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

FORM 10-Q

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

for the Quarterly Period Ended June 30, 2012

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.)

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

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

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

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

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

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

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

Number of shares of common stock outstanding (net of treasury shares) as of June 30, 2012: 288.8 million.

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements
NEWELL RUBBERMAID INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(Amounts in millions, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Net sales	\$ 1,516.2	\$ 1,545.3	\$ 2,848.6	\$ 2,819.5
Cost of products sold	935.0	960.9	1,756.8	1,750.2
GROSS MARGIN	581.2	584.4	1,091.8	1,069.3
Selling, general and administrative expenses	384.6	387.5	758.3	738.6
Restructuring costs	11.1	1.0	23.8	6.8
OPERATING INCOME	185.5	195.9	309.7	323.9
Nonoperating expenses:				
Interest expense, net	20.5	21.3	40.7	43.2
Losses related to extinguishments of debt	—	—	—	4.8
Other expense, net	0.7	3.5	0.4	5.0
Net nonoperating expenses	21.2	24.8	41.1	53.0
INCOME BEFORE INCOME TAXES	164.3	171.1	268.6	270.9
Income taxes	52.5	25.7	77.5	51.6
INCOME FROM CONTINUING OPERATIONS	111.8	145.4	191.1	219.3
Income from discontinued operations, net of tax	—	1.3	—	3.1
NET INCOME	\$ 111.8	\$ 146.7	\$ 191.1	\$ 222.4
Weighted average shares outstanding:				
Basic	292.1	294.3	292.1	294.2
Diluted	294.0	304.9	294.3	297.4
Earnings per share:				
Basic:				
Income from continuing operations	\$ 0.38	\$ 0.49	\$ 0.65	\$ 0.75
Income from discontinued operations	—	—	—	0.01
Net income	\$ 0.38	\$ 0.50	\$ 0.65	\$ 0.76
Diluted:				
Income from continuing operations	\$ 0.38	\$ 0.49	\$ 0.65	\$ 0.74
Income from discontinued operations	—	—	—	0.01
Net income	\$ 0.38	\$ 0.49	\$ 0.65	\$ 0.75
Dividends per share	\$ 0.10	\$ 0.08	\$ 0.18	\$ 0.13

See Notes to Condensed Consolidated Financial Statements (Unaudited).
NEWELL RUBBERMAID INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(Amounts in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
NET INCOME	\$ 111.8	\$ 146.7	\$ 191.1	\$ 222.4
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	(50.1)	9.4	(4.5)	54.8
Change in unrecognized pension and other postretirement costs	5.4	3.8	6.9	11.1
Derivative hedging (loss) gain	(0.3)	1.0	(1.7)	(1.9)
Total other comprehensive income, net of tax	(45.0)	14.2	0.7	64.0
COMPREHENSIVE INCOME	\$ 66.8	\$ 160.9	\$ 191.8	\$ 286.4

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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

(Amounts in millions, except par values)

	June 30, 2012	December 31, 2011
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 370.8	\$ 170.2
Accounts receivable, net	1,105.7	1,002.0
Inventories, net	860.0	699.9
Deferred income taxes	160.8	130.7
Prepaid expenses and other	161.4	145.2
TOTAL CURRENT ASSETS	2,658.7	2,148.0
PROPERTY, PLANT AND EQUIPMENT, NET	551.7	551.4
GOODWILL	2,353.1	2,366.0
OTHER INTANGIBLE ASSETS, NET	665.0	666.1
OTHER ASSETS	362.3	429.4
TOTAL ASSETS	\$ 6,590.8	\$ 6,160.9
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 556.4	\$ 468.5
Accrued compensation	121.2	131.4
Other accrued liabilities	648.9	693.5
Short-term debt	175.5	103.6
Current portion of long-term debt	946.3	263.9
TOTAL CURRENT LIABILITIES	2,448.3	1,660.9
LONG-TERM DEBT	1,372.4	1,809.3
OTHER NONCURRENT LIABILITIES	795.4	838.1
STOCKHOLDERS' EQUITY:		
Preferred stock, authorized shares, 10.0 at \$1.00 par value	—	—
None issued and outstanding		
Common stock, authorized shares, 800.0 at \$1.00 par value	306.5	305.3
Outstanding shares, before treasury:		
2012 – 306.5		
2011 – 305.3		
Treasury stock, at cost:	(446.7)	(432.8)
Shares held:		
2012 – 17.7		
2011 – 17.0		
Additional paid-in capital	616.8	586.3
Retained earnings	2,200.9	2,097.3
Accumulated other comprehensive loss	(706.3)	(707.0)
STOCKHOLDERS' EQUITY ATTRIBUTABLE TO PARENT	1,971.2	1,849.1
STOCKHOLDERS' EQUITY ATTRIBUTABLE TO NONCONTROLLING INTERESTS	3.5	3.5
TOTAL STOCKHOLDERS' EQUITY	1,974.7	1,852.6
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 6,590.8	\$ 6,160.9

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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

(Amounts in millions)

	Six Months Ended June 30,	
	2012	2011
OPERATING ACTIVITIES:		
Net income	\$ 191.1	\$ 222.4
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	80.8	81.5

Losses related to extinguishments of debt	—	4.8
Deferred income taxes	34.3	56.2
Stock-based compensation expense	18.2	16.7
Other, net	4.3	9.2
Changes in operating assets and liabilities, excluding the effects of acquisitions and divestitures:		
Accounts receivable	(109.0)	(122.8)
Inventories	(167.1)	(215.2)
Accounts payable	89.3	178.2
Accrued liabilities and other	(86.2)	(246.5)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	55.7	(15.5)
INVESTING ACTIVITIES:		
Acquisitions and acquisition-related activity	(13.7)	(18.9)
Capital expenditures	(85.0)	(96.1)
Proceeds from sales of businesses and other noncurrent assets	16.6	4.1
Other	(0.2)	(5.1)
NET CASH USED IN INVESTING ACTIVITIES	(82.3)	(116.0)
FINANCING ACTIVITIES:		
Short-term borrowings, net	71.1	177.8
Repayments of debt	(250.3)	(0.8)
Proceeds from issuance of debt, net of debt issuance costs	495.1	1.1
Repurchase and retirement of shares of common stock	(41.3)	—
Cash consideration paid for exchange of convertible notes ⁽¹⁾	—	(3.1)
Cash dividends	(53.3)	(38.1)
Excess tax benefits related to stock-based compensation	11.3	—
Other stock-based compensation activity, net	(4.8)	(4.5)
NET CASH PROVIDED BY FINANCING ACTIVITIES	227.8	132.4
Currency rate effect on cash and cash equivalents	(0.6)	3.1
INCREASE IN CASH AND CASH EQUIVALENTS	200.6	4.0
Cash and cash equivalents at beginning of period	170.2	139.6
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 370.8	\$ 143.6

(1) Consideration provided in connection with the convertible notes exchanged in March 2011 consisted of cash as well as issuance of shares of the Company's common stock, which issuance is not included in the Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2011. See Footnote 6 of the Notes to Condensed Consolidated Financial Statements for further information.

See Notes to Condensed Consolidated Financial Statements (Unaudited).

NEWELL RUBBERMAID INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Footnote 1 — Basis of Presentation and Significant Accounting Policies

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

Seasonal Variations

Sales of the Company’s products tend to be seasonal, with sales and operating income in the first quarter generally lower than any other quarter during the year, driven principally by reduced volume and the mix of products sold in the first quarter. Historically, the Company has earned more than 60% of its annual operating income during the second and third quarters of the year. The seasonality of the Company’s sales volume combined with the accounting for fixed costs, such as depreciation, amortization, rent, personnel costs and interest expense, impacts the Company’s results on a quarterly basis. In addition, the Company has historically generated more than 65% of its operating cash flow in the second half of the year due to seasonal variations in operating results, the timing of annual performance-based compensation payments, and credit terms provided to customers. Accordingly, the Company’s results for the three and six months ended June 30, 2012 may not necessarily be indicative of the results that may be expected for the full year ending December 31, 2012.

Recent Accounting Pronouncements

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

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

In September 2011, the FASB issued ASU 2011-08, “*Intangibles - Goodwill and Other (Topic 350): Testing Goodwill for Impairment*,” which amends existing guidance by giving an entity the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If this is the case, a more detailed two-step goodwill impairment test will need to be performed which is used to identify potential goodwill impairments and to measure the amount of goodwill impairment losses to be recognized, if any. ASU 2011-08 is effective for annual and interim goodwill impairment tests performed by the Company after January 1, 2012. The Company did not perform goodwill impairment tests during the three or six months ended June 30, 2012 and does not expect ASU 2011-08 to have a material impact on the Company’s future goodwill impairment tests.

In July 2012, the FASB issued ASU 2012-02, “*Testing Indefinite-Lived Intangible Assets for Impairment*,” which amends existing guidance by giving an entity the option to first assess qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired. If this is the case, a more detailed fair value calculation will need to be performed which is used to identify potential impairments and to measure the amount of impairment losses to be recognized, if any. To perform a qualitative assessment, an entity must identify and evaluate changes in economic, industry and entity-specific events and circumstances that could affect the significant inputs used to determine the fair value of an indefinite-lived intangible asset. ASU 2012-02 is effective for annual and interim impairment tests performed by the Company for fiscal years beginning after September 15, 2012, with early adoption permitted. The Company will adopt the provisions of ASU 2012-02 effective July 1, 2012, which coincides with its annual impairment tests for the year ending December 31, 2012. The Company did not perform any impairment tests related to indefinite-lived intangible assets during the three or six months ended June 30, 2012. The Company does not expect the adoption of ASU 2012-02 to have a material impact on the Company’s future indefinite-lived intangibles impairment tests.

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

Venezuelan Operations

The Company considers Venezuela a highly inflationary economy. Accounting standards require the functional currency of foreign operations operating in highly inflationary economies to be the same as the reporting currency of the Company. Accordingly, the functional currency of the Company’s Venezuelan operations is the U.S. Dollar. The Company’s Venezuelan operations had approximately \$53.0 million of net monetary assets denominated in Bolivar Fuertes as of June 30, 2012 which are subject to changes in value based on changes in the Transaction System for Foreign Currency Denominated Securities (“SITME”) rate. Foreign currency exchange through the SITME is allowed within a specified band of 4.5 to 5.3 Bolivar Fuerte to U.S. Dollar, but most of the exchanges have been executed at the rate of 5.3 Bolivar Fuerte to U.S. Dollar. During the three and six months ended June 30, 2012, the Company’s Venezuelan operations generated 1% or less of consolidated net sales.

Income Taxes

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

Reclassifications

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

Footnote 2 — Discontinued Operations

On July 1, 2011, the Company sold its hand torch and solder business to an affiliate of Worthington Industries, Inc. for cash consideration of \$51.0 million, \$8.0 million of which were held in escrow for a period of one year following the transaction date.

