Table of Contents

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

FORM 10-Q

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

for the Quarterly Period Ended June 30, 2008

Commission File Number 1-9608

NEWELL RUBBERMAID INC.

(Exact name of registrant as specified in its charter)

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

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

(770) 407-3800
(Registrant's telephone number, including area code)

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

Yes ☑ No o

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

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

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

Yes o No ☑

Number of shares of common stock outstanding (net of treasury shares) as of June 30, 2008: 277.1 million.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net sales	$1,825.1	$1,693.1	$3,258.8	$3,077.5
Cost of products sold	1,201.9	1,087.5	2,145.1	1,997.2
GROSS MARGIN	623.2	605.6	1,113.7	1,080.3
Selling, general and administrative expenses	392.9	357.3	753.9	695.7
Restructuring costs	69.4	15.5	87.8	31.0
OPERATING INCOME	160.9	232.8	272.0	353.6
Nonoperating expenses:				
Interest expense, net	38.7	27.5	64.5	54.9
Other expense, net	0.8	1.5	1.0	2.3
Net nonoperating expenses	39.5	29.0	65.5	57.2
INCOME BEFORE INCOME TAXES	121.4	203.8	206.5	296.4
Income taxes	28.9	60.6	56.6	88.1
INCOME FROM CONTINUING OPERATIONS	92.5	143.2	149.9	208.3
Loss from discontinued operations, net of tax	—	(1.0)	(0.5)	(16.8)
NET INCOME	$ 92.5	$ 142.2	$ 149.4	$ 191.5
Weighted average shares outstanding:				
Basic	277.1	276.0	277.0	275.9
Diluted	278.2	286.1	278.2	277.9
Earnings (loss) per share:				
Basic —				
Income from continuing operations	$ 0.33	$ 0.52	$ 0.54	$ 0.75
Loss from discontinued operations	—	—	—	(0.06)
Earnings per common share	$ 0.33	$ 0.52	$ 0.54	$ 0.69
Diluted —				
Income from continuing operations	$ 0.33	$ 0.51	$ 0.54	$ 0.75
Loss from discontinued operations	—	—	—	(0.06)
Earnings per common share	$ 0.33	$ 0.51	$ 0.54	$ 0.69
Dividends per share	$ 0.21	$ 0.21	$ 0.42	$ 0.42

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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

	June 30, 2008	December 31, 2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 211.4	$ 329.2
Accounts receivable, net	1,312.7	1,166.4
Inventories, net	1,141.3	940.4
Deferred income taxes	109.6	102.0
Prepaid expenses and other	137.1	113.7
TOTAL CURRENT ASSETS	2,912.1	2,651.7
PROPERTY, PLANT AND EQUIPMENT, NET	675.3	688.6
DEFERRED INCOME TAXES	—	29.4
GOODWILL	3,087.1	2,608.7
OTHER INTANGIBLE ASSETS, NET	657.0	501.8
OTHER ASSETS	232.1	202.7
TOTAL ASSETS	$7,563.6	$6,682.9

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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

	June 30, 2008	December 31, 2007
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 656.8	$ 616.9
Accrued compensation	108.4	170.7
Other accrued liabilities	822.2	744.7
Income taxes payable	12.0	44.0
Notes payable	28.0	15.3
Current portion of long-term debt	1,065.8	972.2
TOTAL CURRENT LIABILITIES	2,693.2	2,563.8
DEFERRED INCOME TAXES	1.4	—
LONG-TERM DEBT	1,959.8	1,197.4
OTHER NONCURRENT LIABILITIES	605.8	674.4
STOCKHOLDERS' EQUITY:		
Preferred stock, authorized shares, 10.0 at $1.00 par value	—	—
None issued and outstanding		
Common stock, authorized shares, 800.0 at $1.00 par value	293.0	292.6
Outstanding shares, before treasury:		
2008 - 293.0		
2007 - 292.6		
Treasury stock, at cost:	(417.3)	(415.1)
Shares held:		
2008 - 15.9		
2007 - 15.9		
Additional paid-in capital	589.2	570.3
Retained earnings	1,953.5	1,922.7
Accumulated other comprehensive loss	(115.0)	(123.2)
TOTAL STOCKHOLDERS' EQUITY	2,303.4	2,247.3
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$7,563.6	$6,682.9

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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

	Six Months Ended June 30, 2008	2007
OPERATING ACTIVITIES:		
Net income	$ 149.4	$ 191.5
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	91.0	92.4
Deferred income taxes	29.1	41.7
Non-cash restructuring costs	46.4	6.4
Gain on sale of assets	—	(0.8)
Stock-based compensation expense	16.9	18.5
Loss on disposal of discontinued operations	0.5	16.6
Income tax benefits	—	(1.9)
Other	0.8	(2.4)
Changes in operating assets and liabilities, excluding the effects of acquisitions:		
Accounts receivable	(87.7)	(79.9)
Inventories	(132.8)	(102.9)
Accounts payable	(8.4)	82.3
Accrued liabilities and other	(224.6)	(88.7)
Discontinued operations	(1.9)	—
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(121.3)	172.8
INVESTING ACTIVITIES:		
Acquisitions, net of cash acquired	(644.1)	(49.5)
Capital expenditures	(78.2)	(69.0)
Disposals of noncurrent assets and sales of businesses	0.5	(2.8)
NET CASH USED IN INVESTING ACTIVITIES	(721.8)	(121.3)
FINANCING ACTIVITIES:		
Proceeds from issuance of debt, net of debt issuance costs	919.7	353.4
Payments on notes payable and long-term debt	(81.7)	(345.0)
Cash dividends	(117.4)	(117.3)
Proceeds from exercised stock options and other	0.2	16.6
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	720.8	(92.3)
Currency rate effect on cash and cash equivalents	4.5	2.6
DECREASE IN CASH AND CASH EQUIVALENTS	(117.8)	(38.2)
Cash and cash equivalents at beginning of period	329.2	201.0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 211.4	$ 162.8

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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

Footnote 1 — Basis of Presentation and Significant Accounting Policies

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

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

New Accounting Pronouncements: In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and requires expanded disclosures about fair value measurements. The Company prospectively adopted the effective provisions of SFAS 157 on January 1, 2008, as required for financial assets and liabilities. The adoption did not have a material impact on the consolidated financial statements. In accordance with SFAS 157, the Company expanded its disclosures regarding the fair values of financial assets and liabilities. See Note 12. The FASB deferred the effective date of SFAS 157 for one year as it relates to fair value measurement requirements for nonfinancial assets and nonfinancial liabilities that are not recognized or disclosed at fair value on a recurring basis. The implementation of SFAS 157 for the Company's nonfinancial assets and nonfinancial liabilities is not expected to have a material impact on the Company's consolidated financial statements.

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

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

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment to FASB Statement No. 133" ("SFAS 161"). SFAS 161 is intended to improve financial reporting by requiring enhanced disclosures for derivative instruments and hedging activities to enable investors to better understand how derivative instruments are accounted for under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133") and their effects on an entity's financial position, financial performance and cash flows. SFAS 161 is effective for the Company beginning January 1, 2009. The adoption of SFAS 161 is not expected to have a significant impact on the Company's consolidated financial statements.

In April 2008, the FASB issued Staff Position No. 142-3, "Determination of the Useful Life of Intangible Assets" ("FSP SFAS 142-3"). FSP SFAS 142-3 amends the factors an entity should consider when developing renewal or extension assumptions for

determining the useful lives of recognized intangible assets under SFAS No. 142, “Goodwill and Other Intangible Assets” (“SFAS 142”). FSP SFAS 142-3 is intended to improve the consistency between the useful lives of recognized intangible assets under SFAS 142 and the period of expected cash flows used to measure the fair value of acquired assets. The guidance also requires expanded disclosure related to an entity’s intangible assets. The guidance for determining the useful life of a recognized intangible asset shall be applied prospectively to intangible assets acquired after the effective date and the disclosure requirements shall be applied prospectively to all intangible assets recognized as of, and subsequent to, the effective date. FSP SFAS 142-3 is effective for fiscal years beginning after December 15, 2008 and interim periods within those fiscal years. FSP SFAS 142-3 is effective for the Company on January 1, 2009. The adoption of FSP SFAS 142-3 is not expected to have a significant impact on the Company’s consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, “The Hierarchy of Generally Accepted Accounting Principles” (“SFAS 162”). SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with U.S. generally accepted accounting principles. SFAS 162 is effective 60 days following the Securities and Exchange Commission’s approval of the Public Company Accounting Oversight Board amendments to remove the hierarchy of generally accepted accounting principles from the auditing standards. The adoption of SFAS 162 is not expected to have a material effect on the Company’s financial statements.

In June 2008, the FASB issued Staff Position EITF 03-06-1, “Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities” (“FSP EITF 03-06-1”). This Staff Position provides that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of earnings per share pursuant to the two-class method in SFAS No. 128, “Earnings per Share”. FSP EITF 03-06-1 is effective for fiscal years beginning after December 15, 2008 and interim periods within those years and requires all prior-period earnings per share data to be adjusted retrospectively. FSP EITF 03-06-1 is effective for the Company on January 1, 2009. The adoption of FSP EITF 03-06-1 is not expected to have a material impact on the Company’s consolidated financial statements.

Footnote 2 — Acquisitions

Technical Concepts

On April 1, 2008, the Company acquired 100% of the outstanding limited liability company interests of Technical Concepts Holdings, LLC (“Technical Concepts”) for $451.3 million, which includes transaction costs and the repayment of Technical Concepts’ outstanding debt obligations at closing. Technical Concepts provides innovative touch-free and automated restroom hygiene systems in the away-from-home washroom category. The Technical Concepts acquisition gives the Company’s Commercial Products business an entry into the away-from-home washroom market and fits within the Company’s strategy of leveraging its existing sales and marketing capabilities across additional product categories. In addition, with approximately 40% of its sales outside the U.S., Technical Concepts increases the global footprint of the Company’s Commercial Products business. For the year ended December 31, 2007, Technical Concepts reported net sales of approximately $137 million.

