borrowings under the revolving credit agreement.

In lieu of borrowings under the Company's revolving credit agreement, the Company may issue up to \$1.3 billion of commercial paper. The Company's revolving credit agreement provides the committed backup liquidity required to issue commercial paper.

Accordingly, commercial paper may only be issued up to the amount available for borrowing under the Company's revolving credit agreement. At September 30, 2000, \$1,050.0 million (principal amount) of commercial paper was outstanding. The entire amount is classified as long-term debt.

On March 24, 2000, the Company issued \$300.0 million (principal amount) of 3-Year Medium Term Notes pursuant to its universal shelf program. The securities mature on March 24, 2003, and bear a 3-month floating interest rate based on 3-month LIBOR +22 basis points. The initial interest rate was 6.5%. Proceeds were used to pay down commercial paper. Including this financing, the Company had outstanding at September 30, 2000, a total of \$1,109.5 million (principal amount) of Medium Term Notes. The maturities on these notes range from 3 to 30 years at an average interest rate of 6.45%.

A universal shelf registration statement became effective in July 1999. As of September 30, 2000, \$449.5 million of Company debt and equity securities may be issued under the shelf.

Uses:

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

Cash used in acquiring businesses was \$70.8 million and \$34.9 million in the first nine months of 2000 and 1999, respectively. In the first nine months of 2000, the Company acquired Mersch and Brio and made other minor acquisitions for cash purchase prices totaling \$50.8 million. In the first nine months of 1999, the Company acquired Ateliers 28 for a cash purchase price of \$40.3 million. All of these acquisitions were accounted for as purchases and were paid for with proceeds obtained from the issuance of commercial paper.

Cash used for restructuring activities was \$15.4 million and \$127.6 million in the first nine months of 2000 and 1999, respectively. Such cash payments represent primarily employee termination benefits and other merger expenses.

Capital expenditures were \$240.5 million and \$139.7 million in the first nine months of 2000 and 1999, respectively. The increase in capital expenditures is primarily a result of increased capital spending at those divisions acquired as part of the Rubbermaid merger.

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Aggregate dividends paid during the first nine months of 2000 and 1999 were \$169.1 million (\$0.63 per share) and \$169.4 million (\$0.60 per share), respectively.

During the first nine months of 2000, the Company repurchased 15.5 million shares of its common stock at an average price of \$26 per share, for a total cash price of \$403.0 million under the company's stock repurchase program. As of September 30, 2000, the company can use up to an additional \$97 million to repurchase shares under the plan.

Retained earnings increased in the first nine months of 2000 by \$158.0 million. Retained earnings decreased in the first nine months of 1999 by \$145.6 million. The difference between 1999 and 2000 was due to improved operating results in 2000 versus 1999 and restructuring costs in 1999 of \$201.2 million (\$168.1 million after taxes) and other pre-tax charges of \$197.8 million (\$120.7 million after taxes).

Working capital at September 30, 2000 was \$1,414.1 million compared to \$1,108.7 million at December 31, 1999. The current ratio at September 30, 2000 was 1.98:1 compared to 1.68:1 at December 31, 1999.

Total debt to total capitalization (total debt is net of cash and cash equivalents, and total capitalization includes total debt, convertible preferred securities and stockholders equity) was .43:1 at September 30, 2000 and .33:1 at December 31, 1999.

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

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

issue derivative instruments for trading purposes, and has no material sensitivity to changes in market rates and prices on its derivative financial instrument positions.

The Company's primary market risk is interest rate exposure, primarily in the United States. The Company manages interest rate exposure through its conservative debt ratio target and its mix of fixed and floating rate debt. Interest rate exposure was reduced significantly in 1997 from the issuance of \$500 million 5.25% Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust, the proceeds of which reduced commercial paper. Interest rate swaps may be used to adjust interest rate exposures when appropriate based on market conditions, and, for

qualifying hedges, the interest differential of swaps is included in interest expense.

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

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

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

	September 30, 2000	Time Period	Confidence Level
(In millions)	-----	-----	-----
Interest rates	\$4.7	1 day	95%
Foreign exchange	\$4.5	1 day	95%

The 95% confidence interval signifies the Company's degree of confidence that actual losses would not exceed the estimated losses shown above. The amounts shown here disregard the possibility that

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

#### EURO CURRENCY CONVERSION

On January 1, 1999, the "Euro" became the common legal currency for 11 of the 15 member countries of the European Union. On that date, the participating countries fixed conversion rates between their existing sovereign currencies ("legacy currencies") and the Euro. On January 4, 1999, the Euro began trading on currency exchanges and became available for non-cash transactions, if the parties elect to

use it. The legacy currencies will remain legal tender through December 31, 2001. Beginning January 1, 2002, participating countries will introduce Euro-denominated bills and coins, and effective July 1, 2002, legacy currencies will no longer be legal tender.

