

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
for the Quarterly Period Ended March 31, 2004

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 600
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, and (2) has been subject to such filing requirements for the past 90 days.

Yes

No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

Number of shares of common stock outstanding (net of treasury shares) as of April 30, 2004: 274.8 million

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited, in millions, except per share data)

	Quarter Ended March 31,	
	2004	2003
Net sales	\$1,541.0	\$1,557.9
Cost of products sold	1,129.5	1,125.2
GROSS MARGIN	411.5	432.7
Selling, general and administrative expenses	313.8	292.0
Restructuring costs	22.8	24.4
OPERATING INCOME	74.9	116.3
Nonoperating expenses:		
Interest expense, net	30.9	37.0
Other, net	(4.3)	20.3
Net nonoperating expenses	26.6	57.3
INCOME BEFORE INCOME TAXES	48.3	59.0
Income taxes	15.2	19.1
NET INCOME FROM CONTINUING OPERATIONS	33.1	39.9
Loss from discontinued operations, net of tax	(108.0)	(23.9)
NET (LOSS) INCOME	(\$74.9)	\$ 16.0
Weighted average shares outstanding:		
Basic	274.4	273.6
Diluted	274.5	274.0
Earnings (loss) per share:		
Basic -		
Income from continuing operations	\$ 0.12	\$ 0.15
Loss from discontinued operations	(0.39)	(0.09)
Net (loss) income per common share	(\$0.27)	\$ 0.06
Diluted -		
Income from continuing operations	\$ 0.12	\$ 0.15
Loss from discontinued operations	(0.39)	(0.09)
Net (loss) income per common share	(\$0.27)	\$ 0.06
Dividends per share	\$ 0.21	\$ 0.21

See Notes to Consolidated Financial Statements (Unaudited).

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions)

	March 31, 2004	December 31, 2003
	<i>(Unaudited)</i>	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 51.9	\$ 144.4
Accounts receivable, net	1,253.2	1,410.1
Inventories, net	991.7	886.8
Deferred income taxes	153.7	152.7
Prepaid expenses and other	191.4	183.4
Current assets of discontinued operations	175.2	222.8
TOTAL CURRENT ASSETS	2,817.1	3,000.2
OTHER LONG-TERM INVESTMENTS	15.5	15.5
OTHER ASSETS	203.8	180.8
PROPERTY, PLANT AND EQUIPMENT, NET	1,558.3	1,625.7
DEFERRED INCOME TAXES	56.7	68.1
GOODWILL	1,991.1	1,989.0
OTHER INTANGIBLE ASSETS, NET	445.8	450.6
NON-CURRENT ASSETS OF DISCONTINUED OPERATIONS	121.1	150.8
TOTAL ASSETS	\$7,209.4	\$7,480.7

See Notes to Consolidated Financial Statements (Unaudited).

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONT.)
(In millions, except per share data)

	March 31, 2004	December 31, 2003
	<i>(Unaudited)</i>	
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable	\$ 12.7	\$ 21.9
Accounts payable	663.5	701.6
Accrued compensation	84.8	123.5
Other accrued liabilities	891.8	961.5
Income taxes	85.1	80.8
Current portion of long-term debt	14.1	13.5
Current liabilities of discontinued operations	97.5	119.2
TOTAL CURRENT LIABILITIES	1,849.5	2,022.0
LONG-TERM DEBT	2,871.3	2,868.6
OTHER NONCURRENT LIABILITIES	574.9	570.6
LONG-TERM LIABILITIES OF DISCONTINUED OPERATIONS	—	1.5
MINORITY INTEREST	1.9	1.7
STOCKHOLDERS' EQUITY:		
Common stock, authorized shares, 800.0 million at \$1.00 par value;	290.1	290.1
Outstanding shares:		
2004 - 290.1 million		
2003 - 290.1 million		
Treasury stock, at cost;	(411.6)	(411.6)
Shares held:		
2004 - 15.7 million		
2003 - 15.7 million		
Additional paid-in capital	432.2	439.9
Retained earnings	1,733.2	1,865.7
Accumulated other comprehensive loss	(132.1)	(167.8)
TOTAL STOCKHOLDERS' EQUITY	1,911.8	2,016.3
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$7,209.4	\$7,480.7

See Notes to Consolidated Financial Statements (Unaudited).

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

	Quarter Ended March 31,	
	2004	2003
OPERATING ACTIVITIES:		
Net (loss)/income	(\$74.9)	\$ 16.0
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:		
Depreciation and amortization	64.5	59.5
Noncash restructuring charges	8.9	44.6
Deferred income taxes	7.3	(10.6)
(Gain)/loss on sale of assets/business	(4.1)	21.2
Loss on discontinued businesses	104.6	—
Other	2.2	17.0
Changes in accounts excluding the effects of acquisitions:		
Accounts receivable	152.9	123.4
Inventories	(107.9)	(45.1)
Other current assets	(4.8)	5.3
Accounts payable	(36.1)	44.3
Discontinued operations	(8.6)	(54.7)
Accrued liabilities and other	(110.7)	(180.4)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(6.7)	40.5
INVESTING ACTIVITIES:		
Acquisitions, net of cash acquired	—	(452.3)
Expenditures for property, plant and equipment	(36.6)	(93.2)
Sale of businesses and non-current assets	16.5	7.5
NET CASH USED IN INVESTING ACTIVITIES	(20.1)	(538.0)
FINANCING ACTIVITIES:		
Proceeds from issuance of debt	9.7	619.3
Proceeds from issuance of stock	—	200.1
Payments on notes payable and long-term debt	(17.7)	(312.0)
Cash dividends	(57.7)	(57.7)
Proceeds from exercised stock options and other	0.9	2.0
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(64.8)	451.7
Exchange rate effect on cash	(0.9)	0.9
DECREASE IN CASH AND CASH EQUIVALENTS	(92.5)	(44.9)
Cash and cash equivalents at beginning of year	144.4	55.1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 51.9	\$ 10.2

See Notes to Consolidated Financial Statements (Unaudited).

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

Note 1 — Basis of Presentation

The accompanying unaudited 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 notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the unaudited consolidated financial statements include all adjustments, consisting of only normal recurring accruals, considered necessary for a fair presentation of the financial position and the results of operations. It is suggested that these unaudited consolidated financial statements be read in conjunction with the financial statements and the notes thereto included in the Company’s latest Annual Report on Form 10-K.

Seasonal Variations: The Company’s product groups are only moderately affected by seasonal trends. The Cleaning & Organization business segment typically has higher sales in the second half of the year due to retail stocking related to the holiday season; the Tools & Hardware and Home Fashions business segments typically have higher sales in the second and third quarters due to an increased level of do-it-yourself projects completed in the summer months; and the Office Products business segment typically has higher sales in the second and third quarters due to the back-to-school season. Because these seasonal trends are moderate, the Company’s consolidated quarterly sales generally do not fluctuate significantly, unless a significant acquisition is made.

Fair Value of Stock Options: The Company’s stock option plans are accounted for under Accounting Principles Board Opinion No. 25. As a result, the Company grants fixed stock options under which no compensation cost is recognized. Had compensation cost for the plans been determined consistent with Statement of Financial Accounting Standard No. 123 (FAS 123), “Accounting for Stock Based Compensation,” the Company’s net income and earnings per share would have been reduced to the following pro forma amounts for the quarter ended March 31, *(in millions, except per share data)*:

	2004	2003
Net (loss) income:		
As reported	(\$74.9)	\$16.0
Fair value option expense	(4.5)	(3.7)
Pro forma	(\$79.4)	\$12.3
Basic earnings (loss) per share:		
As reported	(\$0.27)	\$0.06
Pro forma	(0.29)	0.04
Diluted earnings (loss) per share:		
As reported	(\$0.27)	\$0.06
Pro forma	(0.29)	0.04

Reclassifications: Certain amounts in prior years have been reclassified to conform to the current year presentation. See Note 2 for a discussion of discontinued operations.

Note 2 — Discontinued Operations

On January 31, 2004, the Company completed the sale of its Panex Brazilian low-end cookware division (previously reported in the Other operating segment) and European picture frames businesses (previously reported in the Home Fashions operating segment) in France, Spain and the United Kingdom.

On March 14, 2004, the Company entered into a definitive agreement to sell substantially all of its U.S. picture frame business (Burnes), its Anchor Hocking glassware business and its Mirro cookware business. Under the terms of the agreement, the Company will retain the accounts receivable of the businesses and expects total proceeds, including the retained receivables, as a result of the transaction to be approximately \$310 million, subject to final negotiation. The effective date of sale is April 13, 2004. The Burnes picture frames business was previously reported in the Home Fashions operating segment, while the Anchor Hocking and Mirro businesses were previously reported in the in the Other operating segment.

The following table summarizes the results of the discontinued operations for the three months ended March 31,:

	2004	2003
Net sales	\$ 133.5	\$ 178.5
Loss from discontinued operations, net of income taxes of (\$1.5) and (\$11.5) million, respectively	(\$3.4)	(\$23.9)
Loss on disposal of discontinued operations	(\$104.6)	—

No tax benefit was recorded on the loss on disposal of discontinued operations. In addition, no amounts related to interest expense have been allocated to discontinued operations.

The following table presents summarized balance sheet information of the discontinued operations (*in millions*):

	March 31, 2004	December 31, 2003
Accounts receivable, net	\$ 0.8	\$ 32.6
Inventories, net	168.2	179.4
Prepaid expenses and other current Assets	6.2	10.8
Total Current Assets	175.2	222.8
Property, plant and equipment, net	120.8	135.5
Other assets	0.3	15.3
Total Assets	<u>\$296.3</u>	<u>\$373.6</u>
Accounts payable	\$ 66.7	\$ 75.9
Other accrued liabilities	30.8	43.3
Total Current Liabilities	97.5	119.2
Long-Term Liabilities	—	1.5
Total Liabilities	<u>\$ 97.5</u>	<u>\$120.7</u>

Note 3 — Restructuring Costs

The Company continues to incur restructuring charges associated with the Company's strategic restructuring plan (the "plan") announced on May 3, 2001. The specific objectives of the plan are 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. The Company expects to incur between \$470 and \$480 million in restructuring charges under the plan, including previously recognized charges on discontinued operations of \$83.6 million. The following analysis excludes restructuring amounts related to discontinued operations.

Pre-tax restructuring costs consisted of the following for the quarter ended March 31, (*in millions*):

	2004	2003
Facility and other exit costs	\$15.1	\$ 3.1
Employee severance and termination benefits	5.4	21.3
Exited contractual commitments	2.3	—
Total Restructuring Costs	<u>\$22.8</u>	<u>\$24.4</u>

Restructuring provisions were determined based on estimates prepared at the time the restructuring actions were approved by management, and also include amounts recognized as incurred. Cash paid for restructuring activities was \$13.7 million and \$17.4 million in the first three months of 2004 and 2003, respectively. A summary of the Company's restructuring plan reserves is as follows (*in millions*):

	12/31/02 Balance	Provision	Costs Incurred	3/31/03 Balance
Facility and other exit costs	\$31.4	\$ 3.1	(\$7.3)	\$27.2
Employee severance and termination benefits	36.4	21.3	(13.0)	44.7
Total Restructuring Costs	<u>\$67.8</u>	<u>\$24.4</u>	<u>(\$20.3)</u>	<u>\$71.9</u>

	12/31/03 Balance	Provision	Costs Incurred	03/31/04 Balance
Facility and other exit costs	\$ 77.5	\$15.1	(\$20.3)	\$ 72.3
Employee severance and termination benefits	61.8	5.4	(10.0)	57.2
Exited contractual commitments	6.5	2.3	(1.1)	7.7
Total Restructuring Costs	<u>\$145.8</u>	<u>\$22.8</u>	<u>(\$31.4)</u>	<u>\$137.2</u>

The facility and other exit cost reserves are primarily related to future minimum lease payments on vacated facilities and other closure costs.

Under the plan, the Company expects to exit 76 facilities and reduce headcount by approximately 10,300 people. At the plan's completion, the Company expects total annual savings of between \$125 and \$150 million (\$105 to \$115 million related to the reduced headcount, \$10 to \$20 million related to reduced depreciation, and \$10 to \$15 million related to other cash savings). As of March 31, 2004, restructuring reserves consisted of approximately 100 individual restructuring plans. The following table depicts the material changes in these plans for the three months ended March 31, aggregated by reportable business segment:

Segment	12/31/02 Balance	Provision	Costs Incurred	3/31/03 Balance
Cleaning & Organization	\$ 3.8	\$ 4.2	(\$3.0)	\$ 5.0
Office Products	27.2	0.5	(1.6)	26.1
Home Fashions	12.4	10.6	(6.6)	16.4
Tools & Hardware	0.5	2.3	(0.6)	2.2
Other	3.6	6.4	(4.9)	5.1
Corporate	20.3	0.4	(3.6)	17.1
	<u>\$67.8</u>	<u>\$24.4</u>	<u>(\$20.3)</u>	<u>\$71.9</u>

Segment	12/31/03 Balance	Provision	Costs Incurred	3/31/04 Balance
Cleaning & Organization	\$ 56.2	\$ 6.3	(\$12.9)	\$ 49.6
Office Products	29.9	(0.6)	(3.7)	25.6
Home Fashions	17.7	5.7	(2.0)	21.4
Tools & Hardware	17.9	1.5	(9.7)	9.7
Other	9.6	9.7	(0.7)	18.6
Corporate	14.5	0.2	(2.4)	12.3
	<u>\$145.8</u>	<u>\$22.8</u>	<u>(\$31.4)</u>	<u>\$137.2</u>

In the first three months of 2004, the Company incurred facility exit costs and employee severance and termination benefit costs for approximately 600 employees. Under the restructuring plan, 73 facilities have been exited and headcount has been reduced by approximately 9,300 employees.

Note 4 — Inventories

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

	March 31, 2004	December 31, 2003
Materials and supplies	\$259.8	\$241.4
Work in process	149.8	115.8
Finished products	582.1	529.6
	<u>\$991.7</u>	<u>\$886.8</u>

Note 5 – Long-term Debt

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

	March 31, 2004	December 31, 2003
Medium-term notes	\$1,647.0	\$1,647.0
Commercial paper	218.0	217.1
Preferred debt securities	450.0	450.0
Junior convertible subordinated debentures	515.5	515.5
Terminated interest rate swaps	48.8	46.7
Other long-term debt	6.1	5.8
Total debt	<u>2,885.4</u>	<u>2,882.1</u>
Current portion of long-term debt	(14.1)	(13.5)
Long-term Debt	<u>\$2,871.3</u>	<u>\$2,868.6</u>

Effective March 9, 2004, the Company terminated an interest rate swap agreement prior to the scheduled maturity date and received cash of \$9.2 million. Of this amount \$5.5 million represents the fair value of the swap that was terminated and the remainder represents net interest receivable on the swap. The cash received relating to the fair value of the swap has been included in Other as an operating activity in the Consolidated Statement of Cash Flows. The unamortized gain on the terminated interest rate swap is accounted for as long-term debt (of which \$0.7 million is classified as current). On March 9, 2004, the Company entered into a fixed to floating rate swap that effectively replaced the terminated swap.