This acquisition was accounted for using the purchase method of accounting and accordingly, the Company allocated the total purchase price to the identifiable tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the date of acquisition. Based on the preliminary purchase price allocation, the Company allocated $46.8 million of the purchase price to identified tangible net assets and $90.8 million of the purchase price to identified intangible assets. The Company recorded the excess of the purchase price over the aggregate fair values of $313.7 million as goodwill, which is included in the Condensed Consolidated Balance Sheet at June 30, 2008. The final purchase price is subject to post-closing adjustments for working capital and other matters. Technical Concepts’ results of operations are included in the Company’s Condensed Consolidated Financial Statements since the acquisition date. Pro forma results of operations would not be materially different as a result of the acquisition and therefore are not presented.

Aprica

On April 1, 2008, the Company acquired substantially all of the assets of Aprica Childcare Institute Aprica Kassai, Inc. (“Aprica”), a maker of strollers, car seats and other children’s products, headquartered in Osaka, Japan. The Company acquired

Aprica's assets for $153.6 million, which includes transaction costs and the repayment of Aprica's outstanding debt obligations at closing. Aprica is a Japanese brand of premium strollers, car seats and other related juvenile products. The acquisition provides the opportunity for the Company's Baby & Parenting Essentials business to broaden its presence worldwide, including expanding the scope of Aprica's sales outside of Asia. For the fiscal year ended July 31, 2007, Aprica reported net sales of approximately $122 million.

This acquisition was accounted for using the purchase method of accounting and accordingly, the Company allocated the total purchase price to the identifiable tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the date of acquisition. Based on the preliminary purchase price allocation, the Company allocated $5.1 million of the purchase price to identified tangible net liabilities and $58.1 million of the purchase price to identified intangible assets. The Company recorded the excess of purchase price over the aggregate fair values of $100.6 million as goodwill, which is included in the Condensed Consolidated Balance Sheet at June 30, 2008. Aprica's results of operations are included in the Company's Condensed Consolidated Financial Statements since the acquisition date. Pro forma results of operations would not be materially different as a result of the acquisition and therefore are not presented. The closing for the purchase of Aprica's operations in China, which is not expected to be material, is expected to occur in the third quarter of 2008.

Footnote 3 — Discontinued Operations

The following table summarizes the results of businesses reported as discontinued operations for the three and six months ended June 30, *(in millions)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net sales	$ —	$ —	$ —	$ 3.6
Loss from operations of discontinued operations, net of income tax expense of $— million for all periods presented	$ —	$ —	$ —	$ (0.2)
Loss on disposal of discontinued operations, net of income tax benefit of $ — million and $0.5 million for the three and six months ended June 30, 2008, respectively, and income tax expense of $0.1 million and income tax benefit of $3.9 million for the three and six months ended June 30, 2007, respectively	—	(1.0)	(0.5)	(16.6)
Loss from discontinued operations, net of tax	$ —	$(1.0)	$(0.5)	$(16.8)

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

Home Décor Europe

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

In connection with these transactions, the Company recorded a loss of $1.6 million and $14.6 million, net of tax, in the three and six months ended June 30, 2007, respectively, to complete the divestiture of Home Décor Europe. The loss is reported in the table above as part of the loss on disposal of discontinued operations. The remainder of the loss on disposal of discontinued operations for the six months ended June 30, 2007, approximately $2.0 million, net of tax, related to contingencies associated with other prior divestitures.

Footnote 4 — Restructuring Costs

Project Acceleration Restructuring Activities

In the third quarter of 2005, the Company announced a global initiative referred to as Project Acceleration aimed at strengthening and transforming the Company's portfolio. Project Acceleration was designed to reduce manufacturing overhead, better align the Company's distribution and transportation processes to achieve logistical excellence, and reorganize the Company's overall business structure to align with the Company's core organizing concept, the global business unit (the "Plan").

On July 15, 2008, the Company announced an expansion of Project Acceleration so that, in addition to the Plan's original objectives, it will also now provide for divesting, downsizing or exiting certain product categories (the "Plan Expansion"). The Plan Expansion is intended to reduce the Company's exposure to volatile commodity markets, particularly resin. Therefore, a significant portion of the product categories that are the subject of the Plan Expansion are highly resin-intensive. The Plan Expansion is expected to impact product categories that had combined annual sales in 2007 of approximately $500 million. The Plan Expansion is expected to be complete within 12 months, and is expected to result in cumulative pre-tax restructuring charges (including asset impairments) totaling between $80 and $100 million.

Project Acceleration includes the anticipated closures of certain of the Company's manufacturing and distribution facilities to optimize the Company's geographic footprint and is expected to result in cumulative restructuring costs over the life of the initiative totaling between $475 and $500 million ($405 and $425 million after-tax), which includes the expected $80 to $100 million of charges associated with the Plan Expansion. Specifically, in connection with Project Acceleration, the Company expects to incur approximately $250 to $270 million in employee-related costs, including severance, pension costs and other termination benefits and employee relocation; approximately $155 to $175 million in non-cash asset related costs; and approximately $50 to $70 million in other associated costs, including contract termination fees. Approximately 67% of the Project Acceleration restructuring costs are expected to be cash charges. The Company expects to incur between $175 and $225 million ($125 and $165 million after-tax) of Project Acceleration restructuring costs in 2008.

The savings generated from the Plan will allow the Company to increase investment in new product development, brand building and marketing. Annual savings from the Plan are projected to be between $175 and $200 million once fully implemented in 2010.

In total through June 30, 2008, the Company has recorded $290.1 million of costs related to the Plan, including the Plan Expansion, of which $140.3 million related to facility and other exit costs, $111.4 million related to employee severance, termination benefits and employee relocation costs, and $38.4 million related to exited contractual commitments and other restructuring costs.

The table below shows the restructuring costs recognized for Project Acceleration restructuring activities for the three and six months ended June 30, *(in millions)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Facility and other exit costs	$50.2	$ 6.0	$46.4	$ 8.4
Employee severance and termination benefits	12.3	7.5	30.3	19.8
Exited contractual commitments and other	6.9	2.0	9.7	2.8
	$69.4	$15.5	$86.4	$31.0

Restructuring provisions were determined based on estimates prepared at the time the restructuring actions were approved by management, are periodically updated for changes and also include amounts recognized as incurred. Costs incurred include cash payments and the impairment of assets associated with vacated facilities. A summary of the Company's accrued restructuring reserves for continuing operations as of and for the six months ended June 30, 2008 is as follows (*in millions*):

	12/31/07 Balance	Provision	Costs Incurred	6/30/08 Balance
Facility and other exit costs	$ —	$46.4	$(46.4)	$ —
Employee severance and termination benefits	22.5	30.3	(29.0)	23.8
Exited contractual commitments and other	16.2	9.7	(4.8)	21.1
	$38.7	$86.4	$(80.2)	$44.9

The table below shows restructuring costs recognized for Project Acceleration restructuring activities for the three and six months ended June 30, aggregated by reportable business segment *(in millions)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
Segment	2008	2007	2008	2007
Cleaning, Organization & Décor	$39.8	$ 1.4	$40.6	$ 2.6
Office Products	12.3	5.7	22.1	16.3
Tools & Hardware	12.9	6.9	13.3	9.2
Other (Home & Family)	1.3	0.6	0.8	1.0
Corporate	3.1	0.9	9.6	1.9
	$69.4	$15.5	$86.4	$31.0

The following table depicts the changes in accrued restructuring reserves for the Plan for the six months ended June 30, 2008 aggregated by reportable business segment *(in millions)*:

Segment	12/31/07 Balance	Provision	Costs Incurred	6/30/08 Balance
Cleaning, Organization & Décor	$ 0.8	$40.6	$(40.3)	$ 1.1
Office Products	23.1	22.1	(24.3)	20.9
Tools & Hardware	13.9	13.3	(12.3)	14.9
Other (Home & Family)	—	0.8	(0.1)	0.7
Corporate	0.9	9.6	(3.2)	7.3
	$38.7	$86.4	$(80.2)	$44.9

The table below shows total restructuring costs for the Plan since inception through June 30, 2008, aggregated by reportable business segment *(in millions)*:

Segment	Provision
Cleaning, Organization & Décor	$ 96.4
Office Products	114.4
Tools & Hardware	53.4
Other (Home & Family)	10.4
Corporate	15.5
	$ 290.1

Pre-Project Acceleration Restructuring Activities

The Company announced a restructuring plan in 2001 (the “2001 Plan”). The specific objectives of the 2001 Plan were to streamline the Company’s supply chain to become the best-cost global provider throughout the Company’s portfolio by reducing worldwide headcount and consolidating duplicative manufacturing facilities. During the first quarter of 2008, the Company recorded an additional provision relating to the 2001 Plan of $1.4 million, which is included in total restructuring costs for the six months ended June 30, 2008. Approximately $2.3 million of pre-Acceleration restructuring reserves remain as of June 30, 2008.

Cash paid for all restructuring activities was $17.2 million and $35.1 million for the three and six months ended June 30, 2008, respectively, and $15.0 million and $28.3 million for the three and six months ended June 30, 2007, respectively.

Footnote 5 — Inventories, Net

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

	June 30, 2008	December 31, 2007
Materials and supplies	$ 192.5	$178.8
Work in process	225.9	179.8
Finished products	722.9	581.8
	$1,141.3	$940.4

Footnote 6 — Long-Term Debt

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

	June 30, 2008	December 31, 2007
Medium-term notes	$ 1,825.0	$1,075.0
Commercial paper	298.0	197.0
Floating rate note	448.0	448.0
Junior convertible subordinated debentures	436.7	436.7
Other long-term debt	17.9	12.9
Total Debt	3,025.6	2,169.6
Current portion of long-term debt	(1,065.8)	(972.2)
Long-Term Debt	$ 1,959.8	$1,197.4

In March 2008, the Company completed the offering and sale of senior unsecured notes, consisting of $500 million in 5.50% senior unsecured notes with a maturity of April 15, 2013 and $250 million in 6.25% senior unsecured notes with a maturity of April 15, 2018 (collectively, the “Notes”). Interest on the Notes is payable semi-annually on April 15 and October 15 beginning October 15, 2008. Net proceeds from this offering were used to fund acquisitions, repay debt, and for general corporate purposes. The Notes are unsecured and unsubordinated obligations of the Company and equally ranked with all of its existing and future senior unsecured debt. The Notes may be redeemed by the Company at any time, in whole or in part, at a redemption price plus accrued interest to the date of redemption. The redemption price is equal to the greater of (1) 100% of the principal amount of the Notes being redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of any payments of interest accrued through the date of the redemption), discounted to the date of redemption on a semi-annual basis at a specified rate. The Notes also contain a provision that allows holders of the Notes to require the Company to repurchase all or any part of the Notes if a change of control triggering event occurs. Under this provision, the repurchase of the Notes will occur at a purchase price of 101% of the outstanding principal amount, plus accrued and unpaid interest, if any, on such Notes to the date of purchase.