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

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

#### FORWARD LOOKING STATEMENTS

Forward-looking statements in this Report are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may relate to, but are not limited to, such matters as sales, income, earnings per share, return on equity, capital expenditures, dividends, capital structure, free cash flow, debt to capitalization ratios, interest rates, internal growth rates, Euro conversion plans and related risks, pending legal proceeding and claims (including environmental matters), future economic performance, operating income improvements, synergies, management's plans, goals and objectives for future operations and growth or the assumptions relating to any of the forward-looking information. The Company cautions that forward-looking statements are not guarantees since there are inherent difficulties in predicting future results, and that actual results could differ materially from those expressed or implied in the forward-looking statements. Factors that could cause actual results to differ include, but are not limited to, those matters set forth in the Company's Annual Report on Form 10-K, the documents incorporated by reference therein and in Exhibit 99 in thereto.

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#### PART I.

##### Item 3.

#### QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by this item is incorporated herein by reference to the section entitled "Market Risk" in the Company's Management's Discussion and Analysis of Results of Operations and Financial Condition (Part I, Item 2).

#### PART II. OTHER INFORMATION

##### Item 1. Legal Proceedings

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

As of September 30, 2000, the Company was involved in various matters concerning federal and state environmental laws and regulations, including matters in which the Company has been identified by the U.S. Environmental Protection Agency and certain state environmental agencies as a potentially responsible party ("PRP") at contaminated sites under the Federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and equivalent state laws.

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

Based on information available to it, the Company's estimate of environmental response costs associated with these matters as of September 30, 2000 ranged between \$18.0 million and \$26.0 million. As of September 30, 2000, the Company had a reserve equal to \$25 million for such environmental response costs in the aggregate. No insurance recovery was taken into account in determining the Company's cost estimates or reserve, nor do the Company's cost estimates or reserve

reflect any discounting for present value purposes, except with respect to two long term (30 years) operation and maintenance CERCLA matters which are estimated at present value.

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

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

The Company is involved in a legal proceeding relating to the importation and distribution of vinyl mini-blinds made with plastic containing lead stabilizers. In 1996, the Consumer Product Safety Commission found that such stabilizers deteriorate over time from exposure to sunlight and heat, causing lead dust to form on mini-blind surfaces and presenting a health risk to children under six years of age. In December 1998, 13 companies, including a subsidiary of the Company, were named as defendants in a case involving the importation and distribution of vinyl mini-blinds containing lead. The case, filed as a Massachusetts class action in the Superior Court, alleges misrepresentation, breaches of express and implied warranties, negligence, loss of consortium and violation of Massachusetts consumer protection laws. The plaintiffs seek injunctive relief, unspecified damages, compensatory damages for personal injury and court costs.

Eight complaints were filed against the Company and certain of its officers and directors in the U.S. District Court for the Northern District of Illinois on behalf of a purported class consisting of persons who purchased common stock of the Company, Newell Co. or Rubbermaid Incorporated during the period from October 21, 1998 through September 3, 1999 or exchanged shares of Rubbermaid common stock for the Company's common stock as part of the Newell Rubbermaid merger. The complaints alleged that during the relevant time period the defendants violated the federal securities laws by issuing false and misleading statements concerning the Company's financial condition and results of operations. The cases were consolidated before a single judge of that court. The court appointed lead plaintiffs for the uncertified class and approved counsel for the lead plaintiffs. Plaintiffs then filed a Consolidated Amended Class Action Complaint consisting of six counts asserting claims under Sections 11, 12(a)(2) and 15 of the Securities Act and Sections 10(b) and 20(a) of the Securities Exchange Act in which they alleged, among other things, that the Company and Rubbermaid Incorporated made materially false and misleading statements in documents filed with the SEC, including the registration statement filed by the Company in connection with the merger with Rubbermaid. All defendants moved to dismiss that amended complaint. On October 2, 2000 the court issued a Memorandum Opinion and Order dismissing the amended complaint for failure to state a

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claim upon which relief may be granted and on October 3, 2000 the court entered a judgment dismissing the complaint. Plaintiffs have moved to reconsider two aspects of the court's ruling. The court is scheduled to rule on that motion on November 15, 2000. The Company believes that these claims are without merit and intends to continue to vigorously defend these lawsuits.