Note 6 – Employee Benefit and Retirement Plans

The following table presents the components of the Company's pension expense for the three months ended March 31 (*in millions*):

	United States		International	
	2004	2003	2004	2003
Service cost-benefits earned during the year	\$ 11.0	\$ 8.8	\$ 1.8	\$ 2.2
Interest cost on projected benefit Obligation	13.5	12.1	4.9	4.5
Expected return on plan assets	(16.3)	(17.1)	(4.5)	(4.3)
Curtailment, settlement cost	—	—	0.2	—
Actuarial loss	1.2	0.1	0.4	0.4
Net pension expense	<u>\$ 9.4</u>	<u>\$ 3.9</u>	<u>\$ 2.8</u>	<u>\$ 2.8</u>

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

	Other Postretirement Benefits	
	2004	2003
Service cost-benefits earned during the year	\$1.3	\$1.2
Interest cost on projected benefit Obligation	4.1	4.0
Amortization of prior service cost	—	0.1
Actuarial loss	0.3	—
Net pension expense	<u>\$5.7</u>	<u>\$5.3</u>

On December 8, 2003, Congress enacted the Medicare Prescription Drug, Improvement and Modernization Act (the "Drug Act") into law. The Drug Act introduces a prescription drug benefit under Medicare Part D as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. The Company is currently reviewing the impact of the Drug Act and has elected to defer recognition of the benefit to its postretirement healthcare plans; as a result, the reported benefit obligation and net periodic postretirement cost as of and for the quarter ended March 31, 2004 do not reflect the effects of the Drug Act. Once final guidance is issued, previously reported information is subject to change.

Note 7 — Earnings per Share

The calculation of basic and diluted earnings per share for the quarter ended March 31, 2004 and 2003, respectively, is shown below (*in millions, except per share data*):

	Basic Method	"In the Money" Options(1)	Convertible Preferred Securities(2)	Diluted Method
<u>2004</u>				
Income from continuing operations	\$ 33.1	—	—	\$ 33.1
Income per share	\$ 0.12			\$ 0.12
Loss from discontinued operations	(\$108.0)	—	—	(\$108.0)
Loss per share	(\$0.39)			(\$0.39)
Net loss	(\$74.9)	—	—	(\$74.9)
Loss per share	(\$0.27)			(\$0.27)
Weighted average shares outstanding	274.4	0.1	—	274.5
<u>2003</u>				
Income from continuing operations	\$ 39.9	—	—	\$ 39.9
Income per share	\$ 0.15			\$ 0.15
Loss from discontinued operations	(\$23.9)	—	—	(\$23.9)
Loss per share	(\$0.09)			(\$0.09)
Net income	\$ 16.0	—	—	\$ 16.0
Income per share	\$ 0.06			\$ 0.06
Weighted average shares outstanding	273.6	0.4	—	274.0

- (1) The weighted average shares outstanding for 2004 and 2003 exclude the dilutive effect of approximately 8.9 million and 5.6 million stock options, respectively, because such options had an exercise price in excess of the average market value of the Company's common stock during the respective periods.
- (2) The junior convertible subordinated debentures are anti-dilutive in 2004 and 2003, and therefore have been excluded from diluted earnings per share. Had the convertible preferred shares been included in the diluted earnings per share calculation, net income would be increased by \$4.2 million in 2004 and 2003, and weighted average shares outstanding would have increased by 9.9 million shares in both periods.

Note 8 – Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) encompasses net after-tax unrealized gains or losses on securities available for sale, foreign currency translation adjustments, net losses on derivative instruments and net minimum pension liability adjustments and is recorded within stockholders' equity. The following table displays the components of accumulated other comprehensive income or loss (*in millions*):

	Foreign Currency Translation Gain	After-tax Derivatives Hedging Gain/(Loss)	After-tax Minimum Pension Liability	Accumulated Other Comprehensive Loss
Balance at December 31, 2003	\$15.6	\$ 6.6	(\$190.0)	(\$167.8)
Current year change	46.6	(10.9)	—	35.7
Balance at March 31, 2004	<u>\$62.2</u>	<u>(\$4.3)</u>	<u>(\$190.0)</u>	<u>(\$132.1)</u>

Total comprehensive (loss) income amounted to the following (*in millions*):

	March 31, 2004	March 31, 2003
Net (loss) income	(\$74.9)	\$16.0
Foreign currency translation gain/(loss)	46.6	(8.6)
After-tax derivatives hedging (loss)/gain	(10.9)	6.4
	<u>(\$39.2)</u>	<u>\$13.8</u>

Note 9 — Industry Segment Information

In 2003, the Company made several organizational changes, divided the company into two major groups, and named two chief operating officers. As of December 31, 2003, the Company realigned its reporting segments to reflect the changes in the Company's structure and to more appropriately reflect the Company's focus on building large consumer brands, promoting organizational integration, achieving operating efficiencies and aligning the businesses with the Company's strategic account management strategy. The realignment streamlines what had previously been four operating segments (prior years' segment data has been reclassified to conform to the current segment structure). The Company reports its results in five reportable segments as follows:

Segment	Description of Products
Cleaning & Organization	Indoor/outdoor organization, storage, food storage, cleaning, refuse
Office Products	Ballpoint/roller ball pens, markers, highlighters, pencils, office products, art supplies
Tools & Hardware	Hand tools, power tool accessories, manual paint applicators, cabinet hardware, propane torches
Home Fashions	Drapery houseware, window treatments, frames
Other	Operating segments that do not meet aggregation criteria, including aluminum and stainless steel cookware, hair care accessory products, infant and juvenile products, including toys, high chairs, car seats, strollers, outdoor play equipment

The Company's segment results are as follows (*in millions*):

	2004	2003
Net Sales (1) — Quarter Ended March 31,		
Cleaning & Organization	\$ 447.4	\$ 477.5
Office Products	332.8	322.3
Tools & Hardware	274.3	265.6
Home Fashions	226.8	219.6
Other	259.7	272.9
	<u>\$1,541.0</u>	<u>\$1,557.9</u>

	2004	2003
Operating Income (2) – Quarter Ended March 31,		
Cleaning & Organization	\$ 12.2	\$ 40.0
Office Products	31.8	47.1
Tools & Hardware	43.0	35.4
Home Fashions	3.9	4.7
Other	14.2	20.7
Corporate (3)	(7.4)	(7.2)
Restructuring Costs	(22.8)	(24.4)
	<u>\$ 74.9</u>	<u>\$ 116.3</u>
Identifiable Assets – At March 31 and December 31,		
Cleaning & Organization	\$1,190.3	\$1,256.5
Office Products	983.2	997.5
Tools & Hardware	804.5	812.1
Home Fashions	634.0	630.2
Other	579.9	612.8
Corporate (4)	2,721.2	2,798.0
Discontinued Operations	296.3	373.6
	<u>\$7,209.4</u>	<u>\$7,480.7</u>

Geographic Area Information

	2004	2003
Net Sales — Quarter Ended March 31,		
United States	\$1,040.0	\$1,083.6
Canada	74.0	69.8
North America	1,114.0	1,153.4
Europe	348.0	330.9
Central and South America	42.2	41.5
All other	36.8	32.1
	<u>\$1,541.0</u>	<u>\$1,557.9</u>
Operating Income – Quarter Ended March 31,		
United States	\$ 77.4	\$ 101.7
Canada	12.7	10.4
North America	90.1	112.1
Europe	(11.4)	(1.9)
Central and South America	2.1	2.3
All other	(5.9)	3.8
	<u>\$ 74.9</u>	<u>\$ 116.3</u>
Identifiable Assets (5) – At March 31 and December 31,		
United States	\$4,515.6	\$4,652.6
Canada	97.2	139.0
North America	4,612.8	4,791.6
Europe	1,689.1	1,628.3
Central and South America	175.9	195.4
All other	435.3	491.8
Discontinued Operations	296.3	373.6
	<u>\$7,209.4</u>	<u>\$7,480.7</u>

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- (1) All intercompany transactions have been eliminated. Sales to Wal*Mart Stores, Inc. and subsidiaries amounted to approximately 17% of consolidated net sales in the first quarter of 2004 and 2003. 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 and selling, general and administrative expenses. Certain headquarters expenses of an operational nature are allocated to business segments and geographic areas primarily on a net sales basis.
 - (3) Corporate operating expenses consist primarily of administrative costs that cannot be allocated to a particular segment.
 - (4) Corporate assets primarily include trade names and goodwill, equity investments and deferred tax assets.
 - (5) Transfers of finished goods between geographic areas are not significant.

Note 10 – 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 related matters, as well as environmental matters. Some of the legal proceedings include claims for punitive as well as compensatory damages, and a few proceedings 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 financial statements.

In the normal course of business and as part of its acquisition and divestiture strategy, the Company may provide certain representation 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 operation.

PART I. FINANCIAL INFORMATION

Item 2.

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

Overview

The Company has made significant progress in the first quarter of 2004 toward achieving its previously announced 2004 key objectives. The Company's 2004 priorities remain unchanged as it continues to work to reconfigure its portfolio through divestitures, rationalization of low-margin product lines and restructuring. The Company's key objectives, and the progress made in the first quarter of 2004 toward achieving such priorities, are highlighted below:

1. Continue to divest non-strategic businesses: The Company has substantially completed its previously announced plan to divest certain under-performing, non-strategic businesses in order to concentrate on leveraging brand strength and product innovation in its core portfolio of businesses. In January 2004, the Company completed the sale of its Panex Brazilian low-end cookware division and European picture frames businesses. In March 2004, the Company entered into a definitive agreement to sell substantially all of its U.S. picture frames business (Burnes), its Anchor Hocking glassware business and its Mirro cookware business. Under the terms of the agreement, the Company will retain the accounts receivable of the businesses and expects total proceeds, including the retained receivables, as a result of the transaction to be approximately \$310 million. The effective date of sale is April 13, 2004. In connection with these divestitures, the Company recorded a loss on the sale of these businesses of approximately \$105 million in the first quarter of 2004. The divestitures of these businesses and others currently being evaluated for potential divestiture are expected to reduce 2004 earnings per share by approximately \$0.11 to \$0.13, exclusive of the loss to be recognized in 2004. In addition, operating cash flow is expected to be reduced by \$40 to \$45 million, annually.

2. Complete the 2001 restructuring plan: In the first quarter of 2004, the Company recorded a restructuring charge of \$22.8 million, bringing plan-to-date charges to approximately \$437 million. In total, the Company has exited or has begun exiting 73 facilities and has reduced headcount by approximately 9,300 employees. In the second quarter of 2004, the Company expects to incur between \$33 and \$43 million in restructuring charges. The 2001 restructuring plan will result in total charges of \$470 to \$480 million, including previously recognized charges on discontinued operations of \$83.6 million. The Company will complete the accounting charges associated with this plan in the second quarter of 2004.

3. Continue to rationalize low-margin product lines: In the first quarter of 2004, the Company exited approximately \$60 million in sales of low-margin product lines. The Company will continue to rationalize low-margin product lines throughout 2004. The completion of this program is expected to reduce annual sales by \$225 to \$250 million.

4. Deploy Newell Operational Excellence (NWL OPEX): The Company is committed to reducing costs by at least 5% annually. In connection with this goal, the Company is committed to deploying and implementing NWL OPEX, which is a methodical process focused on lean manufacturing. It includes installing the right manufacturing and distribution metrics and driving improvement quarter after quarter. In addition to cost reduction, other key components of NWL OPEX are improved quality and service levels and the reduction of inventory and lead times. The Company's program for driving productivity throughout its manufacturing network gained traction in the first quarter of 2004. The Company delivered approximately \$25 million of gross productivity savings during the quarter.

Consolidated Results of Operations

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

	2004		2003	
Net sales	\$1,541.0	100.0%	\$1,557.9	100.0%
Cost of products sold	1,129.5	73.3	1,125.2	72.2
Gross margin	411.5	26.7	432.7	27.8
Selling, general and administrative expenses	313.8	20.4	292.0	18.7
Restructuring costs	22.8	1.5	24.4	1.6
Operating income	74.9	4.9	116.3	7.5
Nonoperating expenses:				
Interest expense, net	30.9	2.0	37.0	2.4
Other, net	(4.3)	(0.3)	20.3	1.3
Net nonoperating expenses	26.6	1.7	57.3	3.7
Income before income taxes	48.3	3.1	59.0	3.8
Income taxes	15.2	1.0	19.1	1.2
Net income from continuing operations	33.1	2.1	39.9	2.6
Loss from discontinued operations, net of tax	(108.0)	(7.0)	(23.9)	(1.5)
Net (loss) income	(\$74.9)	(4.9%)	\$ 16.0	1.0%

Three Months Ended March 31, 2004 Vs. Three Months Ended March 31, 2003

Net sales for the three months ended March 31, 2004 (first quarter) were \$1,541.0 million, representing a decrease of \$16.9 million, or 1.1%, from \$1,557.9 million in the comparable quarter of 2003. The decrease resulted from product line rationalization of \$60 million, or 3.8%, and unfavorable pricing of \$13 million, or 0.8%, partially offset by favorable foreign currency translation of \$57 million, or 3.6%, for the quarter.

Gross margin as a percentage of net sales in the first quarter of 2004 was 26.7%, or \$411.5 million, versus 27.8%, or \$432.7 million, in the comparable quarter of 2003. The decline in gross margin is primarily related to unfavorable pricing of \$13 million, or 0.8%, and raw material inflation of \$21 million, partially offset by favorable mix driven by the rationalization of unprofitable product lines, primarily in the Rubbermaid Home Products business. Gross productivity in the quarter of \$25 million, or 2.5%, was offset by restructuring related costs of \$26 million, primarily in the Sanford Europe and Rubbermaid Home Products business.

Selling, general and administrative expenses (SG&A) in the first quarter of 2004 were 20.4% of net sales, or \$313.8 million, versus 18.7%, or \$292.0 million, in the comparable quarter of 2003. The increase in SG&A reflects a foreign currency impact of \$16 million and pension cost increases of \$4 million. All other SG&A was flat due to streamlining initiatives offsetting continued investments in the business.

The Company recorded pre-tax strategic restructuring charges of \$22.8 million and \$24.4 million in the first quarter of 2004 and 2003, respectively. The 2004 first quarter pre-tax charge included \$15.1 million of facility and other exit costs, \$5.4 million of employee severance and termination benefits, and \$2.3 million in other restructuring costs. The 2003 first quarter pre-tax charge included \$3.1 million of facility and other exit costs and \$21.3 million of employee severance and termination benefits. See Note 3 to the Consolidated Financial Statements (Unaudited) for further information on the strategic restructuring plan.

Operating income in the first quarter of 2004 was 4.9% of net sales, or \$74.9 million, versus operating income of 7.5% or \$116.3 million, in the comparable quarter of 2003. The decrease in operating margins is primarily the result of the factors described above.