As of July 31, 2012, all conditions related to the escrow were satisfied and resolved, and the Company had received \$7.8 million from the escrow.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net sales	\$ —	\$ 27.5	\$ —	\$ 56.0
Income from discontinued operations, net of income tax expense of \$0.6 million and \$1.4 million for the three and six months ended June 30, 2011, respectively.	\$ —	\$ 1.3	\$ —	\$ 3.1

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

In August 2011, the Company announced a \$300.0 million three-year share repurchase program (the "SRP"). Under the SRP, the Company may repurchase its own shares of common stock through a combination of a 10b5-1 automatic trading plan, discretionary market purchases or in privately negotiated transactions. The SRP is authorized to run for a period of three years ending in August 2014. During the six months ended June 30, 2012, the Company repurchased 2.3 million shares pursuant to the SRP for \$41.3 million, and such shares were immediately retired. Through June 30, 2012, the Company has repurchased and retired 5.7 million shares at an aggregate cost of \$87.4 million, since the commencement of the SRP in August 2011.

The following table displays the components of accumulated other comprehensive loss as of June 30, 2012 (*in millions*):

	Foreign Currency Translation Loss	Unrecognized Pension & Other Postretirement Costs, Net of Tax	Derivative Hedging Income (Loss), Net of Tax	Accumulated Other Comprehensive Loss
Balance at December 31, 2011	\$ (207.1)	\$ (501.3)	\$ 1.4	\$ (707.0)
Current period change	(4.5)	6.9	(1.7)	0.7
Balance at June 30, 2012	\$ (211.6)	\$ (494.4)	\$ (0.3)	\$ (706.3)

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

	Foreign Currency Translation Loss	Change in Unrecognized Pension & Other Postretirement Costs	Derivative Hedging Income (Loss)	Accumulated Other Comprehensive Income (Loss)
Three months ended June 30, 2012				
Pretax	\$ (50.1)	\$ 7.4	\$ (0.7)	\$ (43.4)
Tax (expense) benefit	—	(2.0)	0.4	(1.6)
After-tax	\$ (50.1)	\$ 5.4	\$ (0.3)	\$ (45.0)
Three months ended June 30, 2011				
Pretax	\$ 9.4	\$ 5.4	\$ 1.4	\$ 16.2
Tax (expense) benefit	—	(1.6)	(0.4)	(2.0)
After-tax	\$ 9.4	\$ 3.8	\$ 1.0	\$ 14.2
Six months ended June 30, 2012				
Pretax	\$ (4.5)	\$ 11.1	\$ (2.6)	\$ 4.0
Tax (expense) benefit	—	(4.2)	0.9	(3.3)
After-tax	\$ (4.5)	\$ 6.9	\$ (1.7)	\$ 0.7
Six months ended June 30, 2011				
Pretax	\$ 54.8	\$ 14.3	\$ (2.2)	\$ 66.9
Tax (expense) benefit	—	(3.2)	0.3	(2.9)
After-tax	\$ 54.8	\$ 11.1	\$ (1.9)	\$ 64.0

Footnote 4 — Restructuring Costs

Project Renewal

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

charges of \$90 to \$100 million for Project Renewal, of which \$75 to \$90 million are expected to be cash costs. Project Renewal is expected to be complete by the end of 2012.

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

	Three Months Ended June 30, 2012	Six Months Ended June 30, 2012	Since inception through June 30, 2012
Restructuring charges	\$ 6.9	\$ 18.2	\$ 49.4

The following table depicts the restructuring charges incurred in connection with Project Renewal (*in millions*):

	Three Months Ended June 30, 2012	Six Months Ended June 30, 2012
Employee severance, termination benefits and relocation costs	\$ 5.1	\$ 12.7
Exited contractual commitments and other	1.8	5.5
	<u>\$ 6.9</u>	<u>\$ 18.2</u>

Restructuring provisions were determined based on estimates prepared at the time the restructuring actions were approved by management, are periodically updated for changes and also include amounts recognized as incurred. The following table depicts the activity in accrued restructuring reserves for Project Renewal for the six months ended June 30, 2012 (*in millions*):

	December 31, 2011			June 30, 2012	
	Balance	Provision	Costs Incurred	Balance	
Employee severance, termination benefits and relocation costs	\$ 11.2	\$ 12.7	\$ (10.3)	\$ 13.6	
Exited contractual commitments and other	4.5	5.5	(5.4)	4.6	
	<u>\$ 15.7</u>	<u>\$ 18.2</u>	<u>\$ (15.7)</u>	<u>\$ 18.2</u>	

The following table depicts the activity in accrued restructuring reserves for Project Renewal for the six months ended June 30, 2012 aggregated by reportable business segment (*in millions*):

Segment	December 31, 2011			June 30, 2012	
	Balance	Provision	Costs Incurred	Balance	
Newell Consumer	\$ 8.7	\$ 10.9	\$ (9.1)	\$ 10.5	
Newell Professional	2.4	4.8	(3.0)	4.2	
Baby & Parenting	1.8	0.2	(1.2)	0.8	
Corporate	2.8	2.3	(2.4)	2.7	
	<u>\$ 15.7</u>	<u>\$ 18.2</u>	<u>\$ (15.7)</u>	<u>\$ 18.2</u>	

European Transformation Plan

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

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

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

	Three Months Ended		Six Months Ended		Since inception through June 30, 2012
	June 30,		June 30,		
	2012	2011	2012	2011	
Restructuring charges	\$ 4.2	\$ 1.0	\$ 5.6	\$ 6.8	\$ 24.5

Restructuring provisions were determined based on estimates prepared at the time the restructuring actions were approved by management, are periodically updated for changes and also include amounts recognized as incurred. The following table depicts the activity in accrued restructuring reserves for the European Transformation Plan for the six months ended June 30, 2012 (*in millions*):

	December 31, 2011			June 30, 2012	
	Balance	Provision	Costs Incurred	Balance	
Employee severance, termination benefits and relocation costs	\$ 6.0	\$ 3.3	\$ (3.6)	\$ 5.7	
Exited contractual commitments and other	2.1	2.3	(1.6)	2.8	
	<u>\$ 8.1</u>	<u>\$ 5.6</u>	<u>\$ (5.2)</u>	<u>\$ 8.5</u>	

Project Acceleration

In 2010, the Company completed a global initiative referred to as Project Acceleration aimed at strengthening and transforming the Company's portfolio. Project Acceleration was designed to reduce manufacturing overhead, better align the Company's distribution and transportation processes to achieve

logistical excellence, reorganize the Company's overall business structure to align with the Company's core organizing concept, the global business unit, to achieve best total cost, and exit selected low-margin, commodity-like, mostly resin-intensive product categories.

A summary of activity in accrued restructuring reserves for the six months ended June 30, 2012 is as follows (*in millions*):

	December 31, 2011			June 30, 2012
	Balance	Provision	Costs Incurred	Balance
Employee severance, termination benefits and relocation costs	\$ 3.3	\$ —	\$ (0.9)	\$ 2.4
Exited contractual commitments and other	5.9	—	(0.8)	5.1
	<u>\$ 9.2</u>	<u>\$ —</u>	<u>\$ (1.7)</u>	<u>\$ 7.5</u>

The following table depicts the activity in accrued restructuring reserves for the six months ended June 30, 2012 aggregated by reportable business segment (*in millions*):

Segment	December 31, 2011			June 30, 2012
	Balance	Provision	Costs Incurred	Balance
Newell Consumer	\$ 2.7	\$ —	\$ (0.1)	\$ 2.6
Newell Professional	3.7	—	(0.1)	3.6
Corporate	2.8	—	(1.5)	1.3
	<u>\$ 9.2</u>	<u>\$ —</u>	<u>\$ (1.7)</u>	<u>\$ 7.5</u>

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

Segment	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Newell Consumer	\$ 2.3	\$ —	\$ 10.9	\$ —
Newell Professional	2.5	—	4.8	—
Baby & Parenting	—	—	0.2	—
Corporate	6.3	1.0	7.9	6.8
	<u>\$ 11.1</u>	<u>\$ 1.0</u>	<u>\$ 23.8</u>	<u>\$ 6.8</u>

Cash paid for all restructuring activities was \$9.5 million and \$22.4 million for the three and six month periods ended June 30, 2012, respectively, and \$8.7 million and \$20.5 million for the three and six month periods ended June 30, 2011, respectively.

Footnote 5 — Inventories, Net

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

	June 30, 2012	December 31, 2011
Materials and supplies	\$ 149.8	\$ 130.8
Work in process	140.4	105.6
Finished products	569.8	463.5
	<u>\$ 860.0</u>	<u>\$ 699.9</u>

Footnote 6 — Debt

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

	June 30, 2012	December 31, 2011
Medium-term notes	\$ 1,878.0	\$ 1,632.3
Junior convertible subordinated debentures	436.7	436.7
Commercial paper	173.5	—
Receivables facility	—	100.0
Other debt	6.0	7.8
Total debt	<u>2,494.2</u>	<u>2,176.8</u>
Short-term debt	(175.5)	(103.6)
Current portion of long-term debt	(946.3)	(263.9)
Long-term debt	<u>\$ 1,372.4</u>	<u>\$ 1,809.3</u>

Interest Rate Swaps

As of June 30, 2012, the Company was party to a fixed-for-floating interest rate swap designated as a fair value hedge. The interest rate swap relates to \$250.0 million of the principal amount of the medium-term notes and results in the Company effectively paying a floating rate of interest on the medium-term notes subject to the interest rate swap.

The medium-term note balances at June 30, 2012 and December 31, 2011 include mark-to-market adjustments of \$39.0 million and \$35.8 million, respectively, to record the fair value of the hedge of the fixed-rate debt, and the mark-to-market adjustment had the effect of increasing the reported value of the medium-term notes. In addition, the unamortized amount as of June 30, 2012 and December 31, 2011, associated with terminated interest rate swaps, \$8.4 million and \$15.8 million, respectively, is included in the value of the medium-term notes. Compared to the stated rates of the underlying medium-term notes, the interest rate swaps, including amortization of settled interest rate swaps, had the effect of reducing interest expense by \$4.8 million and \$7.7 million for the three months ended June 30, 2012 and 2011, respectively, and by \$11.8 million and \$15.4 million for the six months ended June 30, 2012 and 2011, respectively.

Medium-term Notes

During the six months ended June 30, 2012, the Company repaid and retired \$250.0 million principal amount of the 6.75% senior notes (the "2012 Notes") based on the maturity date, for which interest expense was previously recorded at a rate of approximately 3.5% after contemplating the effect of the interest rate swap related to the 2012 Notes. As of June 30, 2012, the current portion of long-term debt includes \$500.0 million principal amount of the 5.5% senior notes due April 2013.