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

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

- 3.2 Amendment to By-Laws and Amended By-laws of Newell Rubbermaid Inc., as amended through November 13, 2000.
12. Statement of Computation of Ratio of Earnings to Fixed Charges
27. Financial Data Schedule



None.

SIGNATURES

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

NEWELL RUBBERMAID INC.  
Registrant

Date: November 14, 2000     /s/ Dale L. Matschullat  
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Dale L. Matschullat  
Vice President - Finance

Date: November 14, 2000     /s/ Brett E. Gries  
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Brett E. Gries  
Vice President - Accounting & Audit

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AMENDMENT  
TO  
DELAWARE BY-LAWS  
OF  
NEWELL RUBBERMAID INC.

AMENDMENT NO. 13

(Article III, Section 3.2, as amended  
by the Board of Directors on November 8, 2000)

Section 3.2 of the By-Laws has been amended to change the number of directors of the Company from twelve to ten and now shall read as follows:

ARTICLE III

DIRECTORS

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3.2 NUMBER, TENURE AND QUALIFICATION. The number of directors of the Corporation shall be ten and the term of office of each director shall be as set forth in the Restated Certificate of Incorporation, as amended. A director may resign at any time upon written notice to the Corporation.

BY-LAWS

OF

NEWELL RUBBERMAID INC.

(a Delaware corporation)  
(as amended November 8, 2000)

ARTICLE I

OFFICES

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1.1 REGISTERED OFFICE. The registered office of the Corporation in the State of Delaware shall be located in the City of Dover and County of Kent. The Corporation may have such other offices, either within or without the State of Delaware, as the Board of Directors may designate or the business of the Corporation may require from time to time.

1.2 PRINCIPAL OFFICE IN ILLINOIS. The principal office of the Corporation in the State of Illinois shall be located in the City of Freeport and County of Stephenson.

ARTICLE II

STOCKHOLDERS

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2.1 ANNUAL MEETING. The annual meeting of stockholders shall be held each year at such time and date as the Board of Directors may designate prior to the giving of notice of such meeting, but if no such designation is made, then the annual meeting of stock holders shall be held on the second Wednesday in May of each year for the election of directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

2.2 SPECIAL MEETINGS. Special meetings of the stockholders, for any purpose or purposes, may be called by the Chairman, by the Board of Directors or by the President.

2.3 PLACE OF MEETING. The Board of Directors may designate anyplace, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting called by

the Board of Directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Corporation in the State of Illinois.

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2.4 NOTICE OF MEETING. Written notice stating the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than ten nor more than sixty days before the date of the meeting, or in the case of a merger or consolidation of the Corporation requiring stockholder approval or a sale, lease or exchange of substantially all of the Corporation's property and assets, not less than twenty nor more than sixty days before the date of meeting, to each stockholder of record entitled to vote at such meeting. If mailed, notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the Corporation. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than thirty days, or unless, after adjournment, a new record date is fixed for the adjourned meeting, in either of which cases notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

2.5 FIXING OF RECORD DATE. For the purpose of determining the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent (to the extent permitted, if permitted) to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and the record date for determining stockholders for any other purpose shall be the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting.

2.6 VOTING LISTS. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in his name, which list, for a period of ten days prior to such meeting, shall be kept on file either at a place within the city where the meeting is to be held and which place shall be specified in the notice of the meeting, or, if not so specified, at

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the place where the meeting is to be held, and shall be open to the examination of any stockholder, for any purpose germane to the meeting, at any time during ordinary business hours. Such lists shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders entitled to vote, or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

2.7 QUORUM. The holders of shares of stock of the Corporation entitled to cast a majority of the total votes that all of the outstanding shares of stock of the Corporation would be entitled to cast at the meeting, represented in person or by proxy, shall constitute a quorum at any meeting of stockholders; provided, that if less than a majority of the outstanding shares of capital stock are represented at said meeting, a majority of the shares of capital stock so represented may adjourn the meeting. If a quorum is present, the affirmative vote of a majority of the votes entitled to be cast by the holders of shares of capital stock represented at the meeting shall be the act of the stockholders, unless a different number of votes is required by the General Corporation Law, the Certificate of Incorporation or these By-Laws. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting. Withdrawal of

stockholders from any meeting shall not cause failure of a duly constituted quorum at that meeting.