Net nonoperating expenses in the first quarter of 2004 were 1.7% of net sales, or \$26.6 million, versus 3.7%, or \$57.3 million, in the comparable quarter of 2003. In March 2003, the Company recognized a \$21.2 million non-cash pre-tax loss on the sale of the Cosmolab business. Net interest expense decreased \$6.1 million for the first quarter of 2004 compared to the first quarter of 2003 as a result of a reduction in average borrowings of \$218.5 million, the maturation of \$415.0 million of medium term notes with higher interest rates, the maturation of \$50.0 million of fixed rate interest rate swaps in 2003 and the conversion of \$650.0 million of interest rate swaps from fixed to floating rates.

The effective tax rate was 31.5% in the first quarter of 2004 versus 32.4% in the first quarter of 2003. This lower rate reflects, among other things, the increase in earnings in low-tax jurisdictions and, in certain jurisdictions, the year over year reduction in current year losses and the use of net operating loss carryforwards.

Net income from continuing operations for the first quarter of 2004 was \$33.1 million, compared to \$39.9 million in the first quarter of 2003. Diluted earnings per share from continuing operations were \$0.12 in the first quarter of 2004 compared to \$0.15 in the first quarter of 2003.

The net loss recognized from discontinued operations for the first quarter of 2004 was \$108.0 million, net of tax, compared to \$23.9 million, net of tax, in the first quarter of 2003. Diluted loss per share from discontinued operations were (\$0.39) in the first quarter of 2004 compared to (\$0.09) in the first quarter of 2003.

Net loss for the first quarter of 2004 was \$74.9 million, compared to \$16.0 million of net income in the first quarter of 2003. Diluted loss per share was (\$0.27) in the first quarter of 2004 compared to diluted earnings per share of \$0.06 in the first quarter of 2003.

Business Segment Operating Results:

Net sales in the five segments in which the Company operates were as follows for the quarter ended March 31, *(in millions)*:

	2004	2003	% Change
Cleaning & Organization	\$ 447.4	\$ 477.5	(6.3)%
Office Products	332.8	322.3	3.3
Tools & Hardware	274.3	265.6	3.3
Home Fashions	226.8	219.6	3.3
Other	259.7	272.9	(4.8)
Total Net Sales (1)	<u>\$1,541.0</u>	<u>\$1,557.9</u>	<u>(1.1)%</u>

Operating income by segment were as follows for the quarter ended March 31, *(in millions)*:

	2004	2003	% Change
Cleaning & Organization	\$ 12.2	\$ 40.0	(69.5)%
Office Products	31.8	47.1	(32.5)
Tools & Hardware	43.0	35.4	21.5
Home Fashions	3.9	4.7	(17.0)
Other	14.2	20.7	(31.4)
Corporate Costs (2)	(7.4)	(7.2)	
Restructuring Costs	(22.8)	(24.4)	
Total Operating Income (3)	<u>\$ 74.9</u>	<u>\$116.3</u>	

-
- (1) All intercompany transactions have been eliminated. Sales to Wal*Mart Stores, Inc. and subsidiaries amounted to approximately 17% of consolidated net sales in the first quarter of 2004 and 2003. Sales to no other customer exceeded 10% of consolidated net sales for either period.
 - (2) Corporate operating expenses consist primarily of administrative costs that cannot be allocated to a particular segment.
 - (3) Operating income is net sales less cost of products sold and selling, general and administrative expenses. Certain headquarters expenses of an operational nature are allocated to business segments and geographic areas primarily on a net sales basis.

Cleaning & Organization

Net sales for the first quarter of 2004 were \$447.4 million, a decrease of \$30.1 million, or 6.3%, from \$477.5 million in the first quarter of 2003. A double-digit decline in the Rubbermaid Home Products business due to planned product line rationalization was partially offset by a 4% increase in the remainder of the segment.

Operating income for the first quarter of 2004 was \$12.2 million, a decrease of \$27.8 million, or 69.5%, from \$40.0 million in the first quarter of 2003. The decrease in operating income is the result of higher raw material costs and restructuring related charges, including lost absorption in manufacturing facilities.

Office Products

Net sales for the first quarter of 2004 were \$332.8 million, an increase of \$10.5 million, or 3.3%, from \$322.3 million in the first quarter of 2003. The increase in net sales was driven by improvement in the commercial sector of the business.

Operating income for the first quarter of 2004 was \$31.8 million, a decrease of \$15.3 million, or 32.5%, from \$47.1 million in the first quarter of 2003. Approximately half of the decrease relates to restructuring related costs in the European writing instruments business. These costs include duplicate facilities as the business consolidates manufacturing and distribution and expediting costs to maintain service levels. The remaining decrease in operating income relates to the Eldon business resulting from increased raw material costs and additional investment in new product development.

Tools & Hardware

Net sales for the first quarter of 2004 were \$274.3 million, an increase of \$8.7 million, or 3.3%, from \$265.6 million in the first quarter of 2003. The increase in net sales was driven by high single digit increases in the Irwin and BernzOmatic businesses.

Operating income for the first quarter of 2004 was \$43.0 million, an increase of \$7.6 million, or 21.5%, from \$35.4 million in the first quarter of 2003. The increase in operating income was related to the sales increases described above and strong productivity at Lenox and Irwin North America, partially offset by increases in raw material costs.

Home Fashions

Net sales for the first quarter of 2004 were \$226.8 million, an increase of \$7.2 million, or 3.3%, from \$219.6 million in the first quarter of 2003. The increase in net sales was driven by favorable foreign currency in the current year.

Operating income for the first quarter of 2004 was \$3.9 million, a decrease of \$0.8 million, or 17.0%, from \$4.7 million in the first quarter of 2003. The decrease in operating income was due primarily to unfavorable sales mix in the quarter.

Other

Net sales for the first quarter of 2004 were \$259.7 million, a decrease of \$13.2 million, or 4.8%, from \$272.9 million in the first quarter of 2003. The decrease in net sales was primarily attributable to the sale of Cosmolab in March 2003, which contributed \$10 million in sales in the first quarter of 2003.

Operating income for the first quarter of 2004 was \$14.2 million, a decrease of \$6.5 million, or 31.4%, from \$20.7 million in the first quarter of 2003. The decrease in operating income was due primarily to higher raw material costs and unfavorable product mix.

Liquidity and Capital Resources

Cash and cash equivalents decreased by \$92.5 million for the three months ended March 31, 2004. The change in cash and cash equivalents is as follows as of the three months ended March 31 (in millions):

	<u>2004</u>	<u>2003</u>
Cash (used in) provided by operating activities	(\$6.7)	\$ 40.5
Cash used in investing activities	(20.1)	(538.0)
Cash (used in)/provided by financing activities	(64.8)	451.7
Exchange effect on cash and cash equivalents	(0.9)	0.9
Decrease in cash and cash equivalents	<u>(\$92.5)</u>	<u>(\$44.9)</u>

Sources:

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

Cash used in operating activities in the first three months ended March 31, 2004 was \$6.7 million compared to cash provided by operating activities of \$40.5 million for the comparable period of 2003. The decrease in cash provided from operating activities was due to a decrease in earnings before non cash charges of \$24.4 million (as shown in the following table) and a reduction in the year over year improvement in working capital and other assets in 2004 compared to 2003, which used an additional \$8.0 million, and a reduction in deferred gains relating to the termination of certain interest rate swap arrangements. The deferred gain from these swap agreements was \$2.2 million in 2004 compared to \$17.0 million in 2003 and were included in Other in the Consolidated Statement of Cash Flows.

The following table reconciles earnings before non-cash charges to net (loss) income as of March 31, (in millions):

	<u>2004</u>	<u>2003</u>	<u>Change</u>
Net (loss)/income	(\$74.9)	\$ 16.0	
Depreciation and amortization	64.5	59.5	
Non-cash restructuring charges	8.9	44.6	
Deferred income taxes	7.3	(10.6)	
(Gain)/loss on sale of assets/business	(4.1)	21.2	
Loss on discontinued businesses	104.6	—	
Earnings before non-cash charges	<u>\$ 106.3</u>	<u>\$130.7</u>	<u>(\$24.4)</u>

In the first three months of 2004, the Company received proceeds from the issuance of debt of \$9.7 million compared to \$619.3 million in the year ago period.

Uses:

The Company's primary uses of liquidity and capital resources include acquisitions, payments on notes payable and long-term debt, dividend payments and capital expenditures.

In the first three months of 2004, the Company made payments on notes payable and long-term debt of \$17.7 million compared to \$312.0 million in the year ago period.

Cash used for restructuring activities was \$13.7 million and \$17.4 million in the first three months of 2004 and 2003, respectively. Such cash payments represent primarily employee termination benefits.

Capital expenditures were \$36.6 million and \$93.2 million in the first three months of 2004 and 2003, respectively. The reduction in capital expenditures is primarily due to the Company's decision to decapitalize the Rubbermaid Home Products portion of the business, where capital expenditures decreased from \$48 million in the first quarter of 2003 to \$2 million in the first quarter of 2004.

Aggregate dividends paid were \$57.7 million during the first three months of 2004 and 2003.

Retained earnings decreased in the first three months of 2004 by \$132.5 million. The reduction in retained earnings is due to cash dividends paid on common stock and the current year net loss, offset by a favorable cumulative translation adjustment.

Working capital at March 31, 2004 was \$967.6 million compared to \$978.2 million at December 31, 2003. The current ratio at March 31, 2004 was 1.52:1 compared to 1.48:1 at December 31, 2003. The reduction in working capital is due to the use of cash to pay down commercial paper and the collection of accounts receivable, partially offset by seasonal inventory build.

Total debt to total capitalization (total debt is net of cash and cash equivalents, and total capitalization includes total debt and stockholders' equity) was .60:1 at March 31, 2004 and .58:1 at December 31, 2003.

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

Market Risk

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

The Company's primary market risks are foreign exchange and interest rate exposure.

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:

- offsetting or netting of like foreign currency flows,
- structuring foreign subsidiary balance sheets with appropriate levels of debt to reduce subsidiary net investments and subsidiary cash flows subject to conversion risk,
- converting excess foreign currency deposits into U.S. dollars or the relevant functional currency and
- avoidance of risk by denominating contracts in the appropriate functional currency.

In addition, the Company utilizes 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. Derivatives used to hedge intercompany loans are marked to market with the corresponding gains or losses included in the consolidated statements of operations.

The Company purchases certain raw materials that 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. Generally, the Company does not use derivatives to manage the volatility related to this risk.

The amounts shown below represent the estimated potential economic loss that the Company could incur from adverse changes in either interest rates or foreign exchange rates using the value-at-risk estimation model. The value-at-risk model uses historical foreign exchange rates and interest rates to estimate the volatility and correlation of these rates in future periods. It estimates a loss in fair market value using statistical modeling techniques and including substantially all market risk exposures (specifically excluding equity-method investments). The fair value losses shown in the table below have no impact on results of operations or financial condition at March 31, 2004 as they represent hypothetical not realized losses. The following table indicates the calculated amounts for each of the quarters ended March 31, (*in millions*):

<u>Market Risk</u>	<u>2004 Average</u>	<u>March 31, 2004</u>	<u>2003 Average</u>	<u>March 31, 2003</u>	<u>Confidence Level</u>
Interest rates	\$12.4	\$12.4	\$21.8	\$21.8	95%
Foreign exchange	\$ 3.4	\$ 3.4	\$ 1.7	\$ 1.7	95%

The 95% confidence interval signifies the Company's degree of confidence that actual losses would not exceed the estimated losses shown above. The amounts shown here disregard the possibility that interest rates and foreign currency exchange rates could move in the Company's favor. The value-at-risk model assumes that all movements in these rates will be adverse. Actual experience has shown that gains and losses tend to offset each other over time, and it is highly unlikely that the Company could experience losses such as these over an extended period of time. These amounts should not be considered projections of future losses, 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, such matters as sales, income, earnings per share, return on equity, return on invested capital, capital expenditures, working capital, dividends, capital structure, debt to capitalization ratios, interest rates, internal growth rates, impact of changes in accounting standards, pending legal proceedings and claims (including environmental matters), future economic performance, operating income improvements, synergies, management's plans, goals and objectives for future operations and growth or the assumptions relating to any of the forward-looking statements. The Company cautions that forward-looking statements are not guarantees because there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. Factors that could cause actual results to differ include, but are not limited to, those matters set forth in this Report and Exhibit 99.1 of this Report.

PART I. FINANCIAL INFORMATION

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

PART I. FINANCIAL INFORMATION

Item 4. Controls and Procedures

As of March 31, 2004, an evaluation was performed by the Company's management, under the supervision and with the participation of the Company's chief executive officer and chief financial officer, of the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the chief executive officer and the chief financial officer concluded that the Company's disclosure controls and procedures were effective.

There have been no significant changes in the Company's internal controls or in other facts that could significantly affect internal controls subsequent to the date of their evaluation.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 6. Exhibits and Reports on Form 8-K

(a)	Exhibits
2.1	Stock and Asset Purchase Agreement, dated as of March 12, 2004, between the Company and Global Home Products LLC, and Amendment No. 1 thereto, dated as of April 13, 2004, (incorporated by reference to Exhibit 2.1 and Exhibit 2.2 to the Company's Report on Form 8-K, filed April 28, 2004).
10.1	Newell Rubbermaid Inc. 2002 Deferred Compensation Plan, as amended and restated as of January 1, 2004.
10.2	The Newell Rubbermaid Inc. 2003 Stock Plan, effective May 7, 2003 (incorporated by reference to Exhibit B of the Company's 2003 Proxy Statement, dated March 24, 2003, and filed with the Securities and Exchange Commission on March 31, 2003), as amended by the First Amendment to the 2003 Stock Plan, effective May 12, 2004.
10.3	Newell Rubbermaid Supplemental Executive Retirement Plan, effective January 1, 2004.
10.4	Confidentiality, Noncompetition and Nonsolicitation Agreement between Newell Rubbermaid Inc. and Joseph Galli, dated as of February 20, 2004.
12	Statement of Computation of Ratio of Earnings to Fixed Charges.

- 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.

(b) Reports on Form 8-K

Report on Form 8-K, dated January 29, 2004, that included a press release announcing results for the fourth fiscal quarter ended December 31, 2003.

Report on Form 8-K, dated March 19, 2004, that included a press release announcing an agreement for the sale of Burnes picture frames, Anchor glass and Mirro Cookware businesses.

Report on Form 8-K, dated March 19, 2004, that included a press release captioned "Newell Rubbermaid Realigns Segment Reporting."

Report on Form 8-K, dated March 26, 2004, that included a letter to shareholders.

SIGNATURES

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

NEWELL RUBBERMAID INC.
Registrant

Date: May 10, 2004

/s/ J. Patrick Robinson

J. Patrick Robinson
Vice President – Corporate Controller
and Chief Financial Officer

NEWELL RUBBERMAID INC.
2002 DEFERRED COMPENSATION PLAN
(AMENDED AND RESTATED AS OF JANUARY 1, 2004)

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

SECTION I
DEFINITIONS

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

1.1. "Account" means the bookkeeping account maintained by the Committee on behalf of each Participant pursuant to Section 2.5. The sum of each Participant's Sub-Accounts, in the aggregate, shall constitute his Account.