In September 2006, in accordance with the terms of the Company’s 2001 receivables facility with a financial institution, the Company’s financing entity caused its $450 million outstanding preferred debt securities to be exchanged for a two year floating rate note in an aggregate principal amount of $448.0 million (the “Note”) and other consideration. The Note must be repaid before the Company can have access to the financing entity’s receivables. The receivables and the Note are recorded in the Condensed Consolidated Balance Sheets of the Company at December 31, 2007 and June 30, 2008, and the Note is classified as current portion of long-term debt in the Company’s Condensed Consolidated Balance Sheets at December 31, 2007 and June 30, 2008 based on its September 2008 maturity date. The Company expects to extend or refinance the Note prior to its maturity.

In 1997, a 100% owned finance subsidiary (the “Subsidiary”) of the Company issued 10.0 million shares of 5.25% convertible preferred securities (the “Preferred Securities”). Each of these Preferred Securities is convertible into 0.9865 of a share of the Company’s common stock. As of June 30, 2008, the Company fully and unconditionally guarantees the 8.4 million shares of the Preferred Securities issued by the Subsidiary that were outstanding at June 30, 2008, which are callable at 100% of the liquidation preference. The proceeds received by the Subsidiary from the issuance of the Preferred Securities were invested in the Company’s 5.25% Junior Convertible Subordinated Debentures (the “Debentures”), which mature on December 1, 2027. The Preferred Securities are mandatorily redeemable upon the repayment of the Debentures at maturity or upon acceleration of the Debentures. As of June 30, 2008, the Company has not elected to defer interest payments on the $436.7 million of outstanding Debentures.

Footnote 7 — Employee Benefit and Retirement Plans

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

The following table presents the components of the Company's pension cost, including the supplemental retirement plans, for the three months ended June 30, (*in millions*):

	U.S.		International	
	2008	2007	2008	2007
Service cost-benefits earned during the period	$ 1.2	$ 0.9	$ 1.6	$ 1.9
Interest cost on projected benefit obligation	13.1	12.8	8.0	6.9
Expected return on plan assets	(14.5)	(14.6)	(7.6)	(6.8)
Amortization of:				
Prior service cost	0.3	—	—	—
Actuarial loss	1.8	2.2	0.9	1.1
Net periodic pension cost	$ 1.9	$ 1.3	$ 2.9	$ 3.1

The following table presents the components of the Company's pension cost, including the supplemental retirement plans, for the six months ended June 30, (*in millions*):

	U.S.		International	
	2008	2007	2008	2007
Service cost-benefits earned during the period	$ 2.3	$ 1.9	$ 3.2	$ 3.7
Interest cost on projected benefit obligation	26.1	25.6	15.7	13.7
Expected return on plan assets	(28.9)	(29.3)	(15.2)	(13.6)
Amortization of:				
Prior service cost	0.6	—	—	—
Actuarial loss	3.6	4.4	1.9	2.2
Curtailment & special termination benefit gains	—	—	—	(2.4)
Net periodic pension cost	$ 3.7	$ 2.6	$ 5.6	$ 3.6

In the first quarter of 2007, the Company recorded a $2.4 million curtailment gain resulting from the closure of a European manufacturing facility within the Company's Office Products segment.

The following table presents the components of the Company's other postretirement benefit costs for the three and six months ended June 30, (*in millions*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Service cost-benefits earned during the period	$ 0.4	$ 0.5	$ 0.8	$ 0.9
Interest cost on projected benefit obligation	2.4	2.7	4.8	5.4
Amortization of prior service benefit	(0.6)	(0.6)	(1.2)	(1.2)
Net other postretirement benefit costs	$ 2.2	$ 2.6	$ 4.4	$ 5.1

The Company made a cash contribution to the Company-sponsored profit sharing plan of $19.4 million and $18.4 million during the first quarter of 2008 and 2007, respectively.

Footnote 8 — Income Taxes

As of June 30, 2008, there were no significant changes to the Company's unrecognized tax benefits as reported in its Form 10-K for the year ended December 31, 2007.

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

Footnote 9 — Earnings per Share

The calculation of basic and diluted earnings per share is shown below for the three and six months ended June 30, *(in millions, except per share data):*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Numerator for basic earnings per share:				
Income from continuing operations	$ 92.5	$143.2	$149.9	$208.3
Loss from discontinued operations	—	(1.0)	(0.5)	(16.8)
Net income for basic earnings per share	$ 92.5	$142.2	$149.4	$191.5
Numerator for diluted earnings per share:				
Income from continuing operations	$ 92.5	$143.2	$149.9	$208.3
Effect of convertible preferred securities (1)	—	3.6	—	—
Income from continuing operations for diluted earnings per share	92.5	146.8	149.9	208.3
Loss from discontinued operations	—	(1.0)	(0.5)	(16.8)
Net income for diluted earnings per share	$ 92.5	$145.8	$149.4	$191.5
Denominator:				
Denominator for basic earnings per share — weighted-average shares outstanding	277.1	276.0	277.0	275.9
Dilutive securities (2)	1.1	1.8	1.2	2.0
Convertible preferred securities (1)	—	8.3	—	—
Denominator for diluted earnings per share	278.2	286.1	278.2	277.9
Basic earnings (loss) per share:				
Earnings from continuing operations	$ 0.33	$ 0.52	$ 0.54	$ 0.75
Loss from discontinued operations	—	—	—	(0.06)
Earnings per share	$ 0.33	$ 0.52	$ 0.54	$ 0.69
Diluted earnings (loss) per share:				
Earnings from continuing operations	$ 0.33	$ 0.51	$ 0.54	$ 0.75
Loss from discontinued operations	—	—	—	(0.06)
Earnings per share	$ 0.33	$ 0.51	$ 0.54	$ 0.69

(1) The convertible preferred securities are anti-dilutive for each of the six months ended June 30, 2008 and 2007, and therefore have been excluded from diluted earnings per share. Had the convertible preferred securities been included in the diluted earnings per share calculation, net income would be increased by $7.1 million for both the six months ended June 30, 2008 and 2007. Weighted-average shares outstanding would have increased by 8.3 million shares for both the six months ended June 30, 2008 and 2007. The convertible preferred securities are anti-dilutive for the three months ended June 30, 2008, and therefore have been excluded from diluted earnings per share. Had the convertible preferred securities been included in the diluted earnings per share calculation, net income would be increased by $3.6 million for the three months ended June 30, 2008 and weighted-average shares outstanding would have increased by 8.3 million shares.

(2) Dilutive securities include "in the money options" and restricted stock units and awards. The weighted-average shares outstanding exclude the effect of approximately 17.9 million and 7.9 million stock options for the three months ended June 30, 2008 and 2007, respectively, and 17.5 million and 7.9 million stock options for the six months ended June 30, 2008 and 2007, respectively, because such options were anti-dilutive.

Footnote 10 — Accumulated Other Comprehensive Loss

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

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

	Foreign Currency Translation Gain/(Loss)	Unrecognized Pension & Other Postretirement Costs, net of tax	After-tax Derivative Hedging Gain	Accumulated Other Comprehensive Loss
Balance at December 31, 2007	$69.8	$(202.4)	$ 9.4	$(123.2)
Current period change	(2.0)	3.2	7.0	8.2
Balance at June 30, 2008	$67.8	$(199.2)	$16.4	$(115.0)

Comprehensive income amounted to the following for the three and six months ended June 30, *(in millions):*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net income	$ 92.5	$142.2	$149.4	$191.5
Foreign currency translation gain (loss)	8.3	33.3	(2.0)	20.4
Unrecognized pension & other postretirement costs, net of tax	1.6	—	2.5	—
After-tax derivatives hedging (loss) gain	(0.9)	0.8	7.0	1.6
Comprehensive income	$101.5	$176.3	$156.9	$213.5

The Company recorded an adjustment at January 1, 2008 to accumulated other comprehensive loss of $0.7 million related to the adoption of the change in measurement date for the Company's defined benefit and postretirement plans. The adjustment is therefore included in the accumulated other comprehensive loss balance at June 30, 2008, but is excluded from comprehensive income for the six months ended June 30, 2008.

Footnote 11 — Stock-Based Compensation

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

The following table presents the impact of stock-based compensation expense, which is recorded in selling, general and administrative expenses, for the three and six months ended June 30, *(in millions)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Reduction to income before income taxes	$9.4	$10.0	$16.9	$18.5
Reduction to net income	$6.5	$ 7.7	$11.8	$13.0

The fair value of stock option awards granted during the three and six months ended June 30, was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Weighted-average fair value of grants	$ 3	$ 7	$ 4	$ 7
Risk-free interest rate	3.2%	4.6%	2.7%	4.7%
Dividend yield	4.1%	2.8%	3.6%	2.8%
Expected volatility	25%	25%	25%	25%
Expected life (in years)	5.5	5.5	5.5	5.5

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

The following table summarizes the changes in the number of shares of common stock under option for the six months ended June 30, 2008 (*shares in millions*):

	Shares	Weighted Average Exercise Price	Exercisable
Outstanding at December 31, 2007	16.0	$27	7.3
Granted	4.2	23	
Exercised	(0.1)	23	
Forfeited / expired	(2.1)	29	
Outstanding at June 30, 2008	18.0	$26	8.0

At June 30, 2008, the aggregate intrinsic value of exercisable options was zero.