In June 2012, the Company completed the offering and sale of \$500.0 million of unsecured senior notes, consisting of \$250.0 million aggregate principal amount of 2.0% notes due 2015 (the "2015 Notes") and \$250.0 million aggregate principal amount of 4.0% notes due 2022 (the "2022 Notes" and, together with the 2015 Notes, the "Notes"). The aggregate net proceeds from the Notes were \$495.1 million and will be used to fund the redemption of all of the \$436.7 million of junior convertible subordinated debentures which underlie the outstanding 5.25% convertible preferred securities with an aggregate liquidation preference of \$421.2 million, to reduce short-term borrowings and for general corporate purposes. The Notes are senior obligations of the Company and rank equally with all of its other unsecured and unsubordinated indebtedness from time to time outstanding. The 2015 Notes may be redeemed by the Company at any time and the 2022 Notes may be redeemed at any time prior to the date that is three months prior to the maturity date of the 2022 Notes, in whole or in part, at a redemption price plus accrued and unpaid interest to the date of redemption. The redemption price is equal to the greater of (1) 100% of the principal amount of the Notes being redeemed on the redemption date and (2) the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of any payments of interest accrued through the date of the redemption), discounted to the date of redemption on a semiannual basis at a specified rate. If the 2022 Notes are redeemed on or after a date that is three months prior to the maturity date of the 2022 Notes, then the redemption price is equal to 100% of the principal amount of the 2022 Notes being redeemed plus accrued interest to such redemption date. The Notes also contain a provision that allows holders of the Notes to require the Company to repurchase all or any part of the Notes if a change of control triggering event occurs. Under this provision, the repurchase of the Notes will occur at a purchase price of 101% of the outstanding principal amount, plus accrued and unpaid interest, if any, on such Notes to the date of repurchase. The Notes are classified as long-term debt in the Company's Condensed Consolidated Balance Sheet at June 30, 2012 based on their maturity dates in 2015 and 2022.

Convertible Notes

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

In March 2011, the Company completed exchanges of newly issued shares of common stock and cash for an additional \$20.0 million outstanding principal amount of Convertible Notes. The Company paid approximately \$3.1 million in cash and issued approximately 2.3 million shares of the Company's common stock for the \$20.0 million principal amount of Convertible Notes. The Company determined that the fair value of total consideration (including cash) paid to the holders of Convertible Notes, using the fair market value of common stock at settlement, was \$47.4 million. In accordance with the applicable authoritative accounting guidance, the Company determined the fair value of the liability component of the Convertible Notes received, with the residual value representing the equity component. The excess of the fair value of the liability component, or \$21.8 million, over the carrying value of the Convertible Notes exchanged, \$17.3 million, was recognized as a loss related to the extinguishment of debt during the six months ended June 30, 2011. Including the write-off of unamortized issuance costs, the Company recorded a pretax loss of \$4.8 million, which is included in losses related to extinguishments of debt in the Condensed Consolidated Statement of Operations for the six months ended June 30, 2011.

Junior Convertible Subordinated Debentures

In 1997, a 100% owned finance subsidiary (the "Subsidiary") of the Company issued 10.0 million shares of 5.25% convertible preferred securities (the "Preferred Securities"). Each of these Preferred Securities is convertible into 0.9865 of a share of the Company's common stock. During 2005 and 2004, the Company purchased an aggregate of 1.6 million shares of its Preferred Securities from holders at an average price of \$45.27 per share (\$71.3 million). As of June 30, 2012, the Company fully and unconditionally guarantees the 8.4 million shares of the Preferred Securities issued by the Subsidiary that were outstanding as of that date, which are callable at 100% of the liquidation preference of \$421.2 million.

The proceeds received by the Subsidiary from the issuance of the Preferred Securities were invested in the Company's 5.25% Junior Convertible Subordinated Debentures (the "Debentures"), which mature on December 1, 2027. In addition, the Subsidiary received approximately \$15.5 million of the Company's Debentures as payment for \$15.5 million the Company borrowed from the Subsidiary to purchase all of the common equity interests in the Subsidiary. As a result, the Company issued an aggregate of \$515.5 million of Debentures, and the Subsidiary is the sole holder of the Debentures.

As of June 30, 2012, the Company has elected to redeem the entire outstanding principal amount of \$436.7 million of the Debentures on July 16, 2012. Because the Preferred Securities are mandatorily redeemable upon the retirement of the Debentures at maturity or upon acceleration of the Debentures, the Preferred Securities will be redeemed on July 16, 2012 at 100% of the liquidation preference of \$421.2 million. Based on the July 2012 redemption date, the entire \$436.7 million outstanding balance of the Debentures is reflected in the current portion of long-term debt as of June 30, 2012.

Receivables-Related Borrowings

In September 2011, the Company renewed its 364-day receivables facility that provides for borrowings of up to \$200.0 million such that it will expire in September 2012 (the "Receivables Facility"). Under the Receivables Facility, the Company and certain operating subsidiaries (collectively, "the Originators") sell their receivables to a financing subsidiary as the receivables are originated. The financing subsidiary is wholly owned by the Company and is the owner of the purchased receivables and the borrower under the Receivables Facility. The assets of the financing subsidiary are restricted as collateral for the payment of debt or other obligations arising under the Receivables Facility, and the financing subsidiary's assets and credit are not available to satisfy the debts and obligations owed to the Company's or any other Originator's creditors. The Company includes the financing subsidiary's assets, liabilities and results of operations in its consolidated financial statements. The Receivables Facility requires, among other things, that the Company maintain certain interest coverage and total indebtedness to total capital ratios, and the Company was in compliance with such requirements as of June 30, 2012. As of

June 30, 2012, the financing subsidiary owned \$704.3 million of outstanding accounts receivable, and these amounts are included in accounts receivable, net in the Company's Condensed Consolidated Balance Sheet at June 30, 2012. As of June 30, 2012, the Company had no outstanding borrowings under the Receivables Facility.

Revolving Credit Facility and Commercial Paper

On December 2, 2011, the Company entered into a five-year credit agreement (the "Credit Agreement") with a syndicate of banks. The Credit Agreement provides for an unsecured syndicated revolving credit facility with a maturity date of December 2, 2016, and an aggregate commitment at any time outstanding of up to \$800.0 million (the "Facility"). The Credit Agreement contains customary representations and warranties, covenants and events of default. As of June 30, 2012, there were no borrowings or standby letters of credit issued or outstanding under the Facility, and the Company was in compliance with the provisions of the Credit Agreement.

In lieu of borrowings under the Facility, the Company may issue up to \$800.0 million of commercial paper. The Facility provides the committed backup liquidity required to issue commercial paper. Accordingly, commercial paper may be issued only up to the amount available for borrowing under the Facility. As of June 30, 2012, the Company had outstanding commercial paper obligations of \$173.5 million while no commercial paper obligations were outstanding as of December 31, 2011.

Footnote 7 — Derivatives

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

Derivative instruments are accounted for at fair value. The accounting for changes in the fair value of a derivative depends on the intended use and designation of the derivative instrument. For a derivative instrument that is designated and qualifies as a fair value hedge, the gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in current earnings. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative is initially reported as a component of accumulated other comprehensive income (loss) ("AOCI"), net of tax, and is subsequently reclassified into earnings when the hedged transaction affects earnings. The ineffective portion of the gain or loss is recognized in current earnings. Gains and losses from changes in fair values of derivatives that are not designated as hedges for accounting purposes are recognized currently in earnings, and such amounts were not material for the three and six months ended June 30, 2012 and 2011.

The following table summarizes the Company's outstanding derivative instruments and their effects on the Condensed Consolidated Balance Sheets as of June 30, 2012 and December 31, 2011 (*in millions*):

Derivatives designated as hedging instruments	Balance Sheet Location	Assets		Balance Sheet Location	Liabilities	
		June 30, 2012	December 31, 2011		June 30, 2012	December 31, 2011
Interest rate swaps	Other assets	\$ 39.0	\$ 35.8	Other liabilities	\$ —	\$ —
Forward interest rate swaps	Prepaid expenses and other	1.1	—	Other accrued liabilities	—	—
Foreign exchange contracts on inventory-related purchases	Prepaid expenses and other	1.0	1.9	Other accrued liabilities	—	—
Foreign exchange contracts on intercompany borrowings	Prepaid expenses and other	0.5	0.5	Other accrued liabilities	—	—
Commodity swap	Prepaid expenses and other	—	—	Other accrued liabilities	2.7	—
Total assets		\$ 41.6	\$ 38.2	Total liabilities	\$ 2.7	\$ —

The fair values of outstanding derivatives that are not designated as hedges for accounting purposes were not material as of June 30, 2012 and December 31, 2011.

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

Fair Value Hedges

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

Derivatives in fair value relationships	Location of gain (loss)	Amount of gain (loss) recognized in income
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	recognized in income	Three Months Ended		Six Months Ended	
		June 30,		June 30,	
		2012	2011	2012	2011
Interest rate swaps	Interest expense, net	\$ 5.7	\$ 7.8	\$ 3.2	\$ (0.8)
Fixed-rate debt	Interest expense, net	\$ (5.7)	\$ (7.8)	\$ (3.2)	\$ 0.8

The Company did not realize any ineffectiveness related to fair value hedges during the three and six months ended June 30, 2012 and 2011.

Cash Flow Hedges

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

Derivatives in cash flow hedging relationships	Location of gain (loss) recognized in income	Amount of gain (loss) reclassified from AOCI into income			
		Three Months Ended		Six Months Ended	
		June 30,		June 30,	
		2012	2011	2012	2011
Foreign exchange contracts on inventory-related purchases	Cost of products sold	\$ 0.6	\$ (3.2)	\$ 0.8	\$ (4.7)
Foreign exchange contracts on intercompany borrowings	Interest expense, net	—	(0.2)	(0.1)	(0.3)
Commodity swap	Cost of products sold	(0.5)	—	(0.5)	—
		<u>\$ 0.1</u>	<u>\$ (3.4)</u>	<u>\$ 0.2</u>	<u>\$ (5.0)</u>
Derivatives in cash flow hedging relationships		Amount of gain (loss) recognized in AOCI			
		Three Months Ended		Six Months Ended	
		June 30,		June 30,	
		2012	2011	2012	2011
Foreign exchange contracts on inventory-related purchases		\$ 1.6	\$ (1.7)	\$ (0.1)	\$ (7.0)
Foreign exchange contracts on intercompany borrowings		2.9	(0.2)	1.6	(2.1)
Forward interest rate swaps		1.1	—	1.1	—
Commodity swap		(3.2)	—	(3.2)	—
		<u>\$ 2.4</u>	<u>\$ (1.9)</u>	<u>\$ (0.6)</u>	<u>\$ (9.1)</u>

During the three months ended June 30, 2012, the Company entered into forward interest rate swap contracts with certain counterparties for an aggregate \$150.0 million notional amount (the "Forward Swaps") to swap floating LIBOR rates with a weighted-average fixed rate of 1.9%. The Forward Swaps mature in March 2013. The Forward Swaps are intended to fix the "risk-free" component of the interest rate of the Company's probable debt issuances. The Forward Swaps will unwind and settle when the underlying probable debt issuances are priced, which is expected to occur prior to the maturity date. The Company determined that the Forward Swaps meet the hedge accounting criteria under the relevant authoritative guidance, and accordingly, the Forward Swaps have been classified as cash flow hedges. The Company will continue to recognize any unrealized gains or losses arising from the mark-to-market adjustments of the Forward Swaps in AOCI until the issuance of the debt or until the issuance of debt is no longer probable of occurring, subsequent to which the Company will record such gains or losses on the Forward Swaps into earnings over the term of the underlying debt. During July 2012, the Company entered into additional forward interest rate swap contracts for an aggregate \$100.0 million notional amount with terms similar to the Forward Swaps and a weighted-average fixed rate of 1.7% and such instruments were entered into for the same purpose as the Forward Swaps and will be accounted for consistent with the Forward Swaps.