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

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

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

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

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

1.7. "Change in Control" means the occurrence of any of the following events without the prior written approval of a majority of the entire Board as it exists immediately prior to such event; provided that, in the case of an event described in (i) or (iii) below, such approval

occurs before the time of such event and, in the case of an event described in (ii) below, such approval occurs prior to the time that any other party to the event described in (ii) (or any affiliate or associate thereof) acquires 20% or more of the Voting Power:

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

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

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

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

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

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

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

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

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

1.13. "Eligible Employee" means an employee of the Company or an Affiliate who is, as determined by the Committee, a member of a "select group of management or highly compensated employees," within the meaning of Sections 201, 301 and 401 of ERISA, and who

is selected by the Committee to participate in the Plan. Unless otherwise determined by the Committee, an Eligible Employee shall continue as such until termination of employment.

1.14. "Employer Contributions" has the meaning given to such term in Section 2.4.

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

1.16. "In-Service Sub-Account" means each bookkeeping Sub-Account maintained by the Committee on behalf of each Participant pursuant to Sections 2.5 and 2.6(ii). The Committee shall specify from time to time the maximum number of In-Service Sub-Accounts that may be established for any one Participant.

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

1.18. "Participant" means any Eligible Employee or Director who has at any time elected to defer the receipt of a Bonus and/or Base Salary in accordance with the Plan, or who has received or is entitled to receive a credit to his or her Account pursuant to Section 2.4, and who, in conjunction with his Beneficiary, has not received a complete distribution of the amount credited to his Account.

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

1.20. "Retirement Sub-Account" means the bookkeeping Sub-Account maintained by the Committee on behalf of each Participant pursuant to Sections 2.5 and 2.6(i).

1.21. "SERP Cash Sub-Account" means the bookkeeping Sub-Account maintained by the Committee on behalf of each Participant pursuant to Sections 2.5 and 2.6(i).

1.22. "SERP Participant" means (i) each Eligible Employee holding the title of vice-president of the Company as of December 31, 2003 who accrued benefits under the Newell Operating Company Supplemental Retirement Plan for Key Executives and who timely elected, on a form provided by the Committee, to receive a credit to his SERP Cash Sub-Account under the Plan in lieu of all benefits to which he would otherwise be entitled under the Newell Operating Company Supplemental Retirement Plan for Key Executives, and (ii) each Eligible Employee holding the title of division president or above of the Company as of December 31, 2003.

1.23. "Sub-Account" means each bookkeeping Retirement Sub-Account, In-Service Sub-Account and SERP Cash Sub-Account maintained by the Committee on behalf of each Participant pursuant to Section 2.6.

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

1.25. "Year" means a calendar year.

1.26. "Years of Credited Service" has the meaning provided in the Newell Rubbermaid Supplemental Executive Retirement Plan.

SECTION II DEFERRALS, CONTRIBUTIONS AND ACCOUNTS

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

2.2. Election to Defer. Unless otherwise provided by the Committee, an Eligible Employee or Director who desires to defer all or part of his Base Salary and/or Bonus pursuant to the Plan must complete and deliver an Election Agreement to the Committee before the first day of the Year for which such compensation would otherwise be paid. An Eligible Employee or Director who timely delivers an executed Election Agreement to the Committee shall be a Participant. Unless otherwise provided by the Committee, an Election Agreement that is timely delivered to the Committee shall be effective for the Year following the Year in which the Election Agreement is delivered to the Committee, unless such Election Agreement is revoked or modified with the consent of the Committee or until terminated automatically upon either the termination of the Plan, the Company or any Affiliate which employs the Participant becoming Insolvent or the Participant's Termination of Service Date. Notwithstanding the above, in the event that an individual first becomes an Eligible Employee or Director during the course of a Year, rather than as of the first day of a Year, the individual's Election Agreement must be filed no later than thirty (30) days following the date he first becomes an Eligible Employee or Director, as applicable, and such Election Agreement shall be effective only with regard to Base Salary and Bonuses earned following the filing of the Election Agreement with the Committee.

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

(i) Base Salary. A Participant may defer up to 50% of the Base Salary that the Participant would otherwise receive during the Year for services performed as an Eligible Employee, provided, however, that the Participant shall not be permitted to defer less than \$2,000 of such amount during any one Year, and any such attempted deferral shall not be effective. A Participant may defer up to 100% of the Base Salary that the

Participant would otherwise receive during the Year for services performed as a Director, provided, however, that the portion of such Base Salary that is eligible for deferral will be reduced by applicable employment taxes if such reduction is required in order to provide the Company or its Affiliates with a source of funds, from such Base Salary, with which to pay such employment taxes.

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

2.4. Employer Contributions.

(i) In general. The Company or any Affiliate may, in its discretion, credit contributions ("Employer Contributions") under this Plan to one or more Sub-Accounts with respect to one or more Participants. The amount and vesting schedule of such Employer Contributions, if any, shall be determined by the Company or Affiliate in its sole discretion; provided, however, that a Participant shall have no vested interest in amounts credited to his SERP Cash Sub-Account (and any related earnings) until he has six (6) Years of Credited Service, at which time he shall acquire a ten percent (10%) vested interest therein. Upon completion of each additional Year of Credited Service, a Participant shall acquire additional vesting in the amounts credited to his SERP Cash Sub-Account (and any related earnings) according to the following schedule:

YEARS OF CREDITED SERVICE -----	VESTED PERCENTAGE IN THE SERP CASH SUB-ACCOUNT -----
5 or Less	0%
6	10%
7	20%
8	30%
9	40%
10	50%
11	60%
12	70%
13	80%
14	90%
15	100%

Notwithstanding anything in this Plan to the contrary, a Participant shall become fully vested in amounts credited to his SERP Cash Sub-Account (and any related earnings) if he remains continuously employed by the Company (and its Affiliates) until the earliest to occur of the following events: (i) the Participant's 60th birthday; (ii) the Participant's death; or (iii) the Participant's Disability.

(ii) Converted Benefit. No later than December 31, 2004, each SERP Participant shall have a credit made to his SERP Cash Sub-Account in an amount equal to the lump sum present value of his previously accrued benefits under the Newell Operating Company Supplemental Retirement Plan for Key Executives, which benefits shall be determined by the Committee in its sole discretion using reasonable assumptions applied in a consistent manner for all affected Participants.

2.5. Accounts.

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

(ii) Crediting of Employer Contributions. Employer Contributions, if any, shall be treated as if they were set aside in one or more Sub-Accounts at such times as determined by the Committee in its sole discretion. Notwithstanding the foregoing, any amounts credited to a Participant's SERP Cash Sub-Account pursuant to Section 2.4(ii) shall be credited as soon as administratively practicable after the date on which the Participant elects to receive such credit.

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

2.6. Date of Distribution.

(i) Retirement Sub-Account and SERP Cash Sub-Account. Subject to the following provisions, a Participant may elect, on the first Election Agreement that he delivers to the Committee pursuant to which amounts are credited to his Retirement Sub-Account, to defer the distribution or commencement of the distribution of his Retirement Sub-Account to (A) January of the Year commencing immediately after the Year in which occurs his Termination of Service Date or (B) January of any Year following his Termination of Service Date provided that such Year is no later than the Year following the Year in which the Participant attains age 65. Subject to the following provisions, a Participant may make the same election with respect to his vested SERP Cash Sub-Account at such times and on such terms and conditions as the Committee shall determine.

(A) Termination Prior to Age 60. If a Participant's Termination of Service Date occurs as a result of his voluntary termination, or involuntary termination with cause (as determined by the Committee in its sole discretion), prior to his attainment of age 60, his Retirement Sub-Account and his vested SERP Cash Sub-Account will be distributed as soon as practicable after his Termination of Service Date. If a Participant's Termination of Service Date occurs as a result of his involuntary termination without cause (as determined by the Committee in its sole discretion) prior to his attainment of age 60, his Retirement Sub-Account and his vested SERP Cash Sub-Account will be distributed or will commence to be distributed in January of the Year elected by the Participant.

(B) Termination After Age 60 and Prior to Age 65. If a Participant's Termination of Service Date occurs after he attains age 60 and prior to his attainment of age 65, his Retirement Sub-Account and his vested SERP Cash Sub-Account will be distributed or will commence to be distributed in January of the Year elected by the Participant.

(C) Termination After Age 65. If a Participant's Termination of Service Date occurs after he attains age 65, his Retirement Sub-Account and his vested SERP Cash Sub-Account will be distributed or will commence to be distributed in January of the Year commencing immediately after his Termination of Service Date.

(ii) In-Service Sub-Account. Subject to the following provisions, a Participant may elect, on the first Election Agreement that he delivers to the Committee pursuant to which amounts are credited to an In-Service Sub-Account, to defer the distribution or commencement of the distribution of such In-Service Sub-Account to January of any Year that commences prior to the Participant's Termination of Service

Date as long as that Year commences not less than two Years after the date of the initial election pursuant to which amounts are credited to such In-Service Sub-Account. If a Participant's Termination of Service Date occurs as a result of his voluntary termination, or involuntary termination with cause (as determined by the Committee in its sole discretion), prior to the complete distribution of his In-Service Sub-Account, amounts credited to that In-Service Sub-Account will be distributed as soon as practicable after his Termination of Service Date. If a Participant's Termination of Service Date occurs as a result of his involuntary termination without cause (as determined by the Committee in its sole discretion) prior to the complete distribution of his In-Service Sub-Account, amounts credited to that In-Service Sub-Account will be distributed pursuant to the payment schedule elected by the Participant.

2.7. Form of Distribution.

(i) Retirement Sub-Account and SERP Cash Sub-Account. Subject to the following provisions, a Participant may elect, on the first Election Agreement that he delivers to the Committee pursuant to which amounts are credited to his Retirement Sub-Account, to receive his Retirement Sub-Account in cash in a single lump sum or in annual installments over a period not in excess of ten years. Subject to the following provisions, a Participant may make the same election with respect to his vested SERP Cash Sub-Account at such times and on such terms and conditions as the Committee shall determine.

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

(B) Termination After Age 60. If a Participant's Termination of Service Date occurs after he attains age 60, his Retirement Sub-Account and his vested SERP Cash Sub-Account will be distributed in the distribution form elected by the Participant.

(ii) In-Service Sub-Account. Subject to the following provisions, a Participant may elect, on the first Election Agreement that he delivers to the Committee pursuant to which amounts are credited to an In-Service Sub-Account, to receive that In-Service Sub-Account in cash in a single lump sum or in annual installments over a period not in excess of five years. If a Participant's Termination of Service Date occurs as a result of his voluntary termination, or involuntary termination with cause (as determined

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

(iii) General. The lump sum payment or the first installment, as the case may be, shall be made as specified in Section 2.6. In the event that a Sub-Account is paid in installments, the amount of such Sub-Account remaining unpaid shall continue to be credited with gains, losses and earnings as provided in Section 2.5. The payment to a Participant or his Beneficiary of a single lump sum or the number of installments elected by the Participant pursuant to this Section shall discharge all obligations of the Company and the Affiliates to such Participant or Beneficiary under the Plan with respect to that Sub-Account. In the event that a Sub-Account is paid in installments, the amount of each installment shall be determined in accordance with procedures established from time to time by the Committee.

2.8. Modification of Date and/or Form of Distribution.

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

2.9. Death of a Participant.

(i) General. In the event of the death of a Participant, the remaining amount of his Account shall be paid to his Beneficiary or Beneficiaries as described in Section 2.9(ii). Each Participant shall designate a Beneficiary or Beneficiaries on a beneficiary designation form provided by the Committee. A Participant's Beneficiary designation may be changed at any time prior to his death by the execution and delivery of a new beneficiary designation. The Beneficiary designation on file with the Company that bears the latest date at the time of the Participant's death shall govern. In the absence of a Beneficiary designation, the amount of the Participant's Account shall be paid to the Participant's estate in a lump sum amount within 90 days after the appointment of an executor or administrator or as otherwise determined by the Committee.

(ii) Form and Date of Distribution.

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

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

2.11. Small Payments. Notwithstanding any other provision of the Plan or any election made by the Participant, in the event that a Participant's Account has a balance of less than \$25,000 on his Termination of Service Date, the entire amount of the Participant's Account may at the discretion of the Committee be paid in a single lump sum at such time as shall be determined by the Committee.

2.12. Acceleration.

(i) Notwithstanding any other provision of the Plan, in the event of an unforeseeable emergency, as defined in the Treasury Regulations issued under Section 457 of the Internal Revenue Code of 1986, as amended, that is caused by an event beyond the control of the Participant and that would result in severe financial hardship to the individual if acceleration were not permitted, the Committee may in its sole discretion accelerate the payment to the Participant of the amount of his Account, but only up to the amount necessary to meet the emergency.

(ii) Notwithstanding any other provision of the Plan, each Participant shall be permitted, at any time, to make an election to receive, payable as soon as

practicable after such election is received by the Committee, a distribution of part or all of his Account in a single lump sum, if (and only if) the amount in the Participant's Account subject to such distribution is reduced by 10%, which 10% amount shall thereupon irrevocably be forfeited.

(iii) Notwithstanding anything contained herein to the contrary, this Section 2.12 shall not apply to any amounts credited to a Participant's SERP Cash Sub-Account.

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

2.14. Vesting of Accounts. Except as otherwise provided in Sections 2.4, 2.12(ii) and 2.15(iii), each Participant shall at all times have a nonforfeitable interest in his Account balance.

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

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

(ii) Unreduced Distribution. A Participant may make an election, on a form provided by the Committee that he delivers to the Committee at least one year prior to the occurrence of a Change in Control, to receive his entire vested Account in a single lump sum as soon as administratively practicable following the occurrence of a Change in Control. In the event that a Change in Control occurs prior to the distribution of a Participant's entire Account, any such election made by a Participant shall override his other elections regarding the form and timing of the distribution of his Account. A Participant may revoke any election made pursuant to this Section 2.15(ii) on a form provided by the Committee that he delivers to the Committee at least one year prior to the occurrence of a Change in Control.

(iii) Reduced Distribution. Notwithstanding any other provision of the Plan, each Participant shall be permitted, during the one-year period commencing upon the occurrence of a Change in Control, to make an election to receive, payable as soon as

practicable after such election is received by the Committee, a distribution of part or all of his vested Account in a single lump sum, if (and only if) the amount in the Participant's Account subject to such distribution is reduced by 5%, which 5% amount shall thereupon irrevocably be forfeited.

SECTION III ADMINISTRATION

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

SECTION IV AMENDMENT AND TERMINATION

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

4.2 Termination. The Company reserves the right to terminate the Plan at any time by action of the Board. In the event that the Company terminates the Plan, each Participant shall receive a distribution of his vested Account, at the discretion of the Committee, either (a) in a single lump sum as soon as administratively practicable following termination of the Plan or (b) in the form of payment elected by the Participant commencing as soon as administratively practicable following termination of the Plan.