The following table summarizes the changes in the number of shares of restricted stock and restricted stock units for the six months ended June 30, 2008 (*shares in millions*):

	Shares	Weighted-Average Grant Date Fair Value
Outstanding at December 31, 2007	2.6	$26
Granted	1.0	23
Vested	(0.3)	22
Forfeited	(0.4)	26
Outstanding at June 30, 2008	2.9	$26

Footnote 12 — Fair Value

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

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

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

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

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

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

The following table presents the Company's financial assets and liabilities which are measured at fair value on a recurring basis and that are subject to the disclosure requirements of SFAS 157 as of June 30, 2008 (*in millions*):

Description	Fair Value at 6/30/2008	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Mutual fund investments	$ 13.3	$13.3	$ —	$ —
Foreign currency derivatives	0.5	—	0.5	—
Total	$ 13.8	$13.3	$ 0.5	$ —
Liabilities				
Interest rate swaps	$ 20.6	$ —	$ 20.6	$ —
Foreign currency derivatives	113.2	—	113.2	—
Total	$133.8	$ —	$133.8	$ —

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

Footnote 13 — Industry Segment Information

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

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

Table of Contents

The Company's segment results are as follows as of and for the three and six months ended June 30, *(in millions)*:

	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Net Sales (1)				
Cleaning, Organization & Décor	$ 609.9	$ 544.4	$1,074.6	$1,001.8
Office Products	612.9	587.5	1,034.6	993.8
Tools & Hardware	322.3	324.6	612.6	618.5
Other (Home & Family)	280.0	236.6	537.0	463.4
	$1,825.1	$1,693.1	$3,258.8	$3,077.5
Operating Income (Loss) (2)				
Cleaning, Organization & Décor	$ 74.5	$ 81.2	$ 122.6	$ 138.4
Office Products	102.6	109.0	137.1	144.2
Tools & Hardware	46.7	47.7	81.8	81.9
Other (Home & Family)	27.7	31.3	58.3	61.7
Corporate	(21.2)	(20.9)	(40.0)	(41.6)
Restructuring Costs	(69.4)	(15.5)	(87.8)	(31.0)
	$ 160.9	$ 232.8	$ 272.0	$ 353.6

	June 30, 2008	December 31, 2007
Identifiable Assets		
Cleaning, Organization & Décor	$ 980.1	$ 785.3
Office Products	1,513.8	1,352.7
Tools & Hardware	745.2	712.2
Other (Home & Family)	467.6	344.6
Corporate (3)	3,856.9	3,488.1
	$7,563.6	$6,682.9

Geographic Area Information

	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Net Sales				
United States	$1,247.6	$1,236.3	$2,246.0	$2,256.2
Canada	116.6	112.7	205.7	191.8
North America	1,364.2	1,349.0	2,451.7	2,448.0
Europe	288.8	221.4	516.4	413.9
Central and South America	71.4	68.1	132.6	116.7
All other	100.7	54.6	158.1	98.9
	$1,825.1	$1,693.1	$3,258.8	$3,077.5
Operating Income (2), (4)				
United States	$ 110.9	$ 178.7	$ 202.2	$ 277.7
Canada	22.5	30.6	40.4	47.1
North America	133.4	209.3	242.6	324.8
Europe	17.9	8.6	6.1	10.5
Central and South America	(4.3)	5.8	(1.0)	1.7
All other	13.9	9.1	24.3	16.6
	$ 160.9	$ 232.8	$ 272.0	$ 353.6

1) All intercompany transactions have been eliminated. Sales to Wal-Mart Stores, Inc. and subsidiaries amounted to approximately 13% and 14% of consolidated net sales in the three months ended June 30, 2008 and 2007, respectively. Sales to Wal-Mart Stores, Inc. and subsidiaries amounted to approximately 13% of consolidated net sales in each of the six months ended June 30, 2008 and 2007, respectively. Sales to no other customer exceeded 10% of consolidated net sales for either period.

2) Operating income is net sales less cost of products sold, selling, general and administrative expenses and restructuring costs. Certain headquarters expenses of an operational nature are allocated to business segments and geographic areas primarily on a net sales basis.

3) Corporate assets primarily include tradenames and goodwill, capitalized software, investments and deferred tax assets.

4) The restructuring costs have been reflected in the appropriate geographic regions.

Footnote 14 — Litigation and Contingencies

The Company is involved in legal proceedings in the ordinary course of its business. These proceedings include claims for damages arising out of use of the Company's products, allegations of infringement of intellectual property, commercial disputes and employment matters, as well as environmental matters. Some of the legal proceedings include claims for punitive as well as compensatory damages, and certain proceedings may purport to be class actions. Although management of the Company cannot predict the ultimate outcome of these legal proceedings with certainty, it believes that the ultimate resolution of the Company's legal proceedings, including any amounts it may be required to pay in excess of amounts reserved, will not have a material effect on the Company's condensed consolidated financial statements.

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

Footnote 15 — Subsequent Events

In July 2008, the Company redeemed its $250.0 million of Reset notes due July 2028, and recorded a loss on the extinguishment of the Reset notes of $52.2 million associated with the purchase of the remarketing option embedded in the Reset notes. The Company utilized its commercial paper program to fund the redemption of the Reset notes and the purchase of the remarketing option in order to pursue more favorable financing terms.

In July 2008, note holders owning $65.0 million of the Company's $75.0 million of outstanding medium-term notes due July 2028 exercised their put option, which entitled the holders of the notes to require the Company to repay the notes at par. As a result, the Company repaid $65.0 million of the outstanding notes in July 2008. The remaining $10.0 million were not put to the Company and will continue to bear interest at 6.11% through maturity in July 2028. The Company utilized its commercial paper program to fund the redemption of the medium-term notes.

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

Business Overview

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

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

Market Overview

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

The operating results of sourcers and manufacturers of consumer and commercial products are generally impacted by changes in the prices of raw materials (including commodity prices), labor costs, and foreign exchange rates. During the first half of 2008, the Company experienced a significantly higher than expected rate of inflation for raw materials, primarily resin and metals, and sourced finished goods. The primary driver for the increase was record-high energy prices, including the price of oil and natural gas, which are inputs to the cost of resin, which represents a little over 10% of the Company's cost of products sold. The Company now expects the impact of inflation to adversely impact gross margins by $275 million to $325 million in 2008 compared to 2007. Although Project Acceleration and ongoing productivity initiatives have offset some of the inflation, the Company also plans to implement a pricing initiative effective October 1 across a number of product lines, particularly those where resin is the primary component of the cost of products sold. Additionally, effective January 1, 2009, the Company is initiating a new quarterly price adjustment mechanism within its resin-intensive businesses. This adjustment will reflect independent industry indices as well as actual changes in raw material, processing and transportation costs.

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

Business Strategy

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

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

Create Consumer-Meaningful Brands

The Company is continuing to move from its historical focus on push marketing and excellence in manufacturing and distributing products, to a new focus on consumer pull marketing and creating competitive advantage through better understanding its

consumers, innovating to deliver great performance, investing in advertising and promotion to create demand and leveraging its brands in adjacent categories around the world. The Company's progress in implementing this brand building and marketing initiative is exhibited by the following:

- The Company's Home & Family segment sales for the six months ended June 30, 2008 benefited partly due to new demand creation activities and recent product launches within its Baby & Parenting Essentials business, including the Graco® Sweetpeace Newborn Soothing Center and the Nautilus 3-in-1 car seat.
- Also in the Home & Family segment, the Company's Culinary Lifestyles business is planning to launch a new premium line of Calphalon heating electrics this fall. Leveraging the well-known Calphalon® brand, this new line expands the business into a natural near-neighbor category.
- The Company remains committed to increasing selective television, print, direct mail and online advertising, and using sampling and product demonstrations where appropriate, to increase brand awareness and trials among end-users of its brands. For example, during the second quarter of 2008, the Company launched a global television advertising campaign as part of its two-year global partnership with David Beckham, one of the world's most popular soccer players. The partnership includes a fully integrated Sharpie® marketing campaign that also features promotions, in-store displays and online advertising.
- Throughout 2008, the Company continues to sponsor the Lenox®, Irwin® and Sharpie® cars in select NASCAR races to increase awareness for these brands. Also, as an addition to the Company-sponsored June 2008 Lenox Industrial Tools 301 race, the Company added the EXTRA MILE HERO program which recognizes customers, users and suppliers of industrial tools who perform physically demanding jobs while still giving back to the community in a meaningful way.

Leverage One Newell Rubbermaid

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

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

Achieve Best Total Cost

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

Through Project Acceleration and other initiatives, the Company has made significant progress in reducing its supply chain costs and delivering productivity savings. In July 2008, the Company committed to an expansion of Project Acceleration to provide for divesting, downsizing or exiting certain product categories where resin is a high percentage of the cost of products sold. The product categories the Company expects to divest or otherwise exit in connection with the expansion of Project Acceleration generate annual sales of approximately $500 million in selected consumer product categories. Project Acceleration, as expanded, includes the anticipated closures of certain of the Company's manufacturing and distribution facilities to optimize the Company's geographic footprint and the exiting of certain product categories to limit the Company's exposure to volatile commodity markets, particularly resin.

Project Acceleration is expected to result in cumulative restructuring costs over the life of the initiative totaling between $475 and $500 million, and the Company has recognized $290.1 million of restructuring charges associated with Project Acceleration to date. Approximately 67% of the restructuring costs in connection with Project Acceleration are expected to be cash charges. Annual savings from Project Acceleration are projected to be between $175 and $200 million once fully implemented in 2010.

Additionally, in its efforts to achieve logistical excellence and optimize its geographic footprint, the Company continues to evaluate its supply chain efforts to identify opportunities to realize efficiencies in purchasing, distribution and transportation. For example, the Company recently announced plans to consolidate four smaller warehouses into a new Southeast distribution center as part of its efforts to achieve a best cost structure. The Southeast distribution center will be located in Atlanta, Georgia and is expected to open in the third quarter of 2008.