In May 2012, the Company entered into a commodity swap contract with a counterparty for an aggregate \$14.0 million notional amount (the "Commodity Swap") relating to forecasted monthly purchases of resin. The Commodity Swap will expire on December 31, 2012 with cash settlement occurring monthly through the expiration date. The Company determined that the Commodity Swap meets the hedge accounting criteria under the relevant authoritative guidance, and accordingly, the Commodity Swap has been classified as a cash flow hedge.

The Company did not realize any ineffectiveness related to cash flow hedges during the three and six months ended June 30, 2012 and 2011. The net amount of gain or loss that the Company expects to reclassify into earnings during the next 12 months is not material as of June 30, 2012.

Footnote 8 — Employee Benefit and Retirement Plans

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

	U.S.		International	
	2012	2011	2012	2011
Service cost-benefits earned during the period	\$ 0.8	\$ 0.8	\$ 1.6	\$ 1.6
Interest cost on projected benefit obligation	11.5	12.0	6.2	7.1
Expected return on plan assets	(14.9)	(15.2)	(6.2)	(7.7)
Amortization of prior service cost, actuarial loss and other	5.6	4.4	0.5	2.4
Net periodic pension cost	<u>\$ 3.0</u>	<u>\$ 2.0</u>	<u>\$ 2.1</u>	<u>\$ 3.4</u>

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

U.S.

International

	2012		2011	
	\$		\$	
Service cost-benefits earned during the period	\$	1.5	\$	2.2
Interest cost on projected benefit obligation		23.0		24.7
Expected return on plan assets		(29.8)		(29.8)
Amortization of prior service cost, actuarial loss and other		11.3		8.7
Net periodic pension cost	\$	6.0	\$	5.8

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Service cost-benefits earned during the period	\$	0.3	\$	0.3
Interest cost on projected benefit obligation		1.8		2.1
Amortization of prior service benefit and actuarial loss, net		(0.3)		(0.3)
Net other postretirement benefit costs	\$	1.8	\$	2.1

The Company made a cash contribution to the Company-sponsored profit sharing plan of \$18.8 million and \$17.6 million during the six months ended June 30, 2012 and 2011, respectively.

In June 2012, legislation was enacted that is expected to impact the Company's future funding requirements for its U.S. pension plan (the "Plan"). The Company is evaluating the impact of the legislation on the Company's contribution requirements for the Plan.

Footnote 9 — Income Taxes

As of June 30, 2012, there were no significant changes to the Company's unrecognized tax benefits as reported in its Form 10-K for the year ended December 31, 2011.

The Company's income tax expense and resulting effective tax rate are based upon the respective estimated annual effective tax rates applicable for the respective periods adjusted for the effects of items required to be treated as discrete to the period, including changes in tax laws, changes in estimated exposures for uncertain tax positions, and other items. The Company's effective tax rate for the three and six months ended June 30, 2012 was favorably impacted by a change in the geographical mix in earnings, offset by the unfavorable impact of \$11.1 million for reserves for certain tax contingencies and other non-cash tax charges associated with the European Transformation Plan.

The Company's effective tax rate for the three and six months ended June 30, 2011 was favorably impacted by a benefit of \$20.8 million associated with the realization of unrecognized tax benefits, including interest and penalties, due to the expiration of various worldwide statutes of limitation.

Footnote 10 — Earnings per Share

The calculation of basic and diluted earnings per share is as follows (in millions, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Numerator for basic and diluted earnings per share:				
Income from continuing operations	\$	111.8	\$	145.4
Income from discontinued operations		—		1.3
Net income	\$	111.8	\$	146.7
Dividends and equivalents for share-based awards expected to be forfeited		—		—
Net income for basic earnings per share	\$	111.8	\$	146.7
Effect of Preferred Securities ⁽¹⁾		—		3.5
Net income for diluted earnings per share	\$	111.8	\$	150.2
Denominator for basic and diluted earnings per share:				
Weighted-average shares outstanding		289.4		291.4
Share-based payment awards classified as participating securities		2.7		2.9
Denominator for basic earnings per share		292.1		294.3
Dilutive securities ⁽²⁾		1.9		2.3
Convertible Notes ⁽³⁾		—		—
Preferred Securities ⁽¹⁾		—		8.3
Denominator for diluted earnings per share		294.0		304.9
Basic earnings per share:				
Income from continuing operations	\$	0.38	\$	0.49
Income from discontinued operations		—		—
Net income	\$	0.38	\$	0.50
Diluted earnings per share:				
Income from continuing operations	\$	0.38	\$	0.49

Income from discontinued operations		—		—		—		0.01
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Net income	\$	0.38	\$	0.49	\$	0.65	\$	0.75
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- (1) The Preferred Securities are anti-dilutive for the three months ended June 30, 2012 as well as for the six months ended June 30, 2012 and 2011, and therefore, have been excluded from diluted earnings per share. Had the Preferred Securities been included in the diluted earnings per share calculation, net income for the three months ended June 30, 2012 would be increased by \$3.5 million and net income for each six month period ended June 30, 2012 and 2011 would be increased by \$7.0 million. Weighted-average shares outstanding would be increased by 8.3 million shares for the three months ended June 30, 2012 and each of the six month periods ended June 30, 2012 and 2011. The Preferred Securities were dilutive for the three months ended June 30, 2011, and as a result, the interest expense included in net income has been added back on an after-tax basis and the shares of common stock into which the Preferred Securities are convertible have been included in the denominator for diluted earnings per share.
- (2) Dilutive securities include “in the money” options, non-participating restricted stock units and performance stock units. The weighted-average shares outstanding exclude the effect of 9.8 million and 11.9 million stock options for the three months ended June 30, 2012 and 2011, respectively, and 10.2 million and 12.1 million stock options and other securities for the six months ended June 30, 2012 and 2011, respectively, because such securities were anti-dilutive. The weighted-average shares outstanding for the three and six months ended June 30, 2012 also exclude the weighted average effect of 1.0 million performance stock units outstanding at June 30, 2012 because the securities were anti-dilutive.
- (3) As disclosed in Footnote 6, substantially all of the remaining outstanding principal amount of the Convertible Notes was extinguished in March 2011. The Convertible Notes did not meaningfully impact diluted average shares outstanding in periods subsequent to March 31, 2011 because the maximum amount of shares required to settle the “in the money” portion of the \$0.1 million principal amount of the Convertible Notes is not material. Dilution for the six months ended June 30, 2011 takes into consideration the period of time the Convertible Notes were outstanding.

Footnote 11 — Stock-Based Compensation

The Company accounts for stock-based compensation pursuant to certain authoritative guidance which requires measurement of compensation cost for all stock awards at fair value on the date of grant and recognition of compensation, net of estimated forfeitures, over the requisite service period for awards expected to vest. The Company recognized \$9.1 million and \$8.6 million of pretax stock-based compensation expense during the three months ended June 30, 2012 and 2011, respectively, and \$18.5 million and \$16.8 million for the six months ended June 30, 2012 and 2011, respectively.

The following table summarizes the changes in the number of shares of common stock under option for the six months ended June 30, 2012 (*shares in millions*):

	Shares	Weighted-Average Exercise Price	Exercisable at Period End	Aggregate Intrinsic Value Exercisable
Outstanding at December 31, 2011	15.4	\$ 21	9.8	\$ 5.4
Exercised	(1.3)	8		
Forfeited / expired	(1.2)	26		
Outstanding at June 30, 2012	12.9	\$ 22	10.4	\$ 14.7

The following table summarizes the changes in the number of shares of restricted stock and restricted stock units for the six months ended June 30, 2012 (*shares in millions*):

	Shares	Weighted-Average Grant Date Fair Value
Outstanding at December 31, 2011	6.1	\$ 13
Granted	1.8	19
Vested	(2.0)	9
Forfeited	(0.2)	17
Outstanding at June 30, 2012	5.7	\$ 16

During the six months ended June 30, 2012, the Company awarded 1.0 million performance stock units which entitle recipients to shares of the Company's stock at the end of a three-year vesting period, if specified market conditions are achieved ("PSUs"). The PSUs entitle recipients to shares of common stock equal to 0% up to 200% of the number of units granted at the vesting dates depending on the level of achievement of the specified market and service conditions. As of June 30, 2012, 2.1 million PSUs were outstanding, and based on performance through June 30, 2012, recipients of PSUs would be entitled to 1.6 million shares at the vesting date. The PSUs are included in the preceding table as if the participants earn shares equal to 100% of the units granted.

During 2011, the Company awarded 0.7 million performance stock units which entitle the Company's Chief Executive Officer to shares of the Company's stock if specified market and service conditions are achieved. The performance stock units vest no earlier than two years from the date of grant and no later than seven years from the date of grant. Based on performance through June 30, 2012, the market conditions have been achieved and, accordingly, the performance stock units will vest in July 2013 if the service conditions are achieved. The 0.7 million performance stock units are included in the preceding table as outstanding as of June 30, 2012 and December 31, 2011.

Footnote 12 — Fair Value Disclosures
Recurring Fair Value Measurements

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

Description	Fair Value as of June 30, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investment securities, including mutual funds ⁽¹⁾	\$ 11.5	\$ 7.7	\$ 3.8	\$ —
Interest rate swaps ⁽²⁾	39.0	—	39.0	—
Forward interest rate swaps ⁽²⁾	1.1	—	1.1	—
Foreign currency derivatives ⁽²⁾	1.5	—	1.5	—
Total	\$ 53.1	\$ 7.7	\$ 45.4	\$ —
Liabilities				
Commodity swap ⁽²⁾	\$ 2.7	\$ —	\$ 2.7	\$ —
Total	\$ 2.7	\$ —	\$ 2.7	\$ —

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

(1) The values of investment securities, including mutual funds, are classified as cash and cash equivalents (\$0.1 million and \$5.1 million as of June 30, 2012 and

December 31, 2011, respectively) and other assets (\$11.4 million and \$12.6 million as of June 30, 2012 and December 31, 2011, respectively). For mutual funds that are publicly traded, fair value is determined on the basis of quoted market prices and, accordingly, these investments have been classified as Level 1. Other investment securities are valued at the net asset value per share or unit multiplied by the number of shares or units held as of the measurement date and have been classified as Level 2.