SECTION V
MISCELLANEOUS

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

5.2. Participation by Employees of Affiliates. An Eligible Employee who is employed by an Affiliate and who elects to participate in the Plan shall participate on the same basis as an Eligible Employee of the Company.

5.3. Interest of Participant.

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

(ii) In the event that, in the discretion of the Committee, the Company and/or its Affiliates purchases an insurance policy or policies insuring the life of any Participant (or any other property) to allow the Company and/or its Affiliates to recover the cost of providing the benefits, in whole or in part, hereunder, neither the Participants nor their Beneficiaries or other distributees shall have nor acquire any rights whatsoever therein or in the proceeds therefrom. The Company and/or its Affiliates shall be the sole owner and beneficiary of any such policy or policies and, as such, shall possess and may exercise all incidents of ownership therein. A Participant's participation in the underwriting or other steps necessary to acquire such policy or policies may be required by the Company and, if required, shall not be a suggestion of any beneficial interest in such policy or policies to such Participant or any other person.

5.4. Claims of Other Persons. The provisions of the Plan shall in no event be construed as giving any other person, firm or corporation any legal or equitable right as against the Company or any Affiliate or the officers, employees or directors of the Company or any

Affiliate, except any such rights as are specifically provided for in the Plan or are hereafter created in accordance with the terms and provisions of the Plan.

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

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

5.7. Relationship to Other Plans. The Plan is intended to serve the purposes of and to be consistent with any bonus or incentive compensation plan approved by the Committee for purposes of the Plan.

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

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

5.10. Electronic or Other Media. Notwithstanding any other provision of the Plan to the contrary, including any provision that requires the use of a written instrument, the Committee may establish procedures for the use of electronic or other media in communications and transactions between the Plan or the Committee and Participants and Beneficiaries. Electronic or other media may include, but are not limited to, e-mail, the Internet, intranet systems and automated telephonic response systems.

EXECUTED on this 6th day of May, 2004.

NEWELL RUBBERMAID INC.

By: /s/ Dale L. Matschullat

Title: Vice President - General Counsel and
Corporate Secretary

FIRST AMENDMENT TO THE
NEWELL RUBBERMAID INC.
2003 STOCK PLAN

WHEREAS, Newell Rubbermaid Inc. (the "Corporation") previously adopted the 2003 Stock Plan (the "Plan"); and

WHEREAS, the Board of Directors of the Corporation is authorized to amend the Plan and has authorized an amendment to the Plan, as described below.

NOW, THEREFORE, BE IT RESOLVED, that Section 19 of the Plan is hereby amended, effective as of May 12, 2004, to read as follows:

SECTION 19. EFFECTIVE DATE AND TERM OF PLAN.

19.1 Effective Date.

The Plan has been adopted and authorized by the Board for submission to the stockholders of the Company. The Plan shall become effective as of the date the Plan is approved by the stockholders of the Company.

19.2 Term of Plan.

Notwithstanding anything to the contrary contained herein, no Awards shall be granted on or after the 10th anniversary of the Plan's effective date as determined in Section 19.1 above.

This First Amendment has been executed by the Corporation, by its duly authorized officer, as of this 11th day of February, 2004.

NEWELL RUBBERMAID INC.

By: /s/ Dale L. Matschullat

Title: Vice President - General Counsel and
Corporate Secretary

NEWELL RUBBERMAID
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Traditional SERP Benefit

Effective January 1, 2004

NEWELL RUBBERMAID
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Traditional SERP Benefit
(Effective January 1, 2004)

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NEWELL RUBBERMAID
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Traditional SERP Benefit
(Effective January 1, 2004)

INTRODUCTION & HISTORY

Effective January 1, 1982, Newell Operating Company (the "Company") originally established the Newell Rubbermaid Supplemental Retirement Plan for Key Executives (the "Prior Plan"). The Prior Plan was established to provide supplemental retirement benefits to eligible Vice Presidents, Presidents and above.

Effective January 1, 2004, the Company renamed the Prior Plan as the Newell Rubbermaid Supplemental Executive Retirement Plan (the "SERP" or the "Plan") and its benefit as the Traditional SERP Benefit. The Plan hereunder describes the Traditional SERP Benefit effective as of January 1, 2004. The SERP, in conjunction with the Newell Rubbermaid Inc. 2002 Deferred Compensation Plan, provides certain benefits to eligible employees.

Retirement Choice Program (2004)

Under the Newell Rubbermaid Retirement Choice Program effective January 1, 2004, each existing Vice President under the Prior Plan as of December 31, 2003 made a one-time choice to (i) remain in the current Traditional SERP Benefit or (ii) join the new SERP Cash Account under the Newell Rubbermaid Inc. 2002 Deferred Compensation Plan effective January 1, 2004, with the transfer to the SERP Cash Account of his benefit under the Prior Plan as an equivalent lump sum amount. An existing Vice President electing to remain in the Traditional SERP Benefit is ineligible for the SERP Cash Account. A new or newly promoted Vice President participates only in the SERP Cash Account, with prospective benefits as provided thereunder.

Each existing President or above under the Prior Plan as of December 31, 2003 had (i) remained in the Traditional SERP Benefit and (ii) began participation in the SERP Cash Account effective January 1, 2004, with an opening balance under the SERP Cash Account equal to his benefit under the Prior Plan as an equivalent lump sum amount (but without the transfer thereof to the SERP Cash Account). A President or above who first becomes eligible for the SERP on or after January 1, 2004 (including therefore any existing or future Vice President promoted to President or above) also will participate in both (i) the Traditional SERP Benefit (with a modified SERP formula) and (ii) SERP Cash Account, with prospective benefits as provided thereunder. (However, a Vice President who elected to remain in the Traditional SERP Benefit will continue to participate in the 67% SERP formula.)

ARTICLE I
NAME, PURPOSE, LEGAL STATUS

- 1.1 Name. The Plan hereunder shall be known as the Newell Rubbermaid Supplemental Executive Retirement Plan (the "SERP" or the "Plan"), providing the Traditional SERP Benefit thereunder effective January 1, 2004.
- 1.2 Purpose. The purpose of the SERP and its Traditional SERP Benefit is to provide supplemental retirement and death benefits for eligible Vice Presidents, Presidents and above of the Company and Participating Affiliates.
- 1.3 Prior Plan. Effective January 1, 2004, the SERP (as provided in the Plan hereunder) shall supercede the Newell Rubbermaid Supplemental Retirement Plan for Key Executives (the "Prior Plan"), for each (i) existing Vice President, President and above under the Prior Plan as of December 31, 2003, (ii) other current or former participant of the Prior Plan who is not in pay status under the Prior Plan as of December 31, 2003 and (iii) reemployed pay status participant of the Prior Plan. The Plan hereunder therefore shall exclusively govern the vesting, entitlement, calculation and payment of the benefit of the foregoing individuals under the SERP and the Prior Plan. Effective January 1, 2004, the Prior Plan shall continue to apply only to a pay status participant or beneficiary of the Prior Plan as of December 31, 2003.
- 1.4 Legal Status. The Company intends the SERP to be an unfunded deferred compensation plan for a select group of management or highly compensated employees, within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA.

ARTICLE II
GENERAL DEFINITIONS

- 2.1 "Affiliate" means any affiliated or subsidiary corporation of the Company or Newell Co.
- 2.2 "Code" means the Internal Revenue Code of 1986, as amended.
- 2.3 "Committee" means the Newell Rubbermaid Benefit Plans Committee.
- 2.4 "Company" means Newell Operating Company, a Delaware corporation, or any corporate successor thereto.
- 2.5 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.
- 2.6 "Early Retirement Date" means the date defined in Section 7.2.
- 2.7 "Executive" means a Vice President, President or above of the Company or a Participating Affiliate.
- 2.8 "New High Level Executive" means a President or above defined in Section 3.2.
- 2.9 "Normal Retirement Date" means the date defined in Section 6.2.
- 2.10 "Participant" means an Executive (or a former Executive under the Prior Plan) who becomes a Participant in the Traditional SERP Benefit under Article III.
- 2.11 "Participating Affiliate" means Newell Co. or an Affiliate which adopts the SERP with the consent of the Company.
- 2.12 "Pension Plan" means the Newell Rubbermaid Pension Plan, formerly the Newell Pension Plan for Salaried and Clerical Employees.
- 2.13 "Prior Plan" means the Newell Rubbermaid Supplemental Retirement Plan for Key Executives, as in effect prior to January 1, 2004.
- 2.14 "Retirement Choice Program" means the Newell Rubbermaid Retirement Choice Program, effective January 1, 2004.
- 2.15 "SERP" or "Plan" means the Newell Rubbermaid Supplemental Executive Retirement Plan, as provided in the plan hereunder, and as the successor to the Prior Plan effective January 1, 2004, and providing the Traditional SERP Benefit.
- 2.16 "SERP Cash Account" means the SERP Cash Account benefit under the Newell Rubbermaid Inc. 2002 Deferred Compensation Plan, commencing effective January 1, 2004.
- 2.17 "Traditional SERP Benefit" means the benefit provided in the Plan hereunder, effective January 1, 2004.
- 2.18 "Years of Credited Service" means the years defined in Section 4.3.

ARTICLE III
ELIGIBILITY

- 3.1 Existing Executives. Effective as of January 1, 2004, the following Executives shall become a Participant in the Traditional SERP Benefit:
- (a) Vice President. A Vice President as of January 1, 2004 who (i) was a participant in the Prior Plan as of December 31, 2003, (ii) is eligible for the SERP under Section 3.3 as of January 1, 2004 and (iii) elected under the Retirement Choice Program to continue to participate in the Traditional SERP Benefit. Each such Vice President will not participate in the SERP Cash Account.
 - (b) President or Above. A President or above who (i) was a participant in the Prior Plan as of December 31, 2003 and (ii) is eligible for the SERP under Section 3.3 as of January 1, 2004. Each such President or above also will participate in the SERP Cash Account effective January 1, 2004 and will have an opening balance under the SERP Cash Account equal to his benefit under the Prior Plan as an equivalent lump sum amount (but without the transfer thereof to the SERP Cash Account).

Each Vice President as of January 1, 2004 who elected to participate in the SERP Cash Account under the Retirement Choice Program shall participate only in the SERP Cash Account and, therefore, will be ineligible for the Traditional SERP Benefit. Further, each Vice President after January 1, 2004 shall participate only in the SERP Cash Account (if otherwise eligible thereunder) and, therefore, will be ineligible for the Traditional SERP Benefit.

- 3.2 New High Level Executive. Effective on and after January 1, 2004, a New High Level Executive (as defined herein) shall become a Participant in the Traditional SERP Benefit effective on the date established for him by the Company. Each such New High Level Participant shall (i) have a modified SERP formula under Section 4.1 and (ii) participate in the SERP Cash Account, with prospective benefits as provided thereunder (and, therefore, with no opening balance under the SERP Cash Account for his benefit under the Prior Plan).

A "New High Level Executive" is an Executive who (i) is a President or above and (ii) first becomes eligible (or reeligible) for the SERP under Section 3.3 on or after January 1, 2004. A New High Level Executive, therefore, may include any existing or future Vice President promoted to President or above, including a Vice President under Section 3.1(a) (who elected to continue to participate in the Traditional SERP Benefit) or Vice President under Section 3.5 (who elected to participate in the SERP Cash Account).

- 3.3 SERP Eligibility. An Executive is "eligible for the SERP" if he is (i) a participant in Bonus Categories A or A/B of the Newell Rubbermaid Management Bonus Plan, (ii) an active participant in the Pension Plan, (iii) a citizen or a resident alien of the United States and (iv) designated for participation in the SERP by the Company.
- 3.4 Suspension of Participation. An Executive's participation in the Traditional SERP Benefit shall be suspended if he undergoes an employment status change under Section 9.3.
- 3.5 Existing Vice Presidents Electing SERP Cash Account. A Vice President as of January 1, 2004 who was a participant in the Prior Plan as of December 31, 2003 and elected under the Retirement

Choice Program to participate in the SERP Cash Account (and therefore transfer his benefit under the Prior Plan as an equivalent lump sum amount to the SERP Cash Account) shall not participate in the Traditional SERP Benefit and otherwise shall discontinue participation in the Prior Plan. The foregoing Vice President shall have no benefit under the SERP and otherwise have no further benefit recognizable or payable under the Prior Plan.

- 3.6 Prior Plan Participant. Effective January 1, 2004, a participant of the Prior Plan (other than a Participant under Section 3.1) shall become a Participant in the Traditional SERP Benefit if he is not in pay status under the Prior Plan as of December 31, 2003. The SERP therefore shall exclusively govern the vesting, entitlement, calculation and payment of the benefit of the foregoing individuals under the SERP and the Prior Plan, including therefore the calculation of his benefit using the SERP formula in Section 4.1.

ARTICLE IV
SERP FORMULA

- 4.1 SERP Formula. The SERP shall use the following formula to calculate a Participant's retirement benefit, payable commencing on his Normal Retirement Date:
- (a) Gross Benefit: $67\% \times \text{his Final Average Pay (under Section 4.2)} / 12, \times \text{his Years of Credited Service (under Section 4.3) up to } 25 / 25$
 - (b) less his Pension Plan Monthly Benefit (under Section 4.4)
 - (c) less his Monthly Primary Social Security Benefit (under Section 4.5)
 - (d) less his SERP Cash Account Benefit, Other Benefits (under Sections 4.6, 4.7)
 - (e) Equals his SERP Monthly Benefit

However, in the case of a Participant who is a New High Level Executive (other than a Vice President under Section 3.1(a)), "50%" shall be substituted for "67%" in the foregoing formula.

- 4.2 Final Average Pay. A Participant's "Final Average Pay" is the sum of his annual compensation (as defined herein) during the five consecutive calendar years in which his annual compensation was the highest, divided by five years.

The Participant's "annual compensation" is his base salary and bonus from the Company and the Participating Affiliates paid during a calendar year (including any years prior to his SERP participation). The Participant's annual compensation, therefore, is not reduced by any elective contributions from his base salary or bonus made under the Newell Rubbermaid 401(k) Savings Plan, Newell Rubbermaid Inc. 2002 Deferred Compensation Plan or any Code Section 125 plan maintained by the Company or a Participating Affiliate.

If the Participant has not been employed for five full calendar years, his Final Average Pay is the monthly average of his annual compensation while employed with the Company and the Participating Affiliates.

- 4.3 Years of Credited Service. A Participant's "Years of Credited Service" are his whole and fractional years of continuous service which begin and end on the following dates:

- (a) Begins--The Participant's "credited service date," i.e., the date of his initial employment as an employee with the Company, a Participating Affiliate or Affiliate, but starting no sooner than the date any such Affiliate is owned by Newell Rubbermaid. The Participant's credited service date, therefore, may precede the date of his participation in the SERP or promotion to Vice President.
- (b) Ends--The date of the Participant's termination of employment as an employee with the Company and all Participating Affiliates (or the earlier suspension of his SERP participation).