2.8 PROXIES. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Without limiting the manner in which a stockholder may authorize another person or persons to act for such stockholder as proxy pursuant to the foregoing sentence, a stockholder may validly grant such authority (i) by executing a writing authorizing another person or persons to act for such stockholder as proxy or (ii) by authorizing another person or persons to act for such stockholder as proxy by transmitting or authorizing the transmission of a telegram, cablegram, or other means of electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such telegram, cablegram or other means of electronic transmission must either set forth or be submitted with information from which it can be determined that the telegram, cablegram or other electronic transmission was authorized by the stockholder, or by any other means permitted under the Delaware General Corporation Law.

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2.9 VOTING OF STOCK. Each stockholder shall be entitled to such vote as shall be provided in the Certificate of Incorporation, or, absent provision therein fixing or denying voting rights, shall be entitled to one vote per share with respect to each matter submitted to a vote of stockholders.

2.10 VOTING OF STOCK BY CERTAIN HOLDERS. Persons holding stock in a fiduciary capacity shall be entitled to vote the shares so held. Persons whose stock is pledged shall be entitled to vote, unless in the transfer by the pledgor on the books of the Corporation he has expressly empowered the pledgee to vote thereon, in which case only the pledgee or his proxy may represent such stock and vote thereon. Stock standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the charter or by-laws of such corporation may prescribe or, in the absence of such provision, as the board of directors of such corporation may determine. Shares of its own capital stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held by the Corporation, shall neither be entitled to vote nor counted for quorum purposes, but shares of its capital stock held by the Corporation in a fiduciary capacity may be voted by it and counted for quorum purposes.

2.11 VOTING BY BALLOT. Voting on any question or in any election may be by voice vote unless the presiding officer shall order or any stockholder shall demand that voting be by ballot.

### ARTICLE III

#### DIRECTORS

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3.1 GENERAL POWERS. The business of the Corporation shall be managed by its Board of Directors.

3.2 NUMBER, TENURE AND QUALIFICATION. The number of directors of the Corporation shall be ten, and the term of office of each director shall be as set forth in the Restated Certificate of Incorporation, as amended. A director may resign at any time upon written notice to the Corporation. Directors need not be stockholders of the Corporation.

3.3 REGULAR MEETINGS. A regular meeting of the Board of Directors shall be held without other notice than this By-Law, immediately after, and at the same place as, the annual meeting of stockholders. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Delaware, for the holding of additional regular meetings without other notice than such resolution.

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3.4 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the Chief Executive Officer or any two directors. The person or persons authorized to

call special meetings of the Board of Directors may fix any place, either within or without the State of Delaware, as the place for holding any special meeting of the Board of Directors called by him or them.

3.5 NOTICE. Notice of any special meeting of directors, unless waived, shall be given, in accordance with Section 3.6 of the By-Laws, in person, by mail, by telegram or cable, by telephone, or by any other means that reasonably may be expected to provide similar notice. Notice by mail and, except in emergency situations as described below, notice by any other means, shall be given at least two (2) days before the meeting. For purposes of dealing with an emergency situation, as conclusively determined by the director(s) or officer(s) calling the meeting, notice may be given in person, by telegram or cable, by telephone, or by any other means that reasonably may be expected to provide similar notice, not less than two hours prior to the meeting. If the secretary shall fail or refuse to give such notice, then the notice may be given by the officer(s) or director(s) calling the meeting. Any meeting of the Board of Directors shall be a legal meeting without any notice thereof having been given, if all the directors shall be present at the meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, and no notice of a meeting shall be required to be given to any director who shall attend such meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

3.6 NOTICE TO DIRECTORS. If notice to a director is given by mail, such notice shall be deemed to have been given when deposited in the United States mail, postage prepaid, addressed to the director at his address as it appears on the records of the Corporation. If notice to a director is given by telegram, cable or other means that provide written notice, such notice shall be deemed to have been given when delivered to any authorized transmission company, with charges prepaid, addressed to the director at his address as it appears on the records of the Corporation. If notice to a director is given by telephone, wireless, or other means of voice transmission, such notice shall be deemed to have been given when such notice has been transmitted by telephone, wireless or such other means to such number or call designation as may appear on the records of the Corporation for such director.

3.7 QUORUM. Except as otherwise required by the General Corporation Law or by the Certificate of Incorporation, a majority of the number of directors fixed by these By-Laws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that, if less than a majority of such number of directors are present at said meeting, a majority of the directors

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present may adjourn the meeting from time to time without further notice. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee thereof.