(2) The fair values of the Company's derivative instruments are based on valuation models using observable market inputs and as such have been classified as Level 2.

Non-recurring Fair Value Measurements

The Company's nonfinancial assets which are measured at fair value on a nonrecurring basis include property, plant and equipment, goodwill, intangible assets and certain other assets. During the three and six months ended June 30, 2012, impairments associated with plans to dispose of certain property, plant and equipment were not material. The Company generally uses projected cash flows, discounted as necessary, to estimate the fair values of the impaired assets using key inputs such as management's projections of cash flows on a held-and-used basis (if applicable), management's projections of cash flows upon disposition and discount rates. Accordingly, these fair value measurements fall in Level 3 of the fair value hierarchy. These assets and certain liabilities are measured at fair value on a nonrecurring basis as part of the Company's impairment assessments and as circumstances require. During the three and six months ended June 30, 2012, no nonrecurring fair value measurements were required for testing goodwill and other indefinite-lived intangible assets for impairment.

Financial Instruments

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

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

	June 30, 2012		December 31, 2011	
	Fair Value	Book Value	Fair Value	Book Value
Medium-term notes	\$ 1,944.9	\$ 1,878.0	\$ 1,679.7	\$ 1,632.3
Preferred securities underlying the junior convertible subordinated debentures	423.4	421.2	356.0	421.2

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

Footnote 13 — Segment Information

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

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

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Net Sales ⁽¹⁾				
Newell Consumer	\$ 808.4	\$ 833.8	\$ 1,448.0	\$ 1,490.2
Newell Professional	525.4	536.3	1,036.0	1,003.8
Baby & Parenting	182.4	175.2	364.6	325.5
	<u>\$ 1,516.2</u>	<u>\$ 1,545.3</u>	<u>\$ 2,848.6</u>	<u>\$ 2,819.5</u>
Operating Income (Loss) ⁽²⁾				
Newell Consumer	\$ 145.6	\$ 143.5	\$ 221.1	\$ 234.3
Newell Professional	63.6	69.6	134.3	129.7
Baby & Parenting	19.2	13.0	41.6	20.4
Restructuring costs	(11.1)	(1.0)	(23.8)	(6.8)
Corporate	(31.8)	(29.2)	(63.5)	(53.7)
	<u>\$ 185.5</u>	<u>\$ 195.9</u>	<u>\$ 309.7</u>	<u>\$ 323.9</u>

June 30, 2012

December 31, 2011

Identifiable Assets					
Newell Consumer		\$	1,603.7	\$	1,363.7
Newell Professional			1,200.6		1,126.3
Baby & Parenting			305.9		305.3
Corporate ⁽³⁾			3,480.6		3,365.6
		\$	6,590.8	\$	6,160.9

Geographic Area Information

	Three Months Ended		Six Months Ended					
	June 30,		June 30,					
	2012	2011	2012	2011				
Net Sales ^{(1), (4)}								
United States	\$	1,062.3	\$	1,029.2	\$	1,922.9	\$	1,874.1
Canada		94.7		102.9		168.1		181.4
Total North America		1,157.0		1,132.1		2,091.0		2,055.5
Europe, Middle East and Africa		157.7		225.6		362.8		413.5
Latin America		81.7		79.9		158.9		152.2
Asia Pacific		119.8		107.7		235.9		198.3
Total International		359.2		413.2		757.6		764.0
	\$	1,516.2	\$	1,545.3	\$	2,848.6	\$	2,819.5
Operating Income (Loss) ^{(2), (6)}								
United States ⁽⁵⁾	\$	149.3	\$	144.6	\$	220.7	\$	223.3
Canada		19.5		24.1		33.5		36.4
Total North America		168.8		168.7		254.2		259.7
Europe, Middle East and Africa ⁽⁵⁾		(9.6)		4.1		13.8		19.1
Latin America		5.6		3.7		(3.6)		8.7
Asia Pacific		20.7		19.4		45.3		36.4
Total International		16.7		27.2		55.5		64.2
	\$	185.5	\$	195.9	\$	309.7	\$	323.9

- (1) All intercompany transactions have been eliminated. Sales to Wal-Mart Stores, Inc. and subsidiaries amounted to approximately 10.5% and 10.4% of consolidated net sales in the three months ended June 30, 2012 and 2011, respectively, and approximately 10.2% of consolidated net sales in the six months ended June 30, 2012 and 2011.
- (2) Operating income (loss) by segment is net sales less cost of products sold and selling, general & administrative (“SG&A”) expenses. Operating income by geographic area is net sales less cost of products sold, SG&A expenses, impairment charges, and restructuring costs. Certain headquarters expenses of an operational nature are allocated to business segments and geographic areas primarily on a net sales basis. Depreciation and amortization is allocated to the segments on a percentage of sales basis, and the allocated depreciation and amortization is included in segment operating income.
- (3) Corporate assets primarily include goodwill, capitalized software, cash and deferred tax assets.
- (4) Geographic sales information is based on the region from which the products are shipped and invoiced.
- (5) The United States operating income is after considering \$3.9 million of incremental SG&A costs associated with Project Renewal for the three and six months ended June 30, 2012. The Europe, Middle East and Africa operating income is after considering \$6.6 million and \$9.0 million of incremental SG&A costs associated with the European Transformation Plan for the three months ended June 30, 2012 and 2011, respectively, and \$16.6 million and \$14.3 million for the six months ended June 30, 2012 and 2011, respectively.
- (6) The following table summarizes the restructuring costs by region included in operating income (loss) above:

	Three Months Ended		Six Months Ended					
	June 30,		June 30,					
	2012	2011	2012	2011				
Restructuring Costs								
United States	\$	5.7	\$	—	\$	16.1	\$	—
Canada		—		—		0.5		—
Total North America		5.7		—		16.6		—
Europe, Middle East and Africa		4.4		1.0		5.6		6.8
Latin America		0.7		—		0.9		—
Asia Pacific		0.3		—		0.7		—
Total International		5.4		1.0		7.2		6.8
	\$	11.1	\$	1.0	\$	23.8	\$	6.8

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

	June 30, 2012	December 31, 2011
Customer accruals	\$ 242.1	\$ 250.7
Accruals for manufacturing, marketing and freight expenses	92.4	105.1
Accrued self-insurance liabilities	68.0	66.8
Accrued pension, defined contribution and other postretirement benefits	45.8	54.6
Accrued contingencies, primarily legal, environmental and warranty	35.3	37.2
Accrued restructuring (See Footnote 4)	34.2	33.0
Other	131.1	146.1
Other accrued liabilities	<u>\$ 648.9</u>	<u>\$ 693.5</u>

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

Footnote 15 — Litigation and Contingencies

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

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

The Company, using current product sales data and historical trends, actuarially calculates the estimate of its exposure for product liability. The Company has product liability reserves of \$41.8 million and \$39.7 million as of June 30, 2012 and December 31, 2011, respectively. The Company is insured for product liability claims for amounts in excess of established deductibles and accrues for the estimated liability as described up to the limits of the deductibles. All other claims and lawsuits are handled on a case-by-case basis.

Legal Matters

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

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

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

Environmental Matters

As of June 30, 2012, the Company was involved in various matters concerning federal and state environmental laws and regulations, including matters in which the Company has been identified by the U.S. Environmental Protection Agency ("U.S. EPA") and certain state environmental agencies as a potentially responsible party ("PRP") at contaminated sites under the Federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and equivalent state laws.

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

The Company's estimate of environmental response costs associated with these matters as of June 30, 2012 ranged between \$21.6 million and \$25.6 million. As of June 30, 2012, the Company had a reserve of \$21.8 million for such environmental remediation and response costs in the aggregate, which is included in other accrued liabilities and other noncurrent liabilities in the Condensed Consolidated Balance Sheet. No insurance recovery was taken into account in determining the Company's cost estimates or reserve, nor do the Company's cost estimates or reserves reflect any discounting for present value purposes, except with respect to certain long-term operations and maintenance CERCLA matters, which are estimated at their present value of \$18.7 million by applying a 5% discount rate to undiscounted obligations of \$26.7 million.

Two of the Company's subsidiaries, Goody Products, Inc. and Berol Corporation (the "Company Parties"), are among over 300 entities named by Maxus Energy Corporation ("Maxus") and Tierra Solutions, Inc. ("Tierra") as third-party defendants in New Jersey Department of Environmental Protection, et al. (collectively "DEP") v. Occidental Chemical Corporation, et al., pending in the Superior Court of New Jersey, Law Division - Essex County. Through the third-party complaint, Maxus and Tierra allege that releases from two facilities formerly operated by the Company Parties contributed to contamination in the

Passaic River and other bodies of water and seek contribution for certain clean-up and removal costs, as well as other damages for which they may be found liable to DEP.

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

Given the uncertainties pertaining to this matter—including that the litigation and RI/FS are ongoing, the ultimate remediation has not yet been determined, the parties have not agreed upon a final allocation for the investigation and any remediation, and the extent to which the Company Parties may be held liable or responsible is not yet known—it is not possible for the Company to estimate its ultimate liability related to this matter. Based on currently known facts and circumstances, the Company does not believe that this matter is reasonably likely to have a material impact on the Company's results of operations because the Company Parties' facilities are not alleged to have discharged the contaminants which are of the greatest concern in the river sediments, and because there are numerous other parties who will likely share in any costs of remediation and/or damages. However, in the event of one or more adverse determinations related to this matter, it is possible that the ultimate liability resulting from this matter and the impact on the Company's results of operations could be material.

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

Although management of the Company cannot predict the ultimate outcome of these proceedings with certainty, except as otherwise may be described above, it believes that the ultimate resolution of the Company's proceedings, including any amounts it may be required to pay in excess of amounts reserved, will not have a material effect on the Company's condensed consolidated financial statements.

Footnote 16 — Subsequent Event

On July 16, 2012, the Company completed the redemption of the \$436.7 million outstanding 5.25% Junior Convertible Subordinated Debentures (the “Debentures”). Because the 5.25% convertible preferred securities (the “Preferred Securities”) were mandatorily redeemable upon the retirement of the Debentures, accordingly, the Preferred Securities were redeemed for cash of \$421.2 million on July 16, 2012.

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

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of the Company's consolidated results of operations and financial condition. The discussion should be read in conjunction with the accompanying condensed consolidated financial statements and notes thereto.