For measurement purposes, the Participant shall receive (i) a whole year for each 365 days of continuous service (or, for leap years, 366 days) and (ii) a fractional year equal to his days of continuous service divided by 365 days. The Committee may round years under any methodology.

4.4 Pension Plan. The SERP formula in Section 4.1 contains a reduction for the Participant's monthly benefit under the Pension Plan. This "offset" amount is based on the Participant's marital status on the commencement date of his SERP and Pension Plan retirement benefits, as follows:

- (a) Married--If the Participant is married (and has been married to the same spouse for the one year period ending on the commencement date of his retirement benefits), the "offset" amount is the monthly amount from the Pension Plan payable in a qualified joint and 50% survivor annuity with his spouse.
- (b) Single--If the Participant is not so married under subsection (a), the "offset" amount is the monthly amount from the Pension Plan payable in a single life annuity.

The foregoing offset amounts are determined as of the commencement date of the Participant's retirement benefits from the Pension Plan and SERP.

The reduction for the Participant's Pension Plan benefit, therefore, is not the actual monthly amount he receives from the Pension Plan under the annuity form he elected under the Pension Plan. Rather, the reduction is the foregoing offset amount based on the Participant's marital status at the commencement of his retirement benefits.

4.5 Social Security Benefit. The SERP formula in Section 4.1 also contains a reduction for the Participant's monthly primary Social Security benefit (without conversion for his marital status). This "offset" amount is the Social Security benefit amount payable on the commencement date of the Participant's SERP and Pension Plan retirement benefits. However, if the Participant is not at least age 62 when his SERP and Pension Plan retirement benefits begin, his primary Social Security benefit shall be calculated as of his 65th birthday, but assuming his annual compensation under Section 4.2 continues to age 65. Then his primary Social Security benefit, as then determined as of his 65th birthday, shall be reduced by .5% per month (or 6% per year) for which the commencement date of his SERP and Pension Plan retirement benefits precede his 65th birthday.

4.6 SERP Cash Account Benefit. The Participant's Traditional SERP Benefit under the SERP formula in Section 4.1 shall be reduced by the actuarial equivalent amount of his SERP Cash Account (if any) as of the commencement date of his SERP and Pension Plan retirement benefits. For this purpose, actuarial equivalence shall be determined (i) by converting the SERP Cash Account to an equivalent single life annuity based on the Participant's single life expectancy (and therefore without regard to his marital status as of the commencement date of his SERP and Pension Plan retirement benefits) and (ii) based on actuarial assumptions and procedures prescribed by the Committee from time to time, consistent with Section 9.7.

The foregoing reduction for the Participant's SERP Cash Account shall apply to his entire SERP Cash Account, including therefore the portion thereof attributable to (i) in the case of a New High Level Executive who was a Vice President under Section 3.5 who elected to join the new SERP Cash Account effective January 1, 2004, his benefit under the Prior Plan transferred as an equivalent lump sum amount to the SERP Cash Account or (ii) in the case of a President or above under Section 3.1(b), the opening balance under the SERP Cash Account equal to his benefit under the Prior Plan as an equivalent lump sum amount.

4.7 Other Benefits. The Participant's Traditional SERP Benefit shall be reduced, in an amount determined by the Committee, by any benefits under any other plan, agreement or arrangement (whether tax qualified or nonqualified) maintained by the Company or an Affiliate that provides

him retirement benefits, including any other amounts determined by the Company such as under an acquired company's supplemental retirement plan or under any severance arrangement.

However, the Participant's Traditional SERP Benefit shall not be reduced by any benefit under (i) a qualified retirement plan containing a cash or deferred arrangement under Section 401(k) of the Code or (ii) the Newell Rubbermaid Inc. 2002 Deferred Compensation Plan, other than the SERP Cash Account.

ARTICLE V
VESTING

5.1 Vesting Requirements. A Participant must become vested to be entitled to receive the Traditional SERP Benefit. The Participant shall become "vested" in his Traditional SERP Benefit under any following circumstance:

- (a) Employment on or after age 60 (under Section 5.2).
- (b) Involuntary termination with 15 Years of Credited Service (under Section 5.3).
- (c) Death during employment (under Section 5.4).

Once vested, the Participant shall receive a normal retirement benefit from the SERP under Article VI. Or he may be eligible to elect an early retirement benefit under Article VII. If the Participant dies during employment, he shall be eligible for a preretirement death benefit under Article VIII.

5.2 Employment At Age 60. A Participant shall become vested if he is employed as an employee on or after his 60th birthday with the Company, a Participating Affiliate or other Affiliate. He does not need 15 Years of Credited Service to become vested in this case.

5.3 Involuntary Termination. A Participant also shall become vested if he (i) is involuntarily terminated from employment with the Company, any Participating Affiliate or other Affiliate before age 60 and (ii) has at least 15 Years of Credited Service.

5.4 Non-Vested Termination. If a Participant terminates employment with the Company and all Participating Affiliates and other Affiliates before meeting either vesting requirement under Section 5.2 or 5.3 (or becoming vested upon a business sale under Section 9.4), he shall not receive any benefit from the SERP whatsoever. However, if he is reemployed, he may receive credit for his prior Years of Credited Service under Section 9.6.

5.5 Death During Employment. A Participant shall become vested if he dies while an employee with the Company, a Participating Affiliate or other Affiliate. The Participant does not need 15 Years of Credited Service to become vested under this circumstance.

5.6 Forfeiture Events. Even if vested, a Participant shall cease to be vested, and thereafter not entitled to any benefit from the SERP (regardless if it commenced), under certain prescribed circumstances involving his conduct under Section 9.5.

ARTICLE VI
NORMAL RETIREMENT BENEFIT

- 6.1 SERP Formula. If a Participant is vested under Article V, he shall receive a "normal" retirement benefit following his termination of employment with the Company and all Affiliates and commencing on his Normal Retirement Date. The Participant's normal retirement benefit shall equal his "SERP Monthly Benefit" amount under the SERP formula in Section 4.1, calculated and paid as of his Normal Retirement Date.
- 6.2 Normal Retirement Date. A Participant's "Normal Retirement Date" means the first day of the month coincident with or next following his 65th birthday. However, if he continues employment after age 65, his Normal Retirement Date is the first day of the month on or after the date of his termination of employment with the Company and all Affiliates.
- 6.3 Actual Commencement. A Participant's SERP normal retirement benefit shall commence when he elects to begin his retirement benefit under the Pension Plan. The Participant shall receive a "normal" retirement benefit from the SERP if his Pension Plan retirement benefit commences on his Normal Retirement Date.
- 6.4 Normal Annuity Form. A Participant's SERP normal retirement benefit is payable in the following "normal" annuity form, based on his marital status on the commencement date of his SERP and Pension Plan retirement benefits:
- (a) Married--If he is married (and he has been married to the same spouse for the one year period ending on the commencement date of his retirement benefits), his SERP retirement benefit is payable in a qualified joint and 50% survivor annuity with his spouse.
 - (b) Single--If he is not so married under subsection (a), his SERP retirement benefit is payable in a single life annuity.

The normal annuity form of his SERP retirement benefit, therefore, shall not be the actual annuity form in which he receives his retirement benefit from the Pension Plan. Rather, the normal annuity form is based solely on his marital status at the commencement of his retirement benefits.

- 6.5 Pension Plan Annuity Forms. A Participant's normal retirement benefit from the SERP shall be paid in the same annuity form as he elects to receive his retirement benefit under the Pension Plan, from among the following annuity forms:
- (a) A single life annuity
 - (b) A joint and 50% survivor annuity
 - (c) A joint and 100% survivor annuity
 - (d) A single life and 10 year certain annuity

If the Participant elects to receive his Pension Plan retirement benefit in his "married" or "single" normal annuity form under Section 6.4, his SERP retirement benefit shall equal his exact normal retirement benefit under Section 6.1. Otherwise, if he elects another foregoing listed annuity form, his actual SERP retirement benefit shall be an actuarial equivalent amount of his SERP normal retirement benefit payable in his "married" or "single" normal annuity form.

If the Participant elects an annuity form under the Pension Plan other than one of the foregoing listed annuity forms, he still must elect to receive his SERP retirement benefit in one of the foregoing annuity forms. His actual SERP retirement benefit shall be an actuarial equivalent amount of his SERP normal retirement benefit payable in his "married" or "single" normal annuity form.

The Participant may elect an annuity form under the Pension Plan, and otherwise designate his spouse or any other person as his survivor beneficiary under the annuity form, provided his spouse (if married) consents to the annuity form and beneficiary designation.

- 6.6 Lump Sum for Small Benefits. The Traditional SERP Benefit does not allow a lump sum payment. However, if the lump sum present value of a Participant's SERP benefit is under \$20,000, his benefit shall be paid in a lump sum under Section 7.6.
- 6.7 Preretirement Death Benefit. If a Participant is vested under Article V and dies before the commencement date of his SERP retirement benefit, the SERP shall not pay a retirement benefit to any person. Instead, the Participant shall be eligible for a preretirement death benefit from the SERP under Article VIII.

ARTICLE VII
EARLY RETIREMENT BENEFIT

7.1 SERP Formula. If a Participant is vested under Article V, he may elect an "early" retirement benefit following his termination of employment with the Company and all Affiliates and commencing on or after his Early Retirement Date and before his Normal Retirement Date.

The Participant's early retirement benefit shall equal his "SERP Monthly Benefit" amount under the SERP formula in Section 4.1, calculated and payable as of the date he elects to begin his SERP and Pension Plan retirement benefits on or after his Early Retirement Date.

However, the "Gross Benefit" amount under the SERP formula shall be reduced by .5% per month (or 6% per year) for which the commencement date of his SERP and Pension Plan retirement benefits precedes his Normal Retirement Date.

7.2 Early Retirement Date. A Participant's "Early Retirement Date" means the first day of the month coincident with or next following the date he has both (i) reached his 60th birthday and (ii) been credited with at least 15 years of early retirement service. The Participant's "years of early retirement service" are his years of vesting service under the Pension Plan.

7.3 Actual Commencement. A Participant's SERP early retirement benefit shall commence when he elects to begin his retirement benefit under the Pension Plan. The Participant shall receive an early retirement benefit from the SERP if his Pension Plan retirement benefit commences on or after his Early Retirement Date and before his Normal Retirement Date.

7.4 Normal Annuity Form. A Participant's SERP early retirement benefit is payable in his "normal" annuity form based on his marital status on the commencement date of his SERP and Pension Plan retirement benefits, as provided under Section 6.4 for a normal retirement benefit.

7.5 Pension Plan Annuity Forms. A Participant's SERP retirement benefit shall be paid in the same annuity form as he elects to receive his retirement benefit under the Pension Plan, from among the annuity forms provided under Section 6.5 for a normal retirement benefit.

If the Participant elects to receive his Pension Plan retirement benefit in his "married" or "single" normal annuity form under Section 7.4, his SERP retirement benefit shall equal his exact early retirement benefit under Section 7.1. Otherwise, if the Participant elects another foregoing listed annuity form, his actual SERP retirement benefit shall be an actuarial equivalent amount of his SERP early retirement benefit payable in his "married" or "single" normal annuity form.

If the Participant elects an annuity form under the Pension Plan other than one of the foregoing listed annuity forms, he still must elect to receive his SERP retirement benefit in one of the foregoing annuity forms. The Participant's actual SERP retirement benefit shall be an actuarial equivalent amount of his SERP early retirement benefit payable in his "married" or "single" normal annuity form.

The Participant may elect an annuity form under the Pension Plan, and otherwise designate his spouse or any other person as his survivor beneficiary under the annuity form, provided his spouse (if married) consents to the annuity form and beneficiary designation.

- 7.6 Lump Sum for Small Benefits. The Traditional SERP Benefit does not allow a lump sum payment. However, if the present value of a Participant's benefit under the SERP following his termination of employment with the Company and all Affiliates is under \$20,000, calculated at any time on or after his Early Retirement Date, then he shall receive his SERP benefit in a lump sum payment equal to this present value amount as soon as practicable after its calculation. A lump sum payment, therefore, shall be paid no sooner than his Early Retirement Date and only then if under \$20,000.
- 7.7 Preretirement Death Benefit. If a Participant is vested under Article V and dies before the commencement date of his SERP retirement benefit, the SERP shall not pay a retirement benefit to any person. Instead, the Participant shall be eligible for a preretirement death benefit from the SERP under Article VIII.

ARTICLE VIII
PRERETIREMENT DEATH BENEFIT

8.1 Death During Employment. If a Participant dies while employed, he automatically becomes vested in his Traditional SERP Benefit under Section 5.5 (regarding death during employment). In this case, a Participant's surviving spouse (if married for at least the one year period ending on his death) shall receive a monthly death benefit of 33.5% of his Final Average Pay (under Section 4.2) divided by 12 (therefore without any proration if he has less than 25 Years of Credited Service), less his death benefits from the Pension Plan, SERP Cash Account (if any) under Section 4.6 and other retirement benefit arrangements under Section 4.7 in amounts determined by the Company and even if not yet payable. A reduction shall not be made regarding the Participant's Social Security benefit.

The death benefit shall commence effective as of the first day of the month after the Participant's death, even if before his Early Retirement Date. Further, the benefit shall not be reduced for commencement before his Normal Retirement Date. The benefit shall be paid to the Participant's surviving spouse until his or her death. However, the benefit in any event shall cease when the Participant would have reached his 65th birthday (or, if later, the 15th anniversary of his death).

Also, if at the death or remarriage of the Participant's spouse the Participant has dependent children (as defined herein), the death benefit to his spouse shall be suspended but shall continue to be paid to his dependent children (in pro rata amounts) for as long as they are dependent children. However, the benefit in any event shall stop when the Participant would have reached his 65th birthday (or, if later, the 15th anniversary of his death). When the Participant's children are no longer dependent children, any remaining death benefit payments shall resume to his remarried spouse.

If the Participant dies without a surviving spouse, but with dependent children, the benefit shall be paid to his dependent children for as long as they are dependent children. However, the benefit in any event shall stop when the Participant would have reached his 65th birthday (or, if later, the 15th anniversary of his death).

If the Participant dies without a surviving spouse or dependent children, the death benefit is not paid to any person.

For purposes of this Section, the term "dependent children" means unmarried children under (i) age 18 or (ii) age 22, if a full-time student at an elementary or secondary school, a vocational or professional school or an accredited college or university as an undergraduate or graduate student.

8.2 Death Before Commencement. If a Participant is vested in his Traditional SERP Benefit under Article V (other than under Section 5.5 regarding death during employment) and dies after termination of employment with the Company and all Affiliates but before commencement of his SERP retirement benefit, his surviving spouse (if married for at least the one year period ending on his death) shall receive a monthly death benefit of the 50% survivor benefit the spouse would have received under a qualified joint and 50% survivor annuity commencing on his Normal Retirement Date under Section 6.1.

The death benefit shall commence effective as of the first day of the month after the Participant's death, even if before his Early Retirement Date. Further, the benefit shall not be reduced for

commencement before his Normal Retirement Date. The benefit shall be paid for the life of his surviving spouse, but for no more than 15 years.