3.8 MANNER OF ACTING. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

3.9 ACTION WITHOUT A MEETING. Any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all the members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

3.10 VACANCIES. Vacancies on the Board of Directors, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, disability, resignation, retirement, disqualification, removal from office or other cause shall be filled in accordance with the provisions of the Certificate of Incorporation.

3.11 COMPENSATION. The Board of Directors, by the affirmative vote of a majority of directors then in office, and irrespective of any personal interest of any of its members, shall have authority to establish reasonable compensation of all directors for services to the Corporation as directors, officers, or otherwise. The directors may be paid their expenses, if any, of attendance at each meeting of the Board and at each meeting of any committee of the Board of which they are members in such manner as the Board of Directors may from time to time determine.

3.12 PRESUMPTION OF ASSENT. A director of the Corporation who is present at a meeting of the Board of Directors or at a meeting of any committee of the Board at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the

meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation within 24 hours after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

3.13 COMMITTEES. By resolution passed by a majority of the whole Board, the Board of Directors may designate one or more committees, each such committee to consist of two or more directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member of any meeting of the committee. Any such committee, to the extent provided in the resolution or in these

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By-Laws, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. In the absence or disqualification of any member of such committee or committees, the member or members thereof present at the meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of such absent or disqualified member.

3.14 CHAIRMAN AND VICE CHAIRMEN. The Board of Directors may from time to time designate from among its members a Chairman of the Board and one or more Vice Chairmen. The Chairman shall preside at all meetings of the Board of Directors. In the absence of the Chairman of the Board, the Chief Executive Officer and the President and Chief Operating Officer, and, in their absence, a Vice Chairman (with the longest tenure as Vice Chairman), shall preside at all meetings of the Board of Directors. The Chairman and each of the Vice Chairmen shall have such other responsibilities as may from time to time be assigned to each of them by the Board of Directors.

#### ARTICLE IV

##### OFFICERS

-----

4.1 NUMBER. The officers of the Corporation shall be a Chief Executive Officer, a President and Chief Operating Officer, one or more Group Presidents (the number thereof to be determined by the Board of Directors), one or more vice presidents (the number thereof to be determined by the Board of Directors), a Treasurer, a Secretary and such Assistant Treasurers, Assistant Secretaries or other officers as may be elected by the Board of Directors.

4.2 ELECTION AND TERM OF OFFICE. The officers of the Corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor is elected and has qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Election of an officer shall not of itself create contract rights, except as may otherwise be provided by the General Corporation Law, the Certificate of Incorporation or these By-Laws.

4.3 REMOVAL. Any officer elected by the Board of Directors maybe removed by the Board of Directors whenever in its judgement the best interests of the Corporation would be served thereby, but such

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removal shall be without prejudice to the contract rights, if any, of the person so removed.

4.4 VACANCIES. A vacancy in any office occurring because of death, resignation, removal or otherwise, may be filled by the Board of Directors.

4.5 [INTENTIONALLY OMITTED.]

4.6 THE CHIEF EXECUTIVE OFFICER. The Chief Executive Officer shall be the principal executive officer of the Corporation. Subject only to the Board of Directors, he shall be in charge of the business of the Corporation; he shall see that the resolutions and directions of the Board of Directors are carried into effect except in those instances in which that responsibility is specifically assigned to some other person by the Board of Directors; and, in general, he shall

discharge all duties incident to the office of the chief executive officer of the Corporation and such other duties as may be prescribed by the Board of Directors from time to time. In the absence of the Chairman of the Board, the Chief Executive Officer shall preside at all meetings of the Board of Directors. The Chief Executive Officer shall have authority to vote or to refrain from voting any and all shares of capital stock of any other corporation standing in the name of the Corporation, by the execution of a written proxy, the execution of a written ballot, the execution of a written consent or otherwise, and, in respect to any meeting of the stockholders of such other corporation, and, on behalf of the Corporation, may waive any notice of the calling of any such meeting. The Chief Executive Officer or, in his absence, the President and Chief Operating Officer, the Vice President-Finance, the Vice President-Controller, the Treasurer or such other person as the Board of Directors or one of the preceding named officers shall designate, shall call any meeting of the stockholders of the Corporation to order and shall act as chairman of such meeting. In the event that no one of the Chief Executive Officer, the President and Chief Operating Officer, the Vice President-Finance, the Vice President-Controller, the Treasurer or a person designated by the Board of Directors or by one of the preceding named officers, is present, the meeting shall not be called to order until such time as there shall be present the Chief Executive Officer, the President and Chief Operating Officer, the Vice President-Finance, the Vice President-Controller, the Treasurer or a person designated by the Board of Directors or by one of the preceding named officers. The chairman of any meeting of the stockholders of this Corporation shall have plenary power to set the agenda, determine the procedure and rules of order, and make definitive rulings at meetings of the stockholders. The Secretary or an Assistant Secretary of the Corporation shall act as secretary at all meetings of the stockholders, but in the absence of the Secretary or an Assistant Secretary, the chairman of the meeting may appoint any person to act as secretary of the meeting.