Business Overview

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

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

Business Strategy

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

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

Business Model

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

Where To Play

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

5 Ways To Win

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

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

Organizational Structure

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

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

Market and Performance Overview

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

- Core sales, which exclude foreign currency, increased 2.5% in the first six months of 2012 compared to the same period last year. New products, geographic expansion and core sales growth in emerging markets were the primary drivers of the core sales growth, with double-digit core sales growth in Latin America and Asia Pacific. Deteriorating macroeconomic conditions in Western Europe and lower merchandising in Europe in advance of the SAP go-live adversely impacted core sales and were the primary drivers of a 5.7% core sales decline in the Europe, Middle East, and Africa region.
- Core sales increased 5.3% in Newell Professional, with growth across the segment led by double-digit growth in the Industrial Products & Services GBU and mid- and high-single-digit growth in the Technology and Construction Tools & Accessories GBUs, respectively. Core sales grew 13.0% in Baby & Parenting, with improved retail-level sales in North America and sustained momentum in the Asia Pacific region. Newell Consumer realized a core sales decline of 1.6%, primarily due to continued operational challenges in the Décor business (Levolor window treatments) within the Home, Organization & Style GBU.
- Input and sourced product cost inflation was more than offset by pricing, mix and productivity which resulted in a 40 basis point improvement in gross margins compared to the same period in 2011. The Company’s gross margins increased despite continued operational challenges in the Décor business within the Home, Organization & Style GBU and pressures

due to uncertain macroeconomic conditions in Western Europe.

- Continued focused spend for strategic SG&A activities to drive sales, enhance the new product pipeline, develop growth platforms and expand geographically. During the first six months of 2012, the Company's spend for strategic brand-building and consumer demand creation and commercialization activities included spend for the following:
 - Continued investments to support the global roll out of Paper Mate®'s InkJoy® line of writing instruments, which feature innovative ultra-low viscosity ink for a smooth writing experience;
 - Continued expansion of dedicated Parker® "shop-in-shop" retail outlets in China and other regions to enhance in-store merchandising;
 - Expanded the launch of the Parker® Ingenuity Collection featuring Parker 5th™ Technology into Japan and China in the first half of 2012;
 - Continued support for "Irwinization" marketing and merchandising initiatives, including the "Blue wall" and other merchandising vehicles that get the Irwin® brand and new innovations in front of contractors in a more effective way;
 - Launched Irwin® 2500 Series Level featuring a robust new frame design that enables guaranteed vial accuracy for the life of the product;
 - Expanded the sales forces in the Industrial Products & Services, Construction Tools & Accessories, Fine Writing & Luxury Accessories, and Commercial Products GBUs to drive greater sales penetration, enhance the availability of products and to support geographic expansion; and,
 - Supported new innovations in Baby & Parenting, including the Graco® Fast-Action and Ready to Grow travel systems which are driving significant market share gains.
- Continued the execution of Project Renewal to simplify the business, reduce structural costs and increase investment in the most significant growth platforms within the business.
- Continued the execution of the European Transformation Plan, which includes projects designed to improve the financial performance of the European business and centralize decision making in the Geneva headquarters, and successfully went live with SAP in Europe in April 2012.
- Improved the Company's capital structure by completing the offering and sale of \$500.0 million unsecured senior notes, consisting of \$250.0 million principal amount of 2.0% notes due 2015 and \$250.0 million principal amount of 4.0% notes due 2022, the proceeds of which were used in July 2012 to redeem the \$436.7 million of outstanding 5.25% junior convertible subordinated debentures due December 2027 underlying the Company's 5.25% convertible preferred securities.
- Retired \$250.0 million principal amount of the 6.75% medium-term notes (the "2012 Notes") upon maturity, for which interest expense was previously recorded at a rate of approximately 3.5% after contemplating the effect of the interest rate swap related to the 2012 Notes.
- Continued the \$300.0 million three-year share repurchase plan that expires in August 2014, pursuant to which the Company repurchased and retired an additional 2.3 million shares of common stock for \$41.3 million during the first six months of 2012.
- Increased the Company's quarterly dividend by 25% from \$0.08 per share to \$0.10 per share, which took effect with the Company's dividend paid in June 2012.

The Company expects its financial results for the remainder of 2012 could be impacted both positively and negatively by the execution of the back-to-school merchandising efforts of the Writing & Creative Expression GBU; the pace of the stabilization and then recovery of momentum on the Décor business within the Home, Organization & Style GBU; the impact of the European macroeconomic environment on growth; and, the foreign currency pressure on earnings as a result of the strengthening of the U.S. dollar against major currencies.

Projects and Initiatives

Project Renewal

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

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

During the first six months of 2012, the Company continued the execution of the closure of the Newell Consumer segment's Greenville, Texas manufacturing facility aiming to consolidate operations of the facility into the Company's existing facilities in the states of Kansas and Ohio. The Company also began implementing a distribution center consolidation in the Newell Consumer segment as well as a project to align the Newell Consumer GBUs' sales and marketing organizations with the Company's newly created Customer Development Organization. In addition, the Company began reorganizing its sales and marketing functions within certain GBUs in the Newell Professional segment and began a project to consolidate certain distribution operations in the Newell Professional segment. Through June 30, 2012, the Company has incurred restructuring and restructuring-related charges of approximately \$49 million and \$4 million, respectively, under Project Renewal. Restructuring-related charges represent incremental SG&A expenses associated with the implementation of Project Renewal.

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

European Transformation Plan

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

The European Transformation Plan is expected to result in aggregate restructuring and other plan-related costs of \$110 to \$115 million. The European Transformation Plan is expected to be completed by the end of 2012 and is expected to result in cumulative restructuring charges totaling between \$40 and \$45 million, substantially all of which are employee-related cash costs, including severance, retirement, and other termination benefits and relocation costs. The Company also expects to incur an additional \$70 to \$75 million of incremental selling, general and administrative expenses, referred to herein as restructuring-related charges, to implement the European Transformation Plan. Through June 30, 2012, the Company has incurred cumulative restructuring and restructuring-related charges of approximately \$25 million and \$69 million, respectively, under the European Transformation Plan. The Company expects to realize cumulative annual after-tax savings of \$55 to \$65 million upon completion of the implementation of the European Transformation Plan, the majority of which have been realized and were included in the Company's 2011 operating results.

In April 2012, the Company migrated its enterprise resource planning systems in Europe to SAP and began operating in a centralized European business model. The new operating structure affected and is expected to continue to affect the Company's assessment of the realizability of certain income tax assets in Europe and the Company's uncertain income tax positions in Europe. These assessments adversely impacted the Company's income tax expense by \$11 million in the first half of 2012 and ongoing assessments of these matters could favorably or unfavorably impact the Company's income tax expense in future periods. Since the Company reports sales and operating income based on the region from which the products are shipped and invoiced and the new model defines how certain regions import and export products, the new model impacted the regions in which the Company's sales and operating income are reported in the second quarter of 2012 and will continue to impact the comparability of the Company's geographic reporting for the remainder of 2012. Compared to prior periods, the new model generally results in the European region's sales and operating income being lower with corresponding increases in the Company's other regions.

One Newell Rubbermaid

The Company strives to leverage the common business activities and best practices of its GBUs, and to build one common culture of shared values with a focus on collaboration and teamwork. Through this initiative, the Company has established regional shared

service centers to leverage nonmarket-facing functional capabilities to reduce costs. The Company is also migrating multiple legacy systems and users to a common SAP global information system platform in a phased, multi-year rollout. SAP is expected to enable the Company to integrate and manage its worldwide business and reporting processes more efficiently. Through June 30, 2012, the North American and European operations of substantially all of the Company's nine GBUs have successfully gone live with their SAP implementation efforts.

Foreign Currency – Venezuela

The Company began accounting for its Venezuelan operations using highly inflationary accounting in January 2010. Under highly inflationary accounting, the Company remeasures assets, liabilities, sales and expenses denominated in Bolivar Fuertes into U.S. Dollars using the applicable exchange rate, and the resulting translation adjustments are included in earnings. As of June 30, 2012, the Company's Venezuelan subsidiary had approximately \$53.0 million of net monetary assets denominated in Bolivar Fuertes at the SITME rate of 5.3 Bolivar Fuertes to U.S. Dollar, and as a result, a 5% increase (decrease) in the applicable exchange rate would decrease (increase) the Company's pretax income by \$2.7 million.

Results of Operations

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

	Three Months Ended June 30,				Six Months Ended June 30,			
	2012		2011		2012		2011	
Net sales	\$ 1,516.2	100.0%	\$ 1,545.3	100.0%	\$ 2,848.6	100.0%	\$ 2,819.5	100.0%
Cost of products sold	935.0	61.7	960.9	62.2	1,756.8	61.7	1,750.2	62.1
Gross margin	581.2	38.3	584.4	37.8	1,091.8	38.3	1,069.3	37.9
Selling, general and administrative expenses	384.6	25.4	387.5	25.1	758.3	26.6	738.6	26.2
Restructuring costs	11.1	0.7	1.0	0.1	23.8	0.8	6.8	0.2
Operating income	185.5	12.2	195.9	12.7	309.7	10.9	323.9	11.5
Nonoperating expenses:								
Interest expense, net	20.5	1.4	21.3	1.4	40.7	1.4	43.2	1.5
Losses related to extinguishments of debt	—	—	—	—	—	—	4.8	0.2
Other expense, net	0.7	—	3.5	0.2	0.4	—	5.0	0.2
Net nonoperating expenses	21.2	1.4	24.8	1.6	41.1	1.4	53.0	1.9
Income before income taxes	164.3	10.8	171.1	11.1	268.6	9.4	270.9	9.6
Income taxes	52.5	3.5	25.7	1.7	77.5	2.7	51.6	1.8
Income from continuing operations	111.8	7.4	145.4	9.4	191.1	6.7	219.3	7.8
Income from discontinued operations	—	—	1.3	0.1	—	—	3.1	0.1
Net income	\$ 111.8	7.4%	\$ 146.7	9.5%	\$ 191.1	6.7%	\$ 222.4	7.9%

Three Months Ended June 30, 2012 vs. Three Months Ended June 30, 2011

Consolidated Operating Results:

Net sales for the three months ended June 30, 2012 were \$1,516.2 million, representing a decrease of \$29.1 million, or 1.9%, from \$1,545.3 million for the three months ended June 30, 2011. The following table sets forth an analysis of changes in consolidated net sales for the three months ended June 30, 2012 as compared to the three months ended June 30, 2011 (*in millions, except percentages*):

Core sales	\$ 5.8	0.4 %
Foreign currency	(34.9)	(2.3)
Total change in net sales	\$ (29.1)	(1.9)%

Core sales increased 0.4%, net of an estimated 190 basis point core sales decline due to customer pre-buys during the first quarter, in advance of the April 2012 launch of SAP in Europe. Foreign currency had the effect of decreasing net sales by 2.3%. Excluding foreign currency, sales in the Company's North American businesses increased 2.5% while in the international businesses sales declined 5.4%. Core sales growth in North America was led by strong growth in the Newell Professional and Baby & Parenting segments. Internationally, both Latin America and Asia Pacific reported double-digit core sales increases, which were more than offset by core sales declines in Europe. After adjusting for the impact of the SAP-related pre-buys, core sales in the European region declined an estimated 7.8%, mainly due to the macroeconomic environment in Western Europe.