Nurture 360º Innovation

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

During the second quarter of 2008, the Company's Office Products segment introduced an innovative extension of its Sharpie product line. The new line of Sharpie products addresses consumer needs by delivering the bold, smooth, high-quality writing experience associated with Sharpie markers but with the performance of a pen that does not bleed through paper. The new Sharpie product line extends the brand's presence beyond markers and highlighters into everyday writing so that the Sharpie brand can now be found in three key writing segments of the office products category.

Also during the second quarter of 2008, the Company's Baby & Parenting Essentials global business unit launched the Graco® Nautilus 3-in-1 car seat. The Nautilus 3-in-1 offers parents a complete car seat solution, converting from a five point safety harness for infants, to a high back seat belt option for toddlers, to a backless booster seat for kids up to 100 pounds, making it the only forward-facing car seat a child will ever need.

The Company's continued success of its Rubbermaid Produce Saver™, Easy Find Lids™ and Premier™ product lines have driven significant growth in the Rubbermaid Food business. The useful features of these lines, such as longer food storage life, easy organization and storage, and stain and odor resistance, demonstrate the Company's ability to bring consumer-meaningful innovation to the plastic food storage category.

In July, the Company's Beauty & Style global business unit launched Goody Luxe™ which unites style and technology to solve common consumer frustrations. This premier line of hair accessories addresses global hair trends while offering functional benefits. The Goody Luxe product line uses StayPut Hold™ technology which allows the accessories to provide a secure hold yet are gentle enough to remove without snagging.

Acquisitions

In April 2008, the Company closed on two acquisitions, Aprica and Technical Concepts, which expand its product categories and geographic footprint as well as provide the Company an opportunity to leverage innovation and branding capabilities. Aprica is a Japanese brand of premium strollers, car seats and other related juvenile products. This acquisition provides the Company's Baby & Parenting Essentials business the opportunity to broaden its presence worldwide, including expanding the scope of Aprica's sales outside of Asia. The Aprica acquisition also provides the critical mass needed for more shared resources in Japan, which will help accelerate investment in the Asia-Pacific region by other business units. The Technical Concepts acquisition gives the

Company's Commercial Products business an entry into the $2.5 billion away-from-home washroom market. Technical Concepts is a global provider of innovative touch-free and automated restroom hygiene systems. This acquisition fits within the Company's strategy of leveraging its existing sales and marketing capabilities across additional product categories where performance matters and customers will pay a premium for innovation. In addition, with approximately 40% of its sales outside the U.S., Technical Concepts significantly increases the global footprint of the Commercial Products business.

Conclusion

The Company is facing immediate pressures resulting from the volatile commodity markets and challenging economic environment, particularly with respect to significant inflation for raw materials and sourced products and a weak U.S. economy and housing market. The Company is committed to driving its key strategic initiatives of creating consumer-meaningful brands, leveraging the advantages of working as one company, achieving best total cost and nurturing innovation. The Company continues to focus its efforts on investing in strategic brand building to strengthen its brands and drive sales growth, improving productivity and the mix of products sold to improve gross margins, and achieving operating income and earnings per share growth over the long term. During 2008, the Company will continue to collaborate and share best practices company-wide to promote its strategy of building brands that really matter to its consumers.

Results of Operations

The following table sets forth for the periods indicated items from the Condensed Consolidated Statements of Income as reported and as a percentage of net sales for the three and six months ended June 30, *(in millions, except percentages)*:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2008		2007		2008		2007	
Net sales	$1,825.1	100.0%	$1,693.1	100.0%	$3,258.8	100.0%	$3,077.5	100.0%
Cost of products sold	1,201.9	65.9	1,087.5	64.2	2,145.1	65.8	1,997.2	64.9
Gross margin	623.2	34.1	605.6	35.8	1,113.7	34.2	1,080.3	35.1
Selling, general and administrative expenses	392.9	21.5	357.3	21.1	753.9	23.1	695.7	22.6
Restructuring costs	69.4	3.8	15.5	0.9	87.8	2.7	31.0	1.0
Operating income	160.9	8.8	232.8	13.7	272.0	8.3	353.6	11.5
Nonoperating expenses:								
Interest expense, net	38.7	2.1	27.5	1.6	64.5	2.0	54.9	1.8
Other expense, net	0.8	—	1.5	0.1	1.0	—	2.3	0.1
Net nonoperating expenses	39.5	2.2	29.0	1.7	65.5	2.0	57.2	1.9
Income from continuing operations before income taxes	121.4	6.7	203.8	12.0	206.5	6.3	296.4	9.6
Income taxes	28.9	1.6	60.6	3.6	56.6	1.7	88.1	2.9
Income from continuing operations	92.5	5.1	143.2	8.5	149.9	4.6	208.3	6.8
Loss from discontinued operations, net of tax	—	—	(1.0)	(0.1)	(0.5)	—	(16.8)	(0.5)
Net income	$ 92.5	5.1%	$ 142.2	8.4%	$ 149.4	4.6%	$ 191.5	6.2%

Three Months Ended June 30, 2008 vs. Three Months Ended June 30, 2007

Consolidated Operating Results:

Net sales for the three months ended June 30, 2008 were $1,825.1 million, representing an increase of $132.0 million, or 7.8%, from $1,693.1 million for the three months ended June 30, 2007. The Technical Concepts and Aprica acquisitions increased sales by $77.1 million, or 4.6%, over the prior year period. The remaining increase of $54.9 million, or 3.2%, was primarily driven by foreign currency. Double digit growth in the Rubbermaid Commercial, Rubbermaid Food and European and Asia Pacific Office Products businesses and high single digit growth in the Baby & Parenting Essentials business were largely offset by declines in the North American Office Products, Tools & Hardware and Décor businesses, which have been impacted by the weakness in the U.S. economy.

Gross margin, as a percentage of net sales, for the three months ended June 30, 2008 was 34.1%, or $623.2 million, versus 35.8%, or $605.6 million, for the three months ended June 30, 2007. The 1.7% decline in gross margins was due to significant inflation in input cost, most notably in the Company's resin intensive businesses, as well as sourced finished goods, which was partially offset by benefits realized from ongoing productivity initiatives, savings from Project Acceleration, and favorable pricing.

SG&A expenses for the three months ended June 30, 2008 were 21.5% of net sales, or $392.9 million, versus 21.1% of net sales, or $357.3 million, for the three months ended June 30, 2007. The $35.6 million increase in SG&A expenses was driven by continued brand building investments, acquisitions and currency translation.

The Company recorded restructuring costs of $69.4 million and $15.5 million for the three months ended June 30, 2008 and 2007, respectively. The increase in restructuring costs for the three months ended June 30, 2008 compared to the prior year is primarily attributable to $36.0 million of asset impairment charges recorded for the three months ended June 30, 2008 associated with the Company's plan to divest, downsize or exit certain product categories where resin is the primary component of cost of products sold. The second quarter 2008 restructuring costs included $50.2 million of facility and other exit costs, including the $36.0 million of asset impairment charges discussed above, $12.3 million of employee severance, termination benefits and employee relocation costs, and $6.9 million of exited contractual commitments and other restructuring costs. The second quarter 2007 restructuring costs included $6.0 million of facility and other exit costs, $7.5 million of employee severance and termination benefits and $2.0 million of exited contractual commitments and other restructuring costs. See Footnote 4 of the Notes to Condensed Consolidated Financial Statements for further information on these restructuring costs.

Operating income for the three months ended June 30, 2008 was $160.9 million, or 8.8% of net sales, versus $232.8 million, or 13.7% of net sales, for the three months ended June 30, 2007. Improvements from productivity initiatives and favorable pricing during the second quarter of 2008 were more than offset by raw material inflation, increased strategic SG&A spending related to product launches and brand building investments, and Project Acceleration asset impairment charges related to the Company's planned exit of resin-intensive product categories.

Net nonoperating expenses for the three months ended June 30, 2008 were 2.2% of net sales, or $39.5 million, versus 1.7% of net sales, or $29.0 million, for the three months ended June 30, 2007. The $10.5 million increase in net nonoperating expenses is primarily attributable to increased interest expense during the 2008 quarter driven by additional borrowings used to fund the acquisitions of Aprica and Technical Concepts.

The effective tax rate was 23.8% for the three months ended June 30, 2008 versus 29.7% for the three months ended June 30, 2007. The 5.9% decrease in the effective tax rate for the three months ended June 30, 2008 compared to the prior year period is primarily attributable to tax rates applicable to various discrete items recorded during the applicable three month periods, including restructuring charges. The discrete items in each of the three month periods caused the effective tax rate to decline 4.9% from the three months ended June 30, 2007 to the three months ended June 30, 2008. See Footnote 8 of the Notes to Condensed Consolidated Financial Statements for further information.

Business Segment Operating Results:

Net sales by segment were as follows for the three months ended June 30, (*in millions, except percentages*):

	2008	2007	% Change
Cleaning, Organization & Décor	$ 609.9	$ 544.4	12.0%
Office Products	612.9	587.5	4.3
Tools & Hardware	322.3	324.6	(0.7)
Home & Family	280.0	236.6	18.3
Total Net Sales	$1,825.1	$1,693.1	7.8%

Operating income (loss) by segment was as follows for the three months ended June 30, (*in millions, except percentages*):

	2008	2007	% Change
Cleaning, Organization & Décor	$ 74.5	$ 81.2	(8.3)%
Office Products	102.6	109.0	(5.9)
Tools & Hardware	46.7	47.7	(2.1)
Home & Family	27.7	31.3	(11.5)
Corporate	(21.2)	(20.9)	(1.4)
Restructuring Costs	(69.4)	(15.5)	
Total Operating Income	$160.9	$232.8	(30.9)%

Cleaning, Organization & Décor

Net sales for the three months ended June 30, 2008 were $609.9 million, an increase of $65.5 million, or 12.0%, from $544.4 million for the three months ended June 30, 2007. The Technical Concepts acquisition increased sales $40.0 million, or 7.3%. The remaining increase of $25.5 million, or 4.7%, was primarily due to strong double digit growth in the Rubbermaid Food and the Rubbermaid Commercial businesses, partially offset by softness in the Décor business.