If the Participant dies without a surviving spouse, the death benefit is not paid to any person.

- 8.3 Commencement Date. For purposes of the SERP, the term "commencement date" shall refer to the first day of the month for which the Participant's SERP and Pension Plan retirement benefits are payable to the Participant. Accordingly, the entitlement to a preretirement death benefit under this Article shall apply if he dies before the first day of such month. If a Participant dies on or after the first day of such month, no preretirement death benefit will be payable from the SERP. In this case, the SERP will pay only whatever survivor benefit is payable under the terms of the annuity form the Participant elected to receive his SERP retirement benefit.

ARTICLE IX
SPECIAL PROVISIONS

9.1 Disability During Employment. If a Participant becomes disabled or unable to work due to injury or sickness while an employee with the Company, a Participating Affiliate or an Affiliate, his SERP participation shall be suspended on the date of his termination of employment and, thereafter, he shall cease to accrue further increases to his accrued benefit under the SERP formula under Section 4.1. The Participant's "Gross Benefit" under the SERP formula shall be calculated on the date of his termination of employment.

However, if approved by the Committee, while he is receiving salary continuation benefits he shall continue to be credited with (i) Years of Credited Service to determine his vested status for involuntary termination purposes under the SERP under Section 5.3 and (ii) years of early retirement service to determine his eligibility for an early retirement benefit under Section 7.2.

9.2 Leaves of Absence, Severance Pay. A Participant's annual compensation and Years of Credited Service shall include leaves of absence authorized by the Company and such other periods of employment as determined by the Committee. However, the Participant's annual compensation and Years of Credited Service shall not include any period following his termination of employment during which he receives severance pay.

9.3 Suspension of Participation. If a Participant is demoted from President or Vice President (including therefore a President demoted to Vice President), transfers employment to a non-Participating Affiliate or ceases to be designated by the Company as eligible for the SERP, his participation in the SERP shall be suspended and he shall cease to accrue further increases to his accrued benefit under the SERP formula in Section 4.1. The Participant's "Gross Benefit" under the SERP formula shall be calculated as if he terminated employment on the date of his employment status change.

However, if approved by the Committee, a Participant shall continue to be credited with (i) Years of Credited Service to determine his vested status for involuntary termination purposes under Section 5.3 and (ii) years of early retirement service to determine his eligibility for an early retirement benefit under Section 7.2.

Notwithstanding the foregoing, the Committee, in its discretion, may allow the continued participation of any President or above who becomes a Vice President (if otherwise eligible for the SERP under Section 3.3).

9.4 Vesting on Sale of an Affiliate. If a Participant has either reached his 60th birthday or been credited with at least 15 Years of Credited Service, and he is employed on the date of the sale of his Affiliate or division of the Company, he shall become vested in the Traditional SERP Benefit.

9.5 Forfeiture Events. Even if a Participant is vested under Article V or Section 9.4, he shall cease to be vested, and thereafter not be entitled to any benefit from the SERP (regardless if it commenced), under any following circumstance:

- (a) The Participant's employment is terminated at any time because of any act or failure to act on his part which constitutes fraud, misappropriation, theft or embezzlement of the Company or an Affiliate's funds or intentional breach of fiduciary duty, including a

breach of the Company or Affiliate's Code of Business Conduct involving the Company or an Affiliate.

- (b) At any time the Participant engages in competition with, or work for another business entity in competition with, the Company or an Affiliate in the areas that it serves.
- (c) At any time the Participant makes any unauthorized disclosure of any trade or business secrets or privileged information acquired during his employment with the Company or an Affiliate.
- (d) At any time the Participant is found to have misappropriated, stolen or embezzled funds from the Company or an Affiliate.
- (e) At any time the Participant fraudulently, dishonestly or shall fully cause the Company or an Affiliate to suffer any loss of, or damage to, money or other property belonging to it or for the care and protection of which it is responsible or to its reputation.
- (f) At any time the Participant is discharged by the Company or an Affiliate for repeated drunkenness on the job.
- (g) At any time the Participant is convicted of a felony connected with his employment by the Company or an Affiliate.

Further, even if a Participant is vested, he shall cease to be vested, and thereafter not entitled to any benefit from the SERP (regardless if it commenced), if (i) his death occurs during first 24 months of participation in the SERP as a result of suicide or (ii) he made a material misrepresentation in any form or document provided by him to or for the benefit of the Company or an Affiliate.

- 9.6 Reemployment. Upon a Participant's non-vested termination of employment, his accrued benefit under the SERP formula and Years of Credited Service shall be immediately forfeited under Article V. If the Participant is ever reemployed and eligible for the SERP under Section 3.3, the Committee may in its discretion reinstate all or some of his previous accrued benefit and prior Years of Credited Service.

If a Participant was vested at termination of employment under Article V and he is ever reemployed and eligible for the SERP under Section 3.3, he shall reparticipate in the SERP and continue to accrue increases to his accrued benefit under the SERP formula and his Years of Credited Service under Section 4.1. If the Participant's retirement benefit has commenced, the Committee in its discretion may suspend the benefit. In any event, upon subsequent retirement, his retirement benefit would be recalculated to take into account subsequent increases to his accrued benefit and previous retirement benefit payments.

- 9.7 Actuarial Equivalence. For purposes of the SERP, all references to "actuarial equivalence" shall be determined by the Committee using actuarial assumptions prescribed by the Committee from time to time for any particular purpose of the SERP. A participant shall not be entitled to any grandfathering of benefits in the event of any change in actuarial assumptions.

ARTICLE X
ADMINISTRATION AND FINANCING

- 10.1 Plan Administration. The SERP is administered by the Committee. The Committee is responsible for the administration of the SERP and may also delegate certain administrative functions to other persons. The Committee possesses the sole and absolute discretionary authority to interpret and construe the provisions of the SERP, as well as to make all determinations under the SERP, such as eligibility, benefits, service credit and distributions. The Committee's interpretations and determinations are conclusive on all interested parties.
- 10.2 Claims Procedures. If a Participant's claim for benefits is denied (in whole or in part), he shall receive, within 90 days after receipt of the claim (180 if special circumstances apply), a written explanation from the Committee detailing the specific reasons for the denial, the specific references to the plan provisions on which the denial is based, a description of any additional information needed from him and why such information is required, and a description of the SERP's appeal procedures, including applicable time limits and a statement of his right to bring a civil action under Section 502(a) of ERISA.
- The Participant, or any person he may choose to represent him, may ask the Committee for a review of his denied claim within 60 days after his claim has been denied. The Participant's request, which must be in writing, should include the following information: The date the Participant submitted his original request for benefits, the specific portion of the denial notice that he wishes the Committee to review, the reason why he thinks his original request should be approved and any written material that he wishes the Committee to consider when reviewing his request. The Participant may also request that all documents, records and other information relevant to his claim be made available for his review. The Participant may submit information for review regardless of whether it was considered in the original claim review.
- The Committee or other named fiduciaries for appeals shall conduct a full and fair review of the claim and appeal and notify the Participant of its decision within 60 days (120 if special circumstances apply). That decision shall be in writing and shall include the specific reasons and the SERP references to the pertinent plan provisions on which the decision is based.
- 10.3 Committee Authority. The Committee shall have the authority to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of the SERP and decide or resolve any and all questions including interpretations of the SERP, as provided under Section 10.1. A majority vote of the Committee members shall control any decision. Members of the Committee may be Participants under the SERP.
- 10.4 Agents. The Committee may, from time to time, employ other agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Company.
- 10.5 Binding Effect of Decisions. The decision or action of the Committee in respect of any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

- 10.6 Indemnity of Committee. The Company shall indemnify and hold harmless the members of the Committee against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to the Plan on account of such member's service on the Committee except in the case of gross negligence or willful misconduct.
- 10.7 Plan Financing. The Company and the Participating Affiliates are responsible for providing retirement benefits. All benefits payable under the Traditional SERP Benefit are paid from the general assets of a Participant's employer, whether the Company or a Participating Affiliate, and shall be a general unsecured claim of the employer. A trust, which is considered part of his employer's general assets, may be established to pay benefits for the Traditional SERP Benefit. In the event of a change in control, assets in the trust shall be used to pay his benefit. If the Participant's employer, whether the Company or a Participating Affiliate, therefore ever experiences bankruptcy or insolvency, he shall be an unsecured creditor thereof. His claim against the employer's assets shall be considered together with its other unsecured general creditors.
- 10.8 Unfunded Plan. The SERP is an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly compensated employees" within the meaning of Sections 201, 301, and 401 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and therefore is exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA. Accordingly, the Company or Participating Affiliate may terminate the SERP and make no further benefit payments, or remove certain employees as Participants if it is determined by the United States Department of Labor, a court of competent jurisdiction, or an opinion of counsel that the SERP constitutes an employee pension benefit plan within the meaning of Section 3(2) of ERISA (as currently in effect or hereafter amended) which is not so exempt.
- 10.9 Company Obligation. The obligation to make benefit payments to any Participant under the SERP shall be an obligation solely of the Company or a Participating Affiliate with respect to the benefit receivable from the Company or a Participating Affiliate and shall not be an obligation of another company.
- 10.10 Unsecured General Creditor. A Participant and his beneficiaries shall have no legal or equitable rights, interest or claims in any property or assets of the Company or a Participating Affiliate, nor shall they be beneficiaries of, or have any rights, claims or interests in, any life insurance policies, annuity contracts or the proceeds therefrom owned or which may be acquired by the Company or a Participating Affiliate. Such policies or other assets shall not be held for the benefit of Participants and their beneficiaries, or held in any way as collateral security for the fulfilling of the obligations of the Company or a Participating Affiliate under the SERP. Any and all of the assets of the Company and a Participating Affiliate shall be, and remain, the general, unpledged, unrestricted assets thereof. The Company and Participating Affiliate's obligations under the SERP shall be that of an unfunded and unsecured promise to pay money in the future.
- 10.11 Trust Fund. The Company or a Participating Affiliate shall be responsible for the payment of all benefits provided under the SERP regarding a Participant employed by the Company or Participating Affiliate. At its discretion, the Company may establish one or more trusts, with such trustees as the Company may approve, for the purpose of providing for the payment of such benefits. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company or Participating Affiliate's creditors. To the extent any benefits provided under the SERP are actually paid from any such trust, the Company or Participating Affiliate shall have no further obligation with respect thereto, but to the extent not so paid, such benefits shall remain the obligation of, and shall be paid by, the Company or Participating Affiliate.

ARTICLE XI
AMENDMENT AND TERMINATION

- 11.1 Amendment. The plan sponsor of the SERP is the Company, which has the right to terminate or amend the provisions of the SERP for any reason and at any time, including the reduction of accrued benefits and optional forms of payment under the SERP. Any amendment may provide different benefits or amounts of benefits from those set forth hereunder.
- 11.2 Termination, Suspension. The Company may, in its sole discretion, terminate or suspend the SERP at any time, in whole or in part, including the suspension of future benefits.

ARTICLE XII
MISCELLANEOUS

- 12.1 Nonassignability. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable under the SERP, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and nontransferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by the Participant or any other person, nor be transferable by operation of law in the event of the Participant's or any other person's bankruptcy or insolvency.
- However, if, as a result of a divorce, a Participant is responsible for child support, alimony, or marital property rights payments, his benefit under the SERP may be assigned to meet those payments, if a qualifying domestic relations order has been issued for the SERP, as approved by the Committee.
- 12.2 Protective Provisions. A Participant will cooperate with the Company by furnishing any and all information requested by the Company, in order to facilitate the payment of benefits hereunder and by taking such physical examinations as the Company may deem necessary and taking such other action as may be requested by the Company.
- 12.3 Gender and Number. Whenever any words are used herein in the masculine, they shall be construed as though they were used in the feminine and the neuter in all cases where they would so apply; and wherever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.
- 12.4 Captions. The captions of the articles, sections and paragraphs of the SERP are for convenience only and shall not control or affect the meaning or construction of any of its provisions.
- 12.5 Governing Law. The provisions of the SERP shall be construed and interpreted according to the laws of the State of Illinois, except to the extent preempted by ERISA.
- 12.6 Validity. In case any provision of the SERP shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but the SERP shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.
- 12.7 Notice. Any notice or filing required or permitted to be given to the Committee under the SERP shall be sufficient if in writing and hand delivered, or sent by registered or certified mail to any member of the Committee or the Secretary of the Company. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Mailed notice to the Committee shall be directed to the Company's address. Mailed notice to a Participant, eligible spouse, surviving spouse or beneficiary shall be directed to the individual's last known address in the Company's records.
- 12.8 Successors. The provisions of the SERP shall bind and inure to the benefit of the Company and its successors and assigns. The term successors as used herein shall include any corporate or

other business entity which shall, whether by merger, consolidation, purchase or otherwise, acquire all or substantially all of the business and assets of the Company or a Participating Affiliate, and successors of any such corporation or other business entity.

12.9 Withholding. The Company shall withhold from payments made hereunder to any Participant or beneficiary any taxes required to be withheld from such payments under federal, state or local law.

12.10 Payment to Guardian. If a SERP benefit is payable to a minor or a person declared incompetent or to a person incapable of handling the disposition of property, the Committee may direct payment of such SERP benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or person. The Committee may require proof of incompetency, minority, incapacity or guardianship as it may deem appropriate prior to distribution of the SERP benefit. Such distribution shall completely discharge the Company and Participating Affiliate from all liability with respect to such benefit.

12.11 Release. Notwithstanding any other provision of the SERP, payment of any benefit under the SERP to a Participant who becomes vested in such benefit pursuant to Section 5.3 before attaining age 60, and before his date of death, is conditioned upon the prior execution by such Participant of a release, in a form satisfactory to the Company, whereby the Participant fully releases the Company, all of its Affiliates, and all of their respective officers, employees, directors and agents, from any and all rights and claims that such Participant, or his heirs, representatives, successors and assigns, may at any time have with respect to the receipt of benefits under the SERP. No payment shall be made to any such Participant under the SERP until such fully executed release has been delivered by the Participant to the Company.

12.12 Miscellaneous Employment. The establishment of the SERP does not give a Participant the legal right to be continued as an employee. The Company or any Affiliate may terminate a Participant's employment whenever, in its judgment, it becomes necessary to do so, subject to the applicable terms of an employment agreement. Further, a Participant's eligibility or his right to benefits under the SERP should not be interpreted as any guarantee of employment.

In the event that any lawsuit or any settlement thereof or any claim, or if any governmental agency, court or other governing body, requires the Company to reclassify the employment status of any individual who is excluded from participation under the SERP, such reclassified individual nevertheless shall not be considered an eligible employee or otherwise eligible for the SERP and, therefore, not be entitled to accrue benefits under the SERP as a result thereof.

IN WITNESS WHEREOF, Newell Operating Company has caused this instrument to be executed by its duly authorized officer on this 6th day of May, 2004.