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4.7 THE PRESIDENT AND CHIEF OPERATING OFFICER. The President and Chief Operating Officer shall be the principal operating officer of the Corporation and, subject only to the Board of Directors and to the Chief Executive Officer, he shall have the general authority over and general management and control of the property, business and affairs of the Corporation. In general, he shall discharge all duties incident to the office of the principal operating officer of the Corporation and such other duties as may be prescribed by the Board of Directors and the Chief Executive Officer from time to time. In the absence of the Chairman of the Board and the Chief Executive Officer, the President and Chief Operating Officer shall preside at all meetings of the Board of Directors. In the absence of the Chief Executive Officer or in the event of his disability, or inability to act, or to continue to act, the President and Chief Operating Officer shall perform the duties of the Chief Executive Officer, and when so acting, shall have all of the powers of and be subject to all of the restrictions upon the office of Chief Executive Officer. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Corporation or a different mode of execution is expressly prescribed by the Board of Directors or these By-Laws, he may execute for the Corporation certificates for its shares (the issue of which shall have been authorized by the Board of Directors), and any contracts, deeds, mortgages, bonds, or other instruments that the Board of Directors has authorized, and he may (without previous authorization by the Board of Directors) execute such contracts and other instruments as the conduct of the Corporation's business in its ordinary course requires, and he may accomplish such execution in each case either individually or with the Secretary, any Assistant Secretary, or any other officer there unto authorized by the Board of Directors, according to the requirements of the form of the instrument. The President and Chief Operating Officer shall have authority to vote or to refrain from voting any and all shares of capital stock of any other corporation standing in the name of the Corporation, by the execution of a written proxy, the execution of a written ballot, the execution of a written consent or otherwise, and, in respect of any meeting of stockholders of such other corporation, and, on behalf of the Corporation, may waive any notice of the calling of any such meeting.

4.8 THE GROUP PRESIDENTS. Each of the Group Presidents shall have general authority over and general management and control of the property, business and affairs of certain businesses of the corporation. Each of the Group Presidents shall report to the President and Chief Operating Officer or such other officer as may be determined by the Board of Directors or the President and Chief Operating Officer and shall have such other duties and responsibilities as may be assigned to him by the President and Chief Operating Officer and the Board of Directors from time to time.

4.9 THE VICE PRESIDENTS. Each of the Vice Presidents shall report to the President and Chief Operating Officer or such other

President and Chief Operating Officer. Each Vice President shall have such duties and responsibilities as from time to time may be assigned to him by the President and Chief Operating Officer and the Board of Directors.

4.10 THE TREASURER. The Treasurer shall: (i) have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these By-Laws; (ii) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President and Chief Operating Officer or the Board of Directors. In the absence of the Treasurer, or in the event of his incapacity or refusal to act, or at the direction of the Treasurer, any Assistant Treasurer may perform the duties of the Treasurer.

4.11 THE SECRETARY. The Secretary shall: (i) record all of the proceedings of the meetings of the stockholders and Board of Directors in one or more books kept for the purpose; (ii) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (iii) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all certificates for shares of capital stock prior to the issue thereof and to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these By-Laws; (iv) keep a register of the post office address of each stockholder which shall be furnished to the Secretary by such stockholder; (v) have general charge of the stock transfer books of the Corporation and (vi) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President and Chief Operating Officer or the Board of Directors. In the absence of the Secretary, or in the event of his incapacity or refusal to act, or at the direction of the Secretary, any Assistant Secretary may perform the duties of Secretary.

#### ARTICLE V

##### CONTRACTS, LOANS, CHECKS AND DEPOSITS

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5.1 CONTRACTS. Except as otherwise determined by the Board of Directors or provided in these By-Laws, all deeds and mortgages made by the Corporation and all other written contracts and agreements to which the Corporation shall be a party shall be executed in its name by the Chief Executive Officer, the President and Chief Operating Officer, or any Vice President so authorized by the Board of Directors.