Operating income for the three months ended June 30, 2008 was $74.5 million, or 12.2% of sales, a decrease of $6.7 million, or 8.3%, from $81.2 million for the three months ended June 30, 2007. Significant inflation in raw material costs, particularly resin, more than offset the contributions from higher sales and acquisitions during the 2008 quarter.

Office Products

Net sales for the three months ended June 30, 2008 were $612.9 million, an increase of $25.4 million, or 4.3%, from $587.5 million for the three months ended June 30, 2007. The sales improvement was driven by favorable foreign currency and low double digit growth in the segment's European and Asia Pacific businesses in local currency, partially offset by a decline in domestic sales driven by weaker foot traffic at U.S. retailers. The European business benefited in comparison to prior year from a soft second quarter in 2007 driven mainly by service level interruptions that did not repeat this year.

Operating income for the three months ended June 30, 2008 was $102.6 million, or 16.7% of sales, a decrease of $6.4 million, or 5.9%, from $109.0 million for the three months ended June 30, 2007. Operating income declined year-over-year as improvements in sales were more than offset by raw material inflation and increased investment in strategic SG&A spending.

Tools & Hardware

Net sales for the three months ended June 30, 2008 were $322.3 million, a decrease of $2.3 million, or 0.7%, from $324.6 million for the three months ended June 30, 2007. The year-over-year decrease was primarily due to a decline in the sales of the segment's domestic businesses, which have been affected by the decline in the U.S. residential construction market, partially offset by favorable foreign currency.

Operating income for the three months ended June 30, 2008 was $46.7 million, or 14.5% of sales, a decrease of $1.0 million, or 2.1%, from $47.7 million for the three months ended June 30, 2007, as productivity gains and favorable pricing were more than offset by raw material inflation.

Home & Family

Net sales for the three months ended June 30, 2008 were $280.0 million, an increase of $43.4 million, or 18.3%, from $236.6 million for the three months ended June 30, 2007. The Aprica acquisition increased sales $37.1 million, or 15.6%. The remaining increase of $6.3 million, or 2.7%, was attributable to new product launches and demand creation activities by the Baby & Parenting Essentials business. Year-over-year sales improvement was reduced by a 4% net sales shift from second quarter to first quarter due to the SAP implementation and the timing of certain promotional activities.

Operating income for the three months ended June 30, 2008 was $27.7 million, or 9.9% of sales, a decrease of $3.6 million, or 11.5%, from $31.3 million for the three months ended June 30, 2007, as sales improvements were more than offset by increased strategic SG&A spending for new product launches and brand building investments.

Six Months Ended June 30, 2008 vs. Six Months Ended June 30, 2007

Consolidated Operating Results:

Net sales for the six months ended June 30, 2008 were $3,258.8 million, representing an increase of $181.3 million, or 5.9%, from $3,077.5 million for the six months ended June 30, 2007. The acquisitions of Technical Concepts and Aprica increased sales $77.1 million. The remaining increase of $104.2 million, or 3.4%, was mainly attributable to foreign currency benefits. Double digit increases in the Rubbermaid Commercial, Rubbermaid Food, European and Asia Pacific Office Products businesses and a high single digit increase in the Home & Family segment were partially offset by declines in the North American Office Products and Décor businesses, which have been impacted by weakness in the U.S. economy.

Gross margin, as a percentage of net sales, for the six months ended June 30, 2008 was 34.2%, or $1,113.7 million, versus 35.1%, or $1,080.3 million, for the six months ended June 30, 2007. The 0.9% decline was due to significant raw material and sourced finished goods inflation more than offsetting positive pricing, savings from Project Acceleration and gains from ongoing productivity initiatives during the first half of 2008.

SG&A expenses for the six months ended June 30, 2008 were 23.1% of net sales, or $753.9 million, versus 22.6% of net sales, or $695.7 million, for the six months ended June 30, 2007. The $58.2 million increase in SG&A expenses was driven by the SG&A expenses associated with the Technical Concepts and Aprica acquisitions, the impact of foreign currency and continued investment in brand building and strategic corporate initiatives.

The Company recorded restructuring costs of $87.8 million and $31.0 million for the six months ended June 30, 2008 and 2007, respectively. The increase in restructuring costs for the six months ended June 30, 2008 compared to the prior year is primarily attributable to $36.0 million of asset impairment charges recorded for the six months ended June 30, 2008 associated with the Company's plan to divest, downsize or exit certain product categories where resin is the primary component of cost of products sold. The 2008 restructuring costs included $46.4 million of facility and other exit costs, including the $36.0 million of asset impairment charges noted above, $30.3 million of employee severance, termination benefits and employee relocation costs, and $11.1 million of exited contractual commitments and other restructuring costs, of which $1.4 million relates to the Company's 2001 Plan. The 2007 restructuring costs included $8.4 million of facility and other exit costs, $19.8 million of employee severance and termination benefits and $2.8 million of exited contractual commitments and other restructuring costs. See Footnote 4 of the Notes to Condensed Consolidated Financial Statements for further information on these restructuring costs.

Operating income for the six months ended June 30, 2008 was $272.0 million, or 8.3% of net sales, versus $353.6 million, or 11.5% of net sales, for the six months ended June 30, 2007. The $81.6 million decline in operating income is primarily attributable to the impact of raw material inflation on gross margin in 2008 and the $36.0 million of Project Acceleration asset impairment charges in 2008 discussed above, partially offset by gross margin improvements from productivity initiatives and favorable pricing during 2008.

Net nonoperating expenses for the six months ended June 30, 2008 were 2.0% of net sales, or $65.5 million, versus 1.9% of net sales, or $57.2 million, for the six months ended June 30, 2007. The $8.3 million increase in net nonoperating expenses is mainly attributable to increased interest expense in 2008 attributable to additional borrowings used to fund the acquisitions of Aprica and Technical Concepts.

The effective tax rate was 27.4% for the six months ended June 30, 2008 versus 29.7% for the six months ended June 30, 2007. The decrease in the effective tax rate for the six months ended June 30, 2008 compared to the prior year period is primarily attributable to tax rates applicable to various discrete items recorded during the six month periods, including restructuring costs, partially offset by a $1.9 million income tax benefit recorded for the six months ended June 30, 2007 relating to the receipt of an income tax refund which reduced the effective tax rate for the six months ended June 30, 2007 by 0.6%. The discrete items in each of the six month periods caused the effective tax rate to decline 1.3% from the six months ended June 30, 2007 to the six months ended June 30, 2008. See Footnote 8 of the Notes to Condensed Consolidated Financial Statements for further information.

For the six months ended June 30, 2007, the Company recognized a loss from operations of discontinued operations of $0.2 million, net of tax, related to the results of the remaining operations of the Home Décor Europe business and a loss on disposal of discontinued operations of $16.6 million, net of tax, related primarily to the disposal of the remaining operations of the Home Décor Europe business. The total loss from discontinued operations, net of tax, was $0.5 million and $16.8 million for the six months ended June 30, 2008 and 2007, respectively. Diluted loss per share from discontinued operations was $- and $0.06 for the six months ended June 30, 2008 and 2007, respectively. See Footnote 3 of the Notes to Condensed Consolidated Financial Statements for further information.

Business Segment Operating Results:

Net sales by segment were as follows for the six months ended June 30, (*in millions, except percentages*):

	2008	2007	% Change
Cleaning, Organization & Décor	$1,074.6	$1,001.8	7.3%
Office Products	1,034.6	993.8	4.1
Tools & Hardware	612.6	618.5	(1.0)
Home & Family	537.0	463.4	15.9
Total Net Sales	$3,258.8	$3,077.5	5.9%

Operating income (loss) by segment was as follows for the six months ended June 30, (*in millions, except percentages*):

	2008	2007	% Change
Cleaning, Organization & Décor	$122.6	$138.4	(11.4)%
Office Products	137.1	144.2	(4.9)
Tools & Hardware	81.8	81.9	(0.1)
Home & Family	58.3	61.7	(5.5)
Corporate	(40.0)	(41.6)	3.8
Restructuring Costs	(87.8)	(31.0)	
Total Operating Income	$272.0	$353.6	(23.1)%

Cleaning, Organization & Décor

Net sales for the six months ended June 30, 2008 were $1,074.6 million, an increase of $72.8 million, or 7.3%, from $1,001.8 million for the six months ended June 30, 2007. The Technical Concepts acquisition increased sales $40.0 million, or 4.0%. The remaining increase of $32.8 million, or 3.3% was driven by double digit growth in the Rubbermaid Commercial and Rubbermaid Food businesses, partially offset by softness in the Décor business.

Operating income for the six months ended June 30, 2008 was $122.6 million, or 11.4% of sales, a decrease of $15.8 million, or 11.4%, from $138.4 million for the six months ended June 30, 2007. Higher raw material inflation, particularly resin, and strategic brand building investments more than offset the contribution from increased sales and the Technical Concepts acquisition during the first half of 2008.

Office Products

Net sales for the six months ended June 30, 2008 were $1,034.6 million, an increase of $40.8 million, or 4.1%, from $993.8 million for the six months ended June 30, 2007. The sales improvement was driven by favorable foreign currency and growth in the segment's European and Asia Pacific businesses in local currency, partially offset by a decline in domestic sales driven by weaker foot traffic at U.S. retailers. The European business benefited in comparison to prior year from a soft first half in 2007 driven mainly by service level interruptions that did not repeat this year.

Operating income for the six months ended June 30, 2008 was $137.1 million, or 13.3% of sales, a decrease of $7.1 million, or 4.9%, from $144.2 million for the six months ended June 30, 2007. Operating income declined as improvements in sales were offset by raw material inflation and increased investment in strategic SG&A spending.

Tools & Hardware

Net sales for the six months ended June 30, 2008 were $612.6 million, a decrease of $5.9 million, or 1.0%, from $618.5 million for the six months ended June 30, 2007. The year-over-year decrease was due to softness in the segment's domestic businesses, which have been affected by the decline in the U.S. residential construction market, partially offset by favorable foreign currency.