Gross margin, as a percentage of net sales, for the three months ended June 30, 2012 was 38.3%, or \$581.2 million, versus 37.8%, or \$584.4 million, for the three months ended June 30, 2011. The 50 basis point improvement in gross margin was attributable to the impacts of pricing actions realized during the quarter, mix and productivity, partially offset by input and sourced product cost inflation. On an annualized basis, commodities consumed as raw materials generally represent approximately 10% to 15% of annual cost of products sold, with no single type of commodity representing more than 10% of cost of products sold.

SG&A expenses for the three months ended June 30, 2012 were 25.4% of net sales, or \$384.6 million, versus 25.1% of net sales, or \$387.5 million, for the three months ended June 30, 2011. In constant currency, SG&A expenses increased \$7.5 million when compared to the second quarter of 2011 due to a \$6.3 million increase in strategic spending directed towards organic growth in faster growing markets and new categories and other short-term strategic initiatives. The remainder of the increase was due to a \$1.5 million increase in restructuring-related costs compared to the same quarter in 2011.

The Company recorded restructuring costs of \$11.1 million and \$1.0 million for the three months ended June 30, 2012 and 2011, respectively. The year-over-year increase in restructuring costs is primarily attributable to restructuring projects implemented under Project Renewal announced in October 2011, as well as restructuring costs incurred under the European Transformation Plan. The restructuring costs for the three months ended June 30, 2012 relate to Project Renewal and the European Transformation Plan and consisted of \$7.6 million of employee severance, termination benefits and employee relocation costs and \$3.5 million of exited contractual commitments and other restructuring costs. The restructuring costs for the three months ended June 30, 2011 relate to employee severance, termination benefits and employee relocation costs incurred in connection with the European Transformation Plan. See Footnote 4 of the Notes to Condensed Consolidated Financial Statements for further information.

Operating income for the three months ended June 30, 2012 was \$185.5 million, or 12.2% of net sales, versus operating income of \$195.9 million, or 12.7% of net sales, for the three months ended June 30, 2011. The 50 basis point reduction in operating margin is attributable to the increase in restructuring and restructuring-related costs and less leverage of SG&A due to the impacts of the European SAP-related pre-buys on sales for the three months ended June 30, 2012, partially offset by higher gross margin as a percentage of net sales.

Net nonoperating expenses for the three months ended June 30, 2012 were \$21.2 million versus \$24.8 million for the three months ended June 30, 2011. Interest expense for the three months ended June 30, 2012 was \$20.5 million, a decrease of \$0.8 million from \$21.3 million for the three months ended June 30, 2011, primarily due to lower average debt levels.

The Company's effective income tax rate was 32.0% and 15.0% for the three months ended June 30, 2012 and 2011, respectively. The increase in the effective tax rate is primarily attributable to \$11.1 million of income tax expense recorded during the three months ended June 30, 2012 associated with reserves for certain income tax contingencies and other non-cash income tax charges associated with the European Transformation Plan. The effective rate for the three months ended June 30, 2011 was favorably impacted by \$20.8 million of benefits attributable to the reversal of taxes accrued for certain tax contingencies, including interest and penalties, upon the expiration of various worldwide statutes of limitation.

Income from discontinued operations during the three months ended June 30, 2011 relates to the Company's hand torch and solder business which was sold on July 1, 2011. See Footnote 2 of the Notes to Condensed Consolidated Financial Statements for further information.

Business Segment Operating Results:

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

	2012	2011	% Change
Newell Consumer	\$ 808.4	\$ 833.8	(3.0)%
Newell Professional	525.4	536.3	(2.0)
Baby & Parenting	182.4	175.2	4.1
Total net sales	<u>\$ 1,516.2</u>	<u>\$ 1,545.3</u>	(1.9)%

The following table sets forth an analysis of changes in net sales in each segment for the three months ended June 30, 2012 as compared to the three months ended June 30, 2011:

	<u>Newell Consumer</u>	<u>Newell Professional</u>	<u>Baby & Parenting</u>
Core sales	(1.3)%	1.1 %	5.9 %
Foreign currency	(1.7)	(3.1)	(1.8)
Total change in net sales	<u>(3.0)%</u>	<u>(2.0)%</u>	<u>4.1 %</u>

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

	<u>2012</u>	<u>2011</u>	<u>% Change</u>
Newell Consumer	\$ 145.6	\$ 143.5	1.5 %
Newell Professional	63.6	69.6	(8.6)
Baby & Parenting	19.2	13.0	47.7
Restructuring costs	(11.1)	(1.0)	NM
Corporate ⁽¹⁾	(31.8)	(29.2)	(8.9)
Total operating income	<u>\$ 185.5</u>	<u>\$ 195.9</u>	<u>(5.3)%</u>

NM — Not Meaningful

(1) Includes restructuring-related costs of \$6.6 million and \$9.0 million for the three months ended June 30, 2012 and 2011, respectively, associated with the European Transformation Plan and \$3.9 million of restructuring-related costs associated with Project Renewal for the three months ended June 30, 2012.

Newell Consumer

Net sales for the three months ended June 30, 2012 were \$808.4 million, a decrease of \$25.4 million, or 3.0%, from \$833.8 million for the three months ended June 30, 2011. Core sales decreased 1.3%, and customer pre-buys in advance of the April 2012 SAP go-live in Europe contributed an estimated 100 basis points to the core sales decrease. The remaining core sales decline in the Newell Consumer segment was driven by the impact of the European economic environment on the Fine Writing & Luxury Accessories GBU and retail strategy shifts impacting the Décor business within the Home, Organization & Style GBU. These core sales declines were partially offset by low-single-digit core sales growth in the Writing & Creative Expression GBU. Foreign currency had an unfavorable impact of 1.7%.

Operating income for the three months ended June 30, 2012 was \$145.6 million, or 18.0% of net sales, an increase of \$2.1 million, or 1.5%, from \$143.5 million, or 17.2% of net sales, for the three months ended June 30, 2011. The 80 basis point improvement in operating margin is attributable to gross margin expansion, as productivity and pricing more than offset inflation and the impact of operational challenges in the Décor business. In constant currency, SG&A costs as a percentage of net sales remained unchanged as reductions in structural SG&A costs, due primarily to savings from Project Renewal, were comparable to the decline in core sales.

Newell Professional

Net sales for the three months ended June 30, 2012 were \$525.4 million, a decrease of \$10.9 million, or 2.0%, from \$536.3 million for the three months ended June 30, 2011. Core sales increased 1.1% and were adversely impacted by an estimated 350 basis point core sales decrease attributable to customer pre-buys in advance of the April 2012 SAP go-live in Europe. The core sales increase, after adjusting for the pre-buys, was driven by mid-single-digit and double-digit core sales growth in the Construction Tools & Accessories and Industrial Products & Services GBUs, respectively. Foreign currency had an unfavorable impact of 3.1%.

Operating income for the three months ended June 30, 2012 was \$63.6 million, or 12.1% of net sales, a decrease of \$6.0 million, or 8.6%, from \$69.6 million, or 13.0% of net sales, for the three months ended June 30, 2011. The 90 basis point decline in operating margin is attributable to higher SG&A costs and the SAP-related pre-buys which resulted in less leverage of SG&A costs. On a constant currency basis, SG&A as a percentage of net sales increased approximately 100 basis points primarily due to increases in costs to support emerging market expansion.

Baby & Parenting

Net sales for the three months ended June 30, 2012 were \$182.4 million, an increase of \$7.2 million, or 4.1%, from \$175.2 million for the three months ended June 30, 2011. Core sales increased 5.9%, driven primarily by stronger retail sales in the North American markets and continued growth in Asia Pacific. Customer pre-buys in advance of the April 2012 SAP go-live in Europe had the impact of reducing the second quarter core sales growth by an estimated 140 basis points. Foreign currency had an unfavorable

impact of 1.8%.

Operating income for the three months ended June 30, 2012 was \$19.2 million, or 10.5% of net sales, an increase of \$6.2 million, or 47.7%, from \$13.0 million, or 7.4% of net sales, for the three months ended June 30, 2011. The 310 basis point increase in operating margin is primarily attributable to productivity and leveraging the cost structure with increased sales volumes as constant currency SG&A costs remained relatively unchanged.

Six Months Ended June 30, 2012 vs. Six Months Ended June 30, 2011

Consolidated Operating Results:

Net sales for the six months ended June 30, 2012 were \$2,848.6 million, representing an increase of \$29.1 million, or 1.0%, from \$2,819.5 million for the six months ended June 30, 2011. The following table sets forth an analysis of changes in consolidated net sales for the six months ended June 30, 2012 as compared to the six months ended June 30, 2011 (*in millions, except percentages*):

Core sales	\$	71.6	2.5 %
Foreign currency		(42.5)	(1.5)
Total change in net sales	\$	29.1	1.0 %

Core sales increased 2.5% compared to the prior year driven by double-digit core sales growth in the Latin America and Asia Pacific regions across substantially all segments. The growth in emerging markets was partially offset by a decline in the Company's European business due to a challenging macroeconomic environment. Excluding foreign currency, sales in North America and international businesses increased 2.0% and 4.1%, respectively, versus the prior year. Foreign currency had the impact of reducing net sales by 1.5%.

Gross margin, as a percentage of net sales, for the six months ended June 30, 2012 was 38.3%, or \$1,091.8 million, versus 37.9% of net sales, or \$1,069.3 million, for the six months ended June 30, 2011. The primary driver of the 40 basis point gross margin increase was pricing and productivity, partially offset by input cost inflation.

SG&A expenses for the six months ended June 30, 2012 were 26.6% of net sales, or \$758.3 million, versus 26.2% of net sales, or \$738.6 million, for the six months ended June 30, 2011. In constant currency, SG&A expenses increased \$32.2 million primarily due to \$29.4 million of incremental investments in brand building and strategic SG&A activities to support new products, marketing initiatives, new market entries and global expansion, partially offset by reduced structural SG&A due to savings realized from ongoing restructuring projects. The remainder of the increase was driven by a \$6.2 million increase in restructuring-related costs for the European Transformation Plan and Project Renewal.

The Company recorded restructuring costs of \$23.8 million and \$6.8 million for the six months ended June 30, 2012 and 2011, respectively. The year-over-year increase in restructuring costs was attributable to Project Renewal, which commenced in October 2011. The restructuring costs for the six months ended June 30, 2012 relate to Project Renewal and the European Transformation Plan and consist of \$16.0 million of employee severance, termination benefits and employee relocation costs and \$7.8 million of exited contractual commitments and other restructuring costs. The \$6.8 million of restructuring costs for the six months ended June 30, 2011 relate to the European Transformation Plan and primarily consist of employee severance, termination benefits and employee relocation costs. See Footnote 4 of the Notes to Condensed Consolidated Financial Statements for further information.