5.2 LOANS. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

5.3 CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

5.4 DEPOSITS. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

#### ARTICLE VI

##### CERTIFICATES FOR SHARES OF CAPITAL STOCK AND THEIR TRANSFER

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6.1 SHARE OWNERSHIP; TRANSFERS OF STOCK. Shares of the capital stock of the Corporation may be certificated or uncertificated. Owners of shares of the capital stock of the Corporation shall be recorded in the books of the Corporation and ownership of such shares shall be evidenced by a certificate or book entry notation in the books of the Corporation. If shares are represented by certificates,



such certificates shall be in such form as may be determined by the Board of Directors. Certificates shall be signed by the Chief Executive Officer or the President and Chief Operating Officer or any Vice President and by the Treasurer or the Secretary or an Assistant Secretary. If any such certificate is countersigned by a transfer agent other than the Corporation or its employee, or by a registrar other than the Corporation or its employee, any other signature on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. All certificates for shares of capital stock shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the Corporation. Each certificate surrendered to the Corporation for transfer shall be cancelled and no new certificate or other evidence of new shares shall be issued until the former certificate for alike number of shares shall have been surrendered and cancelled, except that in case of a lost, destroyed or mutilated certificate, a new certificate or other evidence of new shares may be issued therefor upon such terms

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and indemnity to the Corporation as the Board of Directors may prescribe. Uncertificated shares shall be transferred in the books of the Corporation upon the written instruction originated by the appropriate person to transfer the shares.

6.2 TRANSFER AGENTS AND REGISTERS. The Board of Directors may appoint one or more transfer agents or assistant transfer agents and one or more registrars of transfers, and may require all certificates for shares of capital stock of the Corporation to bear the signature of a transfer agent and a registrar of transfers. The Board of Directors may at any time terminate the appointment of any transfer agent or any assistant transfer agent or any registrar of transfers.

#### ARTICLE VII

##### LIABILITY AND INDEMNIFICATION

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#### 7.1 LIMITED LIABILITY OF DIRECTORS.

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

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

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7.2 LITIGATION BROUGHT BY THIRD PARTIES. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was or has agreed to become a director or officer of the Corporation; or is or was serving or has agreed to serve

at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against costs, charges and other expenses (including attorneys' fees) ("Expenses"), judgements, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding and any appeal thereof if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgement, order, settlement, conviction, or plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. For purposes of this By-Law, "serving or has agreed to serve at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise" shall include any service by a director or officer of the Corporation as a director, officer, employee, agent or fiduciary of such other corporation, partnership, joint venture trust or other enterprise, or with respect to any employee benefit plan (or its participants or beneficiaries) of the Corporation or any such other enterprise.

7.3 LITIGATION BY OR IN THE RIGHT OF THE CORPORATION. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was or has agreed to become a director or officer of the Corporation, or is or was serving or has agreed to serve at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity against Expenses actually and reasonably incurred by him in connection with the investigation, defense or settlement of such action or suit and any appeal thereof if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of Delaware or the court in

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which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such Expenses as the Court of Chancery of Delaware or such other court shall deem proper.

7.4 SUCCESSFUL DEFENSE. To the extent that any person referred to in section 7.2 or 7.3 of these By-Laws has been successful on the merits or otherwise, including, without limitation, the dismissal of an action without prejudice, in defense of any action, suit or proceeding referred to therein or in defense of any claim, issue or matter therein, he shall be indemnified against Expenses actually and reasonably incurred by him in connection therewith.

7.5 DETERMINATION OF CONDUCT. Any indemnification under section 7.2 or 7.3 of these By-Laws (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in section 7.2 or 7.3. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum (as defined in these By-laws) consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders.

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

7.7 DETERMINATION OF ENTITLEMENT TO INDEMNIFICATION. The determination of the entitlement of any person to indemnification under section 7.2, 7.3 or 7.4 or to advancement of Expenses under section 7.6 of these By-Laws shall be made promptly, and in any event within 60 days after the Corporation has received a written request for payment from or on behalf of a director or officer and payment of amounts due under such sections shall be made immediately after such determination. If no disposition of such request is made within said

60 days or if payment has not been made within 10 days thereafter, or if such request is rejected, the right to indemnification or advancement of Expenses provided by this By-Law shall be enforceable by or on behalf of the director or officer in any court of competent jurisdiction. In addition to the other amounts due under this By-Law, Expenses incurred by or on behalf of a director or officer in successfully establishing his right to indemnification or advancement of Expenses, in whole or in part, in any such action (or settlement thereof) shall be paid by the Corporation.