Operating income for the six months ended June 30, 2008 was $81.8 million, or 13.4% of sales, a decrease of $0.1 million, or 0.1%, from $81.9 million for the six months ended June 30, 2007, essentially flat to last year as productivity gains and favorable pricing and mix effectively offset raw material inflation and softness in the domestic tools businesses.

Home & Family

Net sales for the six months ended June 30, 2008 were $537.0 million, an increase of $73.6 million, or 15.9%, from $463.4 million for the six months ended June 30, 2007. The Aprica acquisition increased sales $37.1 million, or 8.0%. The remaining increase of $36.5 million, or 7.9%, was driven by product launches and demand creation activities in the Baby & Parenting Essentials business.

Operating income for the six months ended June 30, 2008 was $58.3 million, or 10.9% of sales, a decrease of $3.4 million, or 5.5%, from $61.7 million for the six months ended June 30, 2007, as volume gains were more than offset by increased strategic SG&A spending for new product launches and brand building investments.

Liquidity and Capital Resources

Cash and cash equivalents decreased as follows for the six months ended June 30, (*in millions*):

	2008	2007
Cash (used in) provided by operating activities	$(121.3)	$ 172.8
Cash used in investing activities	(721.8)	(121.3)
Cash provided by (used in) financing activities	720.8	(92.3)
Currency effect on cash and cash equivalents	4.5	2.6
Decrease in cash and cash equivalents	$(117.8)	$ (38.2)

Sources:

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

During the six months ended June 30, 2008, the Company received net proceeds from the issuance of debt of $919.7 million, compared to $353.4 million for the comparable period of 2007. In March 2008, the Company completed the offering and sale of senior unsecured notes, consisting of $500 million in 5.50% senior unsecured notes due April 2013 and $250 million in 6.25% senior unsecured notes due April 2018 (collectively, the "Notes"). Net proceeds from this offering were used to fund acquisitions, repay debt, and for general corporate purposes. The Notes are unsecured and unsubordinated obligations of the Company and equally ranked with all existing and future senior unsecured debt. Proceeds from the issuance of debt in 2007 include the issuance of commercial paper used to fund the repayment of a five-year, $250 million, 6% fixed rate medium term note that came due on March 15, 2007. See Footnote 6 of the Notes to Condensed Consolidated Financial Statements for additional information.

On November 14, 2005, the Company entered into a $750.0 million five-year syndicated revolving credit facility (the "Revolver"). As a result of subsequent extensions, the Revolver will now expire in November 2012. Since one lender elected not to participate in the extensions, the Company has a $750.0 million facility through November 2010, and a $725.0 million facility from November 2010 to November 2012. At June 30, 2008 and 2007, there were no borrowings under the Revolver.

In lieu of borrowings under the Revolver, the Company may issue up to $750.0 million of commercial paper through 2010 and $725.0 million thereafter through 2012. The Revolver provides the committed backup liquidity required to issue commercial paper. Accordingly, commercial paper may only be issued up to the amount available for borrowing under the Revolver. The Revolver also provides for the issuance of up to $100.0 million of standby letters of credit so long as there is a sufficient amount available for borrowing under the Revolver. At June 30, 2008, there was $298.0 million of commercial paper outstanding, classified as current portion of long-term debt, and no standby letters of credit issued under the Revolver.

Uses:

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

Cash used in operating activities for the six months ended June 30, 2008 was $121.3 million, compared to $172.8 million provided for the comparable period of 2007. The decrease is attributable primarily to the timing of cash payments for taxes and accrued liabilities, primarily customer programs; lower income from continuing operations, partially offset by an increase in non-cash restructuring costs; a reduction in accounts payable; and an increase in inventory levels. Cash used for restructuring activities was $35.1 million and $28.3 million in the first six months of 2008 and 2007, respectively, and is included in the cash flows from operations above. These payments relate primarily to employee termination benefits. The Company expects to use approximately $80 million of cash for restructuring activities in 2008 related to Project Acceleration.

Cash used for acquisitions was $644.1 million and $49.5 million for the six months ended June 30, 2008 and 2007, respectively. The cash used in 2008 related primarily to the acquisitions of Technical Concepts and Aprica. The Company did not invest in significant acquisitions in 2007.

The Company made payments on notes payable, commercial paper and long-term debt of $81.7 million and $345.0 million in the six months ended June 30, 2008 and 2007, respectively. The use of cash during the six months ended June 30, 2008 mainly represents the pay down of commercial paper. During the six months ended June 30, 2007, the Company paid-off a five-year, $250 million, 6% fixed rate note, at maturity, and made payments of $88.0 million on commercial paper.

Dividends paid were $117.4 million and $117.3 million during the six months ended June 30, 2008 and 2007, respectively.

Capital expenditures were $78.2 million and $69.0 million during the six months ended June 30, 2008 and 2007, respectively. The most significant components of the 2008 capital expenditures related to the implementation of SAP.

Liquidity Metrics

Working capital (defined as current assets less current liabilities) at June 30, 2008 was $218.9 million compared to $87.9 million at December 31, 2007. The current ratio was 1.08:1 at June 30, 2008 and 1.03:1 at December 31, 2007.

Total debt to total capitalization (total debt is net of cash and cash equivalents, and total capitalization includes total debt and stockholders' equity) was 0.55:1 at June 30, 2008 and 0.45:1 at December 31, 2007.

In July 2008, the Company redeemed its $250.0 million of Reset notes due July 2028, and the Company purchased the remarketing option embedded in the Reset notes from a third party for $52.2 million. In July 2008, the Company also repaid $65.0 million of its $75.0 million outstanding 6.11% medium term notes due July 2028 in accordance with the terms of the notes. The Company utilized its commercial paper program to fund the redemption of the Reset notes, the purchase of the remarketing option, and the repayment of the $65.0 million of 6.11% medium term notes due July 2028.

The Company believes that available cash, cash flows generated from future operations, access to capital markets, and availability under its revolving credit facility, including issuing commercial paper, will be adequate to support the cash needs of existing businesses, although the Company will be required to refinance its maturing short-term debt. As of June 30, 2008, the Company had $1,093.8 million of short-term debt, including a floating rate note of $448.0 million related to its 2001 receivables facility that matures in September 2008. The Company plans to address these obligations through the capital markets or other arrangements; however, access to the capital markets cannot be assured and alternative financing arrangements may result in higher borrowing costs for the Company. In addition, certain events, such as significant acquisitions, could require additional external financing on a long-term basis.

Fair Value Measurements

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

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

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

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

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

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

Critical Accounting Policies

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

Market Risk

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

The Company manages interest rate exposure through its conservative debt ratio target and its mix of fixed and floating rate debt. Interest rate swaps may be used to adjust interest rate exposures when appropriate based on market conditions, and for qualifying hedges, the interest differential of swaps is included in interest expense.

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

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

The amounts shown below represent the estimated potential economic loss that the Company could incur from adverse changes in either interest rates or foreign exchange rates using the value-at-risk estimation model. The value-at-risk model uses historical foreign exchange rates and interest rates to estimate the volatility and correlation of these rates in future periods. It estimates a loss in fair market value using statistical modeling techniques that are based on a variance/covariance approach and includes substantially all market risk exposures (specifically excluding equity-method investments). The fair value losses shown in the table below represent the Company's estimate of the maximum loss that could arise in one day. The amounts presented in the table are shown as an illustration of the impact of potential adverse changes in interest and foreign currency exchange rates. The following table sets forth the one day value-at-risk as of and for the six months ended June 30, *(dollars in millions*):

	2008 Six Month Average	June 30, 2008	2007 Six Month Average	June 30, 2007	Confidence Level
Market Risk (1)					
Interest rates	$14.2	$15.3	$8.1	$8.4	95%
Foreign exchange	$ 6.8	$ 6.3	$3.6	$3.6	95%

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

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

Forward-Looking Statements

Forward-looking statements in this Report are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may relate to, but are not limited to, information or assumptions about the effects of Project Acceleration, sales (including pricing), income/(loss), earnings per share, operating income or gross margin improvements or declines, return on equity, return on invested capital, capital expenditures, working capital, cash flow, dividends, capital structure, debt to capitalization ratios, interest rates, internal growth rates, restructuring, impairment and other

charges, potential losses on divestitures, impact of changes in accounting standards, pending legal proceedings and claims (including environmental matters), future economic performance, costs and cost savings (including raw material and sourced product inflation, productivity and streamlining), synergies, management's plans, goals and objectives for future operations, performance and growth or the assumptions relating to any of the forward-looking statements. These statements generally are accompanied by words such as "intend," "anticipate," "believe," "estimate," "project," "target," "plan," "expect," "will," "should," "would" or similar statements. The Company cautions that forward-looking statements are not guarantees because there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, the Company's dependence on the strength of retail economies; competition with other manufacturers and distributors of consumer products; major retailers' strong bargaining power; changes in the prices of raw materials and sourced products; the Company's ability to develop innovative new products and to develop, maintain and strengthen its end-user brands; the Company's ability to expeditiously close facilities and move operations while managing foreign regulations and other impediments; the Company's ability to implement successfully information technology solutions throughout its organization; the Company's ability to improve productivity and streamline operations; the Company's ability to refinance short term debt on terms acceptable to it; the risks inherent in the Company's foreign operations and those matters set forth in this Report generally and Exhibit 99.1 to this Report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

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

Item 4. Controls and Procedures

As of June 30, 2008, an evaluation was performed by the Company's management, under the supervision and with the participation of the Company's chief executive officer and chief financial officer, of the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the chief executive officer and the chief financial officer concluded that the Company's disclosure controls and procedures were effective.

The internal control over financial reporting at the Company's North American operations of the Home & Family segment changed during the quarter ended June 30, 2008 due to the implementation of SAP. The implementation was successful and did not have an adverse effect on the Company's internal control over financial reporting. There were no other material changes in internal control over financial reporting at the Company's other businesses that occurred during the quarter ended June 30, 2008. Implementation of SAP will continue to occur over several years in phases, primarily based on geographic region and segment. This activity involves the migration of multiple legacy systems and users to a common SAP information platform. In addition, this conversion will impact certain interfaces with the Company's customers and suppliers, resulting in changes to the tools the Company uses to take orders, procure materials, schedule production, remit billings, make payments and perform other business functions.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

The information presented below amends and updates the risk factors set forth in the Company's 2007 Form 10-K and in Exhibit 99.1 to the Company's Form 10-Q for the period ended March 31, 2008.