NEWELL OPERATING COMPANY

By: /s/ Dale L. Matschullat
Vice President - General Counsel and
Corporate Secretary

Dated: May 6, 2004

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CONFIDENTIALITY, NON-COMPETITION
AND NON-SOLICITATION AGREEMENT

This Confidentiality, Non-Competition and Non-Solicitation Agreement ("Agreement") is made and entered into by and between Newell Rubbermaid, Inc. (the "Company") and Joseph Galli ("Employee").

WHEREAS, the Company is engaged in a highly competitive and diverse business;

WHEREAS, the Company creates, manufactures and/or markets a wide range of consumer and commercial products (hereinafter "Company's Business");

WHEREAS, the Company's products can be found in mass retailers, hardware and home center stores, warehouse clubs, supermarkets, drug stores, department stores, specialty stores, and distributors throughout the United States and the world;

WHEREAS, the Company has and will expend substantial amounts of time, money and efforts in developing, perfecting and maintaining its position in the market place;

WHEREAS, the Company has unique, confidential and proprietary business information, methods and techniques and trade secrets;

WHEREAS, Employee is the Chief Executive Officer ("CEO") of the Company and a member of the Company's Board of Directors. In his capacity as CEO, Employee is responsible for overseeing and managing all of the Company's domestic and international operations. In his capacity as CEO and a member of the Board of Directors, Employee has been and will be entrusted with and have access to the unique, confidential and proprietary business information, methods and techniques and trade secrets of the Company, including but not limited to the Company's business priorities and strategic plans, information about client relationships, financial information, marketing information, secret plans for current and new products and the integration of current and new products; and, initiatives to address the Company's competition;

WHEREAS, the Company desires to protect its legitimate business interests such that the information entrusted to Employee or which Employee has access to is used solely for the benefit of the Company and not in competition with or to the detriment of the Company; and

WHEREAS, the Company has offered Employee fifty thousand (50,000) shares of restricted stock in consideration for executing this Agreement; and

WHEREAS, Employee resides in Maryland.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises contained herein, the receipt and sufficiency of which the parties hereby acknowledge as valuable consideration, the parties hereby agree as follows.

1. Consideration by the Company. Employee will receive fifty thousand (50,000) shares of restricted stock pursuant to the terms of the Company's 2003 Stock Plan, which terms are incorporated fully herein. Employee agrees that said restricted stock, his continued employment, salary and benefits, and other good and valuable consideration not discussed herein, are adequate and sufficient consideration for his promises set forth in this Agreement.

2. Trade Secrets and Confidential Information. Employee agrees that the Company is engaged in a highly competitive business. The Company's involvement in this business has required and continues to require the expenditure of substantial amounts of money and the use of skills developed over a long period of time. As a result of these investments of money, skill and time, the Company has developed and will continue to develop certain valuable trade secrets and confidential information that are peculiar to the Company's business and the disclosure of which would cause the Company great and irreparable harm.

(a) The term "Trade Secrets" means any scientific or technical information, design, process, procedure, formula or improvement that is valuable and not generally known to the Company's competitors. To the fullest extent consistent with the foregoing, and otherwise lawful, Trade Secrets shall include, without limitation, information and documentation pertaining to the design, specifications, capacity, testing, installation, implementation and customizing techniques and procedures concerning the Company's present and future products and services.

(b) The term "Confidential Information" means any data or information and documentation which is valuable to the Company and not generally known to the public, including but not limited to: (i) Financial information, including but not limited to earnings, assets, debts, prices, fee structures, volumes of purchases or sales, or other financial data, whether relating to the Company generally, or to particular products, services, geographic areas, or time periods; (ii) Supply and service information, including but not limited to information concerning the goods and services utilized or purchased by the Company, the names and addresses of suppliers, terms of supplier service contracts, or of particular transactions, or related information about potential suppliers, to the extent that such information is not generally known to the public, and to the extent that the combination of suppliers or use of particular suppliers, though generally known or available, yields advantages to the Company the details of which are not generally known; (iii) Marketing information, including but not limited to details about ongoing or proposed marketing programs or agreements by or on behalf of the Company, marketing forecasts, results of marketing efforts or information about impending transactions; (iv) Personnel information, including but not limited to employees' personal or medical histories, compensation or other terms of employment, actual or proposed promotions, hiring, resignations, disciplinary actions, terminations or reasons therefore, training methods, performance or other employee information; and (v) Customer information, including but not limited to any compilations of past, existing or prospective customers, customer proposals or agreements between customers and the Company, status of customer accounts or credit, or related information about actual or prospective customers.

3. Non-Disclosure of Trade Secrets and Confidential Information. The Employee agrees, except as specifically required in the performance of his duties for the

Company, that he will not, during the course of his employment by the Company and for so long thereafter as the pertinent information or documentation remain Trade Secrets, directly or indirectly use, disclose or disseminate to any other person, organization or entity or otherwise employ any Trade Secrets. The Employee further agrees except as specifically required in the performance of his duties for the Company, that he will not, during the course of his employment by the Company and for three (3) years after the cessation of that employment, disclose or disseminate to any other person, organization or entity or otherwise employ any Confidential Information. The obligations set forth herein shall not apply to any Trade Secrets or Confidential Information which shall have become generally known to competitors of the Company through no act or omission of the Employee.

4. Non-Competition and Non-Solicitation by Employee.

(a) Non-Competition. During Employee's employment with the Company and for a period of one (1) year after the cessation of that employment, Employee agrees that he will not, directly or indirectly, render Competitive Services to any person, firm or corporation that provides Competitive Products. This restriction is limited to the United States.

(b) Non-Solicitation of Customers and Suppliers. During Employee's employment with the Company and for a period of one (1) year after the cessation of that employment, Employee agrees that he will not directly or indirectly, individually or on behalf of any person or entity, solicit or induce, or assist in any manner in the solicitation or inducement of (i) customers of the Company to purchase Competitive Products from another person or entity or not to do business with the Company; or (ii) suppliers of the Company to supply another person or entity providing Competitive Products to the exclusion or detriment of the Company. The restrictions contained in Section (b) shall apply only to customers with whom Employee had contact for the purpose of providing products or services, and to suppliers with whom Employee had contact for the purpose of obtaining products or services.

(c) Non-Solicitation Employees. During Employee's employment with the Company and for a period of one (1) year after the cessation of that employment, Employee agrees that he will not directly or indirectly, individually or on behalf of any person or entity, solicit or induce, or assist in any manner in the solicitation or inducement of the employees of the Company, other than those in clerical or secretarial positions, to leave their employment with the Company, or any of its subsidiaries, affiliates, divisions or parent companies, and accept employment with another person or entity.

(d) Definitions. As used in this Agreement, "Competitive Services" means any and all services of the type that Employee provided to or on behalf of the Company during the last twelve (12) months of his employment with the Company, or services that would reasonably be expected to relate to his employment with the Company, or services that would reasonably be expected to relate to or make use of any of the Company's confidential, proprietary and/or trade secret information. "Competitive Products" means any product that is substantially similar to, is the functional equivalent of, or is intended to compete with, replace, or displace any product developed, produced, manufactured, marketed, branded or sold by the Company during Employee's employment with the Company.

(e) Reasonableness, Modification and Duration. Employee hereby acknowledges and agrees that: (i) the restrictions provided in Section 2, 3 and 4 are reasonable in time and scope in light of the necessity for the protection of the business and good will of the Company and the consideration provided to Employee under this Agreement; (ii) his ability to work and earn a living will not be unreasonably restrained by the application of these restrictions; and (iii) if a court or arbitrator concludes that any covenants in Section 2, 3 and 4 are overbroad or unenforceable for any reason, the court or arbitrator shall modify the relevant provision to the least extent necessary and then enforce it as modified.

(f) Injunctive Relief. Employee recognizes and agrees that should he fail to comply with the restrictions set forth above regarding Non-Competition and/or Non-Solicitation, which restrictions are vital to the success of the Company's business, the Company would suffer irreparable harm for which there is no adequate remedy at law due to the impossibility of exact ascertainment of the damages. Therefore, Employee agrees that in the event of the breach or threatened breach by him of any of the terms and conditions of this Agreement, the Company shall be entitled to institute proceedings in federal or state court in Maryland to secure immediate injunctive relief. Within sixty (60) days of the grant or denial of injunctive relief from such court, the arbitrator designated in accordance with Section 6 shall independently determine whether injunctive relief should be issued pending final resolution of the matter. Employee additionally agrees that if he is found to have breached any covenant in this Agreement and is not enjoined from further violations, and if the arbitrator concludes the applicable covenants in Sections 2, 3 and 4 are enforceable, the applicable time periods in the covenants shall be tolled upon the filing of the arbitration until the dispute is finally resolved.

5. Governing Law; Exclusive Jurisdiction and Venue. This Agreement shall be construed under and governed by the laws of the State of Maryland without giving effect to choice or conflicts of law principles or rules. For purposes of obtaining court ordered injunctive relief as discussed in Section 4, the parties irrevocably consent to the exclusive jurisdiction and venue of the state courts of Maryland and the federal courts of Maryland for any such action. All other claims must be arbitrated as discussed in Section 6.

6. Arbitration. Any dispute, controversy or claim arising out of or relating to this Agreement shall be resolved in accordance with the then-current model employment arbitration procedures of the American Arbitration Association ("AAA") before an arbitrator who is licensed to practice law in the state in which the arbitration is convened. The arbitration shall take place in or near Baltimore, Maryland. Each party shall have the right to conduct depositions, serve written discovery, and subpoena witnesses and documents. At least thirty (30) days before the arbitration hearing, the parties must exchange a list of witnesses, including any expert reports, and copies of all exhibits intended to be used at the arbitration. The arbitration shall be final and binding upon the parties. Either party may bring an action under seal in court to compel arbitration and to enforce an arbitration award. The parties understand and acknowledge the importance of having the fact of such proceedings, and the proceedings themselves, remain confidential.

7. Other Agreements.

(a) Binding Effect and Assignment. This Agreement shall be binding on any successor to the Company, whether by merger, consolidation, acquisition of all or substantially all of the Company's assets or business or otherwise, as fully as if such successor were a signatory hereto. In the event of any such assignment, the assignee company shall succeed to all of the rights and obligations held by the Company under this Agreement.

(b) Severability. If any one or more of the provisions contained in this Agreement shall, for any reason, be held to be illegal, invalid or unenforceable in any respect, the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such provision or by its severance from this Agreement.

(c) Amendments and Waivers. This Agreement cannot be changed, modified or amended, and no provision or requirement hereof may be waived, without an agreement in writing signed by both parties. Any forfeiture of the restricted stock according to its terms will not affect the enforceability of the covenants contained in this Agreement.

(d) Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings relating to the subject matter hereof. Furthermore, there were and are no oral promises, conditions, representations, understandings, interpretations or terms of any kind as conditions or inducements to the execution hereof or in effect among the parties.

[The remainder of this page was purposely left blank]

IN WITNESS WHEREOF, the parties have duly executed this Agreement.

EMPLOYEE ACKNOWLEDGES BY SIGNING THIS AGREEMENT THAT HE HAS READ, UNDERSTANDS AND AGREES TO ALL OF THE PROVISIONS OF THIS AGREEMENT, PARTICULARLY INCLUDING, BUT NOT LIMITED TO, THE COVENANTS AS TO NON-COMPETITION AND NON-SOLICITATION BY EMPLOYEE. EMPLOYEE FURTHER ACKNOWLEDGES HE WAS AFFORDED SUFFICIENT OPPORTUNITY TO OBTAIN INDEPENDENT LEGAL ADVICE PRIOR TO EXECUTING THIS AGREEMENT.

EMPLOYEE

THE COMPANY

/s/ Joseph Galli

By: /s/ Tim Jahnke

Joseph Galli

Tim Jahnke

February 20, 2004
Date

Title: Vice President, Human Resources

February 18, 2004
Date

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

	Quarter Ended March 31,	
	2004	2003
	-----	-----
	(In millions, except ratio data)	
Earnings available to fixed charges:		
Income before income taxes	\$ 48.3	\$ 59.0
Fixed charges:		
Interest expense	32.5	38.6
Portion of rent determined to be interest (1)	10.4	10.8
	-----	-----
	\$ 91.2	\$ 108.4
	=====	=====
Fixed charges:		
Interest expense	\$ 32.5	\$ 38.6
Portion of rent determined to be interest (1)	10.4	10.8
	-----	-----
	\$ 42.9	\$ 49.4
	=====	=====
Ratio of earnings to fixed charges	2.13	2.19
	=====	=====

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

CERTIFICATION

I, Joseph Galli, Jr., certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended March 31, 2004 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)) 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) 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
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2004

/s/ Joseph Galli, Jr.

 Joseph Galli, Jr.
 Chief Executive Officer

CERTIFICATION

I, J. Patrick Robinson, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended March 31, 2004 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)) 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) 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
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2004

/s/ J. Patrick Robinson

 J. Patrick Robinson
 Chief Financial Officer

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

In connection with the Quarterly Report of Newell Rubbermaid Inc. (the "Company") on Form 10-Q for the period ending March 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph Galli, Jr., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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/ Joseph Galli, Jr.

Joseph Galli, Jr.
Chief Executive Officer
May 10, 2004

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

In connection with the Quarterly Report of Newell Rubbermaid Inc. (the "Company") on Form 10-Q for the period ending March 31, 2004 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. Section 1350, as adopted pursuant to Section 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
May 10, 2004

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, 2003, as well as in its Quarterly Report on Form 10-Q for the quarter ended March 31, 2004, and the documents incorporated by reference therein that constitute forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties. The statements relate to, and other forward-looking statements that may be made by the Company may relate to, information or assumptions about sales, income, earnings per share, return on equity, return on invested capital, capital expenditures, working capital, dividends, capital structure, debt to capitalization ratios, interest rates, internal growth rates, impact of changes in accounting standards, pending legal proceedings and claims (including environmental matters), future economic performance, operating income improvements, synergies, management's plans, goals and objectives for future operations and growth. These statements generally are accompanied by words such as "intend," "anticipate," "believe," "estimate," "project," "target," "expect," "should" or similar statements. You should understand that forward-looking statements are not guarantees 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 2003 Form 10-K, the 1st Quarter 2004 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.

Retail Economy

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

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

Nature of the Marketplace

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

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

New Product Development

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

Marketing

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

Productivity and Streamlining

Our success also depends on our ability to improve productivity and streamline operations to control and reduce costs. We need to do this while maintaining consistently high customer service levels and making substantial investments in new product development and in marketing our end-user brands. Our objective is to become our retailer customers' low-cost provider and global supplier of choice. To do this, we will need continuously to improve our manufacturing efficiencies and develop sources of supply on a worldwide basis.

Acquisition Integration

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

Foreign Operations

Foreign operations, especially in Europe (which is a focus of our international growth) but also in Asia, Central and South America and Canada, are increasingly important to our business. Foreign operations can be affected by factors such as currency devaluation, other currency fluctuations and the Euro currency conversion, tariffs, nationalization, exchange controls, interest rates, limitations on foreign investment in local business and other political, economic and regulatory risks and difficulties.