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7.8 BY-LAWS NOT EXCLUSIVE: CHANGE IN LAW. The indemnification and advancement of Expenses provided by these By-Laws shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of Expenses may be entitled under any law (common or statutory), the Certificate of Incorporation, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, or while employed by or acting as a director or officer of the Corporation or as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person. Notwithstanding the provisions of these By-Laws, the Corporation shall indemnify or make advancement of Expenses to any person referred to in section 7.2 or 7.3 of this By-Law to the full extent permitted under the laws of Delaware and any other applicable laws, as they now exist or as they may be amended in the future.

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

7.10 INSURANCE. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was or has to become a director or officer of the Corporation, or is or was serving or has agreed to serve at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of these By-Laws.

7.11 INDEMNIFICATION OF EMPLOYEES OR AGENTS. The Board of Directors may, by resolution, extend the provisions of these By-Laws pertaining to indemnification and advancement of Expenses to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he is or was or has agreed to become an employee, agent or fiduciary of the Corporation or is or was serving or has agreed to serve at the request of the Corporation as a

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director, officer, employee, agent or fiduciary of another Corporation, partnership, joint venture, trust or other enterprise or with respect to any employee benefit plan (or its participants or beneficiaries) of the Corporation or any such other enterprise.

#### ARTICLE VIII

##### FISCAL YEAR -----

8.1 The fiscal year of the Corporation shall end on the thirty-first day of December in each year.

#### ARTICLE IX

##### DIVIDENDS -----

9.1 The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares of capital stock in the manner and upon the terms and conditions provided by law and its Certificate of Incorporation.

ARTICLE X

SEAL

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10.1 The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and the words "Corporate Seal, Delaware."

ARTICLE XI

WAIVER OF NOTICE

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11.1 Whenever any notice whatever is required to be given under any provision of these By-Laws or of the Certificate of Incorporation or of the General Corporation Law, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting of stockholders shall constitute a waiver of notice of such meeting, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice.

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ARTICLE XII

AMENDMENTS

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12.1 These By-Laws may be altered, amended or repealed and new By-Laws may be adopted at any meeting of the Board of Directors of the Corporation by a majority of the whole Board of Directors.

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NEWELL RUBBERMAID INC. AND SUBSIDIARIES  
STATEMENT OF COMPUTATION OF  
RATIO OF EARNINGS TO FIXED CHARGES  
(in thousands, except ratio data)

	Three Months Ended September 30, -----		Nine Months Ended September 30, -----	
	2000 ----	1999 ----	2000 ----	1999 ----
	(In thousands, except ratio data)			
Earnings available to fixed charges:				
Income before income taxes	\$199,999	\$119,241	\$532,088	\$113,489
Fixed charges:				
Interest expense	33,184	26,012	95,021	75,713
Portion of rent determined to be interest (1)	8,651	10,243	25,212	24,239
Minority interest in income of subsidiary trust	6,677	6,686	20,040	20,082
Eliminate equity in earnings of unconsolidated entities	(1,936)	(2,410)	(6,813)	(6,466)
	----- \$246,575 =====	----- \$159,772 =====	----- \$665,548 =====	----- \$227,057 =====
Fixed charges:				
Interest expense	\$33,184	\$26,012	\$95,021	\$75,713
Portion of rent determined to be interest (1)	8,651	10,243	25,212	24,239
Minority interest in income of subsidiary trust	6,677	6,686	20,040	20,082
	----- \$48,512 =====	----- \$42,941 =====	----- \$140,273 =====	----- \$120,034 =====
Ratio of earnings to fixed charges	5.08 =====	3.72 =====	4.74 =====	1.89 =====

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

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

	1,000	
	9-MOS	
DEC-31-2000		
SEP-30-2000		
	21,439	
	0	
	1,236,989	
	(36,058)	
	1,170,533	
	2,854,276	
	3,012,992	
	(1,439,032)	
	6,788,528	
1,440,209		
	2,064,746	
500,000		
	0	
	282,170	
6,788,528		
	2,095,868	
	4,949,100	
1,364,713		
	3,584,387	
	4,311,969	
	105,043	
	5,268	
	95,021	
	532,088	
	204,854	
327,234		
	0	
	0	
	0	
	327,234	
	1.22	
	1.22	

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

See notes to consolidated financial statements.