If the Company is unable to access the capital markets to refinance its maturing short-term debt, its borrowing costs could increase significantly.

As of June 30, 2008, the Company had approximately $1,093.8 million of short-term debt that it will be required to refinance or repay within the next twelve months, including $448.0 million of debt maturing on September 16, 2008 related to a receivables facility. The Company plans to address these obligations as they mature through the capital markets or other arrangements, although the Company does not currently have sufficient availability under its commercial paper program to fund these obligations. However, access to the capital markets cannot be assured, and although the Company believes that alternative arrangements will be available to refinance these obligations, such arrangements could result in a significant increase in the Company's borrowing costs.

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

The Company's current senior debt credit ratings from Moody's Investors Service, Standard & Poor's and Fitch Ratings are Baa2, BBB+ and BBB, respectively. Its current short-term debt credit ratings from Moody's Investors Service, Standard & Poor's and Fitch Ratings are P-2, A-2 and F-2, respectively. In July 2008, both Moody's and Standard & Poor's changed their outlook on their ratings from Stable to Negative and Fitch revised its outlook from Positive to Stable. The Company cannot be sure that any of its current ratings will remain in effect for any given period of time or that a rating will not be lowered by a rating agency if, in its judgment, circumstances in the future so warrant. Any downgrade could increase the Company's borrowing costs, which would adversely affect the Company's financial results. The Company would likely be required to pay a higher interest rate in future financings, and its potential pool of investors and funding sources could decrease. If the Company's short-term ratings were to be lowered, it could limit the Company's access to the commercial paper market, which would likely increase the cost of short-term borrowings. The ratings from credit agencies are not recommendations to buy, sell or hold the Company's securities, and each rating should be evaluated independently of any other rating.

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

ISSUER PURCHASES OF EQUITY SECURITIES

The following table provides information about the Company's purchases of equity securities during the quarter ended June 30, 2008:

Period	Total Number of Shares Purchased(1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number / Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
4/1/08-4/30/08	—	—	—	—
5/1/08-5/31/08	8,771	$20.20	—	—
6/1/08-6/30/08	1,625	$18.04	—	—
Total	10,396	$19.86	—	—

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

Item 4. Submission of Matters to a Vote of Security Holders

On May 6, 2008, the 2008 Annual Meeting of Stockholders of the Company was held. The following is a brief description of the matters voted upon at the meeting and tabulation of the voting therefor:

Proposal 1. Election of Directors. The following nominees were elected to serve as Directors of the Company for a term of three years.

Nominee	Number of Shares For	Against	Abstained
Michael T. Cowhig	239,519,179	6,188,239	3,909,417
Mark D. Ketchum	240,599,895	5,110,104	3,906,837
William D. Marohn	240,522,101	5,185,109	3,909,625
Raymond G. Viault	240,212,112	5,486,083	3,918,640

In addition, the terms of office of the following Directors continued after the meeting: Thomas E. Clarke, Scott S. Cowen, Domenico De Sole, Elizabeth Cuthbert-Millett, Cynthia A. Montgomery, Steven J. Strobel, and Michael A. Todman.

Proposal 2. Ratification of Appointment of Independent Registered Public Accounting Firm. A proposal to ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the year 2008 was adopted, with 247,229,185 votes cast for, 474,152 votes cast against, and 1,913,497 votes abstained.

Proposal 3. Approval of the Newell Rubbermaid Inc. Management Cash Bonus Plan. The Newell Rubbermaid Inc. Management Cash Bonus Plan was approved, with 238,639,685 votes cast for, 8,578,796 votes cast against, and 2,398,355 votes abstained.

Proposal 4. Approval of amendment and restatement of the Company's Restated Certificate of Incorporation. The proposal to amend and restate the Company's Restated Certificate of Incorporation to eliminate supermajority vote requirements and the fair price provision was approved, with 244,234,698 votes cast for, 2,992,182 votes cast against, and 2,389,955 votes abstained.

There were no broker non-votes with respect to any of the above proposals.

Item 6. Exhibits

3.1 Restated Certificate of Incorporation of Newell Rubbermaid Inc. as amended as of May 6, 2008 (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2008).

4.1 Restated Certificate of Incorporation of Newell Rubbermaid Inc. as amended as of May 6, 2008, is included in Item 3.1.

10.1 Form of Restricted Stock Unit Award Agreement under the Newell Rubbermaid Inc. 2003 Stock Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2008).

31.1 Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.1 Safe Harbor Statement.

SIGNATURES

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

NEWELL RUBBERMAID INC.
Registrant

Date: August 11, 2008

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

EXHIBIT 31.1

CERTIFICATION

I, Mark D. Ketchum, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2008 of Newell Rubbermaid Inc.;

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

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

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

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

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

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

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

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

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

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

Date: August 11, 2008

/s/ Mark D. Ketchum
Mark D. Ketchum
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, J. Patrick Robinson, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2008 of Newell Rubbermaid Inc.;

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

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

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

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

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

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

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

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

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

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

Date: August 11, 2008

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

EXHIBIT 32.1

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

In connection with the Quarterly Report of Newell Rubbermaid Inc. (the "Company") on Form 10-Q for the period ending June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark D. Ketchum, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Mark D. Ketchum

Mark D. Ketchum
Chief Executive Officer
August 11, 2008

EXHIBIT 32.2

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

In connection with the Quarterly Report of Newell Rubbermaid Inc. (the "Company") on Form 10-Q for the period ending June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, J. Patrick Robinson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ J. Patrick Robinson

J. Patrick Robinson
Chief Financial Officer
August 11, 2008

EXHIBIT 99.1

NEWELL RUBBERMAID INC. SAFE HARBOR STATEMENT

The Company has made statements in its Annual Report on Form 10-K for the year ended December 31, 2007, as well as in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2008, and the documents incorporated by reference therein that constitute forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties. The statements relate to, and other forward-looking statements that may be made by the Company may relate to, but are not limited to, information or assumptions about the effects of Project Acceleration, sales (including pricing), income/(loss), earnings per share, return on equity, return on invested capital, capital expenditures, working capital, cash flow, dividends, capital structure, debt to capitalization ratios, interest rates, internal growth rates, restructuring, impairment and other charges, potential losses on divestitures, impact of changes in accounting standards, pending legal proceedings and claims (including environmental matters), future economic performance, operating income improvements, costs and cost savings (including raw material and sourced product inflation, productivity and streamlining), synergies, and management's plans, goals and objectives for future operations and growth. These statements generally are accompanied by words such as "intend," "anticipate," "believe," "estimate," "project," "target," "plan," "expect," "will," "should" or similar statements. You should understand that forward-looking statements are not guarantees because there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. The factors that are discussed below, as well as the matters that are set forth generally in the 2007 Form 10-K and the second quarter 2008 Form 10-Q and the documents incorporated by reference therein could cause actual results to differ. Some of these factors are described as criteria for success. Our failure to achieve, or limited success in achieving, these objectives could result in actual results differing materially from those expressed or implied in the forward-looking statements. In addition, there can be no assurance that we have correctly identified and assessed all of the factors affecting the Company or that the publicly available and other information we receive with respect to these factors is complete or correct.

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

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

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

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

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

inventory reductions and retailer consolidation. The resulting risks to the Company include possible loss of sales, reduced profitability and limited ability to recover cost increases through price increases.

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

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

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

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

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

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

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

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

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

Although the Company has in recent years increasingly emphasized internal growth rather than growth by acquisition, the Company's ability to continue to make strategic acquisitions and to integrate the acquired businesses successfully, including obtaining anticipated cost savings and operating income improvements within a reasonable period of time, remain important

factors in the Company's future growth. Furthermore, the cost of any future major acquisitions could constrain the Company's access to capital and increase the Company's borrowing costs.

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

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

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

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

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

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

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

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

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

Claims for losses or injuries purportedly caused by some of the Company's products arise in the ordinary course of the Company's business. In addition to the risk of substantial monetary judgments, product liability claims or regulatory actions could result in negative publicity that could harm the Company's reputation in the marketplace or adversely impact the value of its end-user brands. The Company could also be required to recall possibly defective products, which could result in adverse

publicity and significant expenses. Although the Company maintains product liability insurance coverage, potential product liability claims are subject to a self-insured retention or could be excluded under the terms of the policy.

If the Company is unable to access the capital markets to refinance its maturing short-term debt, its borrowing costs could increase significantly.

As of June 30, 2008, the Company had approximately $1,093.8 million of short-term debt that it will be required to refinance or repay within the next twelve months, including $448.0 million of debt maturing on September 16, 2008 related to a receivables facility. The Company plans to address these obligations as they mature through the capital markets or other arrangements, although the Company does not currently have sufficient availability under its commercial paper program to fund these obligations. However, access to the capital markets cannot be assured, and although the Company believes that alternative arrangements will be available to refinance these obligations, such arrangements could result in a significant increase in the Company's borrowing costs.

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

The Company's current senior debt credit ratings from Moody's Investors Service, Standard & Poor's and Fitch Ratings are Baa2, BBB+ and BBB, respectively. Its current short-term debt credit ratings from Moody's Investors Service, Standard & Poor's and Fitch Ratings are P-2, A-2 and F-2, respectively. In July 2008, both Moody's and Standard & Poor's changed their outlook on their ratings from Stable to Negative and Fitch revised its outlook from Positive to Stable. The Company cannot be sure that any of its current ratings will remain in effect for any given period of time or that a rating will not be lowered by a rating agency if, in its judgment, circumstances in the future so warrant. Any downgrade could increase the Company's borrowing costs, which would adversely affect the Company's financial results. The Company would likely be required to pay a higher interest rate in future financings, and its potential pool of investors and funding sources could decrease. If the Company's short-term ratings were to be lowered, it could limit the Company's access to the commercial paper market, which would likely increase the cost of short term borrowings. The ratings from credit agencies are not recommendations to buy, sell or hold the Company's securities, and each rating should be evaluated independently of any other rating.