Operating income for the six months ended June 30, 2012 was 10.9% of net sales, or \$309.7 million, versus 11.5% of net sales, or \$323.9 million, for the six months ended June 30, 2011. The 60 basis point decrease in operating margin is primarily attributable to the 50 basis point increase in constant currency SG&A costs as a percentage of net sales and the increase in European Transformation Plan and Project Renewal restructuring costs, partially offset by the 40 basis point increase in gross margin.

Net nonoperating expenses for the six months ended June 30, 2012 were \$41.1 million versus \$53.0 million for the six months ended June 30, 2011. Excluding the impacts of losses related to extinguishments of debt of \$4.8 million, which did not recur in the 2012 period, net nonoperating expenses decreased \$7.1 million. Interest expense for the six months ended June 30, 2012 was \$40.7 million, a decrease of \$2.5 million from \$43.2 million for the six months ended June 30, 2011, due to lower average debt levels in 2012.

The Company recognized income tax expense of \$77.5 million for the six months ended June 30, 2012, compared to \$51.6 million for the six months ended June 30, 2011. The Company's effective tax rate was 28.9% for the six months ended June 30, 2012, compared to 19.0% for the six months ended June 30, 2011. The increase in the effective tax rate is primarily attributable to \$11.1 million of income tax expense recorded during the six months ended June 30, 2012 associated with reserves for certain income tax contingencies and other non-cash income tax charges associated with the European Transformation Plan. The effective rate

for the six months ended June 30, 2011 was favorably impacted by \$20.8 million of benefits attributable to the reversal of taxes accrued for certain tax contingencies, including interest and penalties, upon the expiration of various worldwide statutes of limitation.

Business Segment Operating Results:

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

	2012	2011	% Change
Newell Consumer	\$ 1,448.0	\$ 1,490.2	(2.8)%
Newell Professional	1,036.0	1,003.8	3.2
Baby & Parenting	364.6	325.5	12.0
Total net sales	<u>\$ 2,848.6</u>	<u>\$ 2,819.5</u>	1.0 %

The following table sets forth an analysis of changes in net sales in each segment for the six months ended June 30, 2012 as compared to the six months ended June 30, 2011:

	Newell Consumer	Newell Professional	Baby & Parenting
Core sales	(1.6)%	5.3 %	13.0 %
Foreign currency	(1.2)	(2.1)	(1.0)
Total change in net sales	<u>(2.8)%</u>	<u>3.2 %</u>	<u>12.0 %</u>

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

	2012	2011	% Change
Newell Consumer	\$ 221.1	\$ 234.3	(5.6)%
Newell Professional	134.3	129.7	3.5
Baby & Parenting	41.6	20.4	103.9
Restructuring costs	(23.8)	(6.8)	(250.0)
Corporate ⁽¹⁾	(63.5)	(53.7)	(18.2)
Total operating income	<u>\$ 309.7</u>	<u>\$ 323.9</u>	(4.4)%

(1) Includes restructuring-related costs of \$16.6 million and \$14.3 million for the six months ended June 30, 2012 and 2011, respectively, associated with the European Transformation Plan and \$3.9 million of restructuring-related costs associated with Project Renewal for the six months ended June 30, 2012.

Newell Consumer

Net sales for the six months ended June 30, 2012 were \$1,448.0 million, a decrease of \$42.2 million, or 2.8%, from \$1,490.2 million for the six months ended June 30, 2011. Core sales decreased 1.6% primarily due to continuing challenges in the Décor business within the Home, Organization & Style GBU and a challenging macroeconomic environment in Europe which adversely impacted the Fine Writing & Luxury Accessories GBU, partially offset by mid-single digit core sales growth in the Writing & Creative Expression GBU. Foreign currency had an unfavorable impact of 1.2%.

Operating income for the six months ended June 30, 2012 was \$221.1 million, or 15.3% of net sales, a decrease of \$13.2 million, or 5.6%, from \$234.3 million, or 15.7% of net sales, for the six months ended June 30, 2011. The 40 basis point decline in operating margin is primarily attributable to an increase in SG&A costs. In constant currency, SG&A costs as a percentage of net sales increased 50 basis points due to higher brand building and ongoing strategic SG&A spending, partially offset by a reduction in structural SG&A driven by savings realized from Project Renewal.

Newell Professional

Net sales for the six months ended June 30, 2012 were \$1,036.0 million, an increase of \$32.2 million, or 3.2%, from \$1,003.8 million for the six months ended June 30, 2011. Core sales increased 5.3% with growth across all GBUs, led by double-digit core sales growth in the Industrial Products & Services GBU and mid- and high-single-digit growth in the Technology and Construction Tools & Accessories GBUs, respectively. Foreign currency had an unfavorable impact of 2.1%.

Operating income for the six months ended June 30, 2012 was \$134.3 million, or 13.0% of net sales, an increase of \$4.6 million, or 3.5%, from \$129.7 million, or 12.9% of net sales, for the six months ended June 30, 2011. The increase in operating margin is

attributable to an improvement in gross margins due to pricing and productivity, partially offset by input cost inflation and a 40 basis point increase in constant currency SG&A costs as a percentage of sales due to higher brand building and ongoing strategic SG&A spending and structural SG&A to support geographic expansion.

Baby & Parenting

Net sales for the six months ended June 30, 2012 were \$364.6 million, an increase of \$39.1 million, or 12.0%, from \$325.5 million for the six months ended June 30, 2011. Core sales increased 13.0%, which was primarily attributable to improvements in sales at the retail level in North America and sustained growth momentum in the Asia Pacific markets. Foreign currency had an unfavorable impact of 1.0%.

Operating income for the six months ended June 30, 2012 was \$41.6 million, or 11.4% of net sales, an increase of \$21.2 million, or 103.9%, from \$20.4 million, or 6.3% of net sales, for the six months ended June 30, 2011. The 510 basis point increase in operating margin is attributable to increased sales, gross margin gains due to pricing and productivity, and SG&A expense leverage partially offset by input cost inflation. In constant currency, SG&A costs remained relatively unchanged compared to the same period in 2011.

Liquidity and Capital Resources

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

	2012	2011
Cash provided by (used in) operating activities	\$ 55.7	\$ (15.5)
Cash used in investing activities	(82.3)	(116.0)
Cash provided by financing activities	227.8	132.4
Currency effect on cash and cash equivalents	(0.6)	3.1
Increase in cash and cash equivalents	<u>\$ 200.6</u>	<u>\$ 4.0</u>

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

Sources

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

Cash provided by operating activities for the six months ended June 30, 2012 was \$55.7 million compared to a use of \$15.5 million for the six months ended June 30, 2011. This improvement is primarily attributable to lower incentive compensation and customer program payments and better management of non-operating working capital in 2012, partially offset by increased contributions to the Company's U.S. pension and other retirement plans.

During the six months ended June 30, 2012, the Company obtained net proceeds of \$71.1 million from its short-term borrowing arrangements, including commercial paper and its receivables facility, and this compared to \$177.8 million of net proceeds from these borrowing arrangements in the six months ended June 30, 2011. The Company's short-term borrowings, which include commercial paper and receivables financing facility, were \$175.5 million at June 30, 2012 compared to \$313.9 million at June 30, 2011. The reduction in short-term borrowings is primarily due to the issuance of long-term debt during the second quarter of 2012 and use of a portion of the proceeds to pay down short-term borrowings. In June 2012, the Company completed the offering and sale of \$500.0 million of unsecured senior notes, consisting of \$250.0 million aggregate principal amount of 2.0% notes due 2015 (the "2015 Notes") and \$250.0 million aggregate principal amount of 4.0% notes due 2022 (the "2022 Notes" and, together with the 2015 Notes, the "Notes"). The aggregate net proceeds from the Notes were \$495.1 million, which were used in July 2012 to fund the redemption of all of the \$436.7 million outstanding principal amount of 5.25% junior convertible subordinated debentures (the "Debentures") that underlie the convertible preferred securities (the "Preferred Securities"), to reduce short-term borrowings and for general corporate purposes.

Uses

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

During the six months ended June 30, 2012, the Company retired the \$250.0 million outstanding principal amount of the 6.75% medium-term notes (the "2012 Notes") at maturity in March 2012, for which interest expense was previously recorded at a rate of approximately 3.5% after contemplating the effect of the interest rate swap related to the 2012 Notes. The Company used short-term borrowings to repay the 2012 Notes.

Aggregate dividends paid were \$53.3 million and \$38.1 million for the six months ended June 30, 2012 and 2011, respectively. The Company's Board of Directors approved a 25% increase in the Company's quarterly dividend from \$0.08 per share to \$0.10 per share, effective with the quarterly dividend paid in June 2012.

In August 2011, the Company announced a \$300.0 million share repurchase program (the "SRP"). The SRP is authorized to run for a period of three years ending in August 2014. During the six months ended June 30, 2012, the Company repurchased and retired approximately 2.3 million shares pursuant to the SRP for \$41.3 million.

Capital expenditures were \$85.0 million and \$96.1 million for the six months ended June 30, 2012 and 2011, respectively. The largest single capital project in both six month periods was the implementation of SAP, which represented \$23.4 million and \$28.2 million of capital expenditures for the six months ended June 30, 2012 and 2011, respectively.

Cash paid for restructuring activities was \$22.4 million and \$20.5 million for the six months ended June 30, 2012 and 2011, respectively, and is included in the cash provided by (used in) operating activities. These payments relate primarily to employee severance, termination benefits and relocation costs, and exited contractual commitments and other charges.

Cash Conversion Cycle

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

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

	June 30, 2012	December 31, 2011	June 30, 2011
Accounts receivable	67	61	66
Inventory	84	68	87
Accounts payable	(54)	(46)	(61)
Cash conversion cycle	97	83	92

The Company's cash conversion cycle is impacted by the seasonality of its businesses and generally tends to be longer in the first and second quarters, based on historical trends, due to inventory build-ups early in the year for seasonal sales activity and credit terms provided to customers. The Company continues to leverage SAP in North America to improve working capital, and the Company's cash conversion cycle at June 30, 2012 was approximately five days higher than its cash conversion cycle at June 30, 2011, primarily due to the timing of inventory reductions and the impact on working capital of the SAP go-live in Europe.

Financial Position

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

- Cash and cash equivalents at June 30, 2012 were \$370.8 million, and the Company had an aggregate of \$826.5 million of available borrowing capacity under its receivables facility and the \$800.0 million unsecured syndicated revolving credit facility.
- Working capital at June 30, 2012 was \$210.4 million compared to \$487.1 million at December 31, 2011, and the current ratio at June 30, 2012 was 1.09:1 compared to 1.29:1 at December 31, 2011. The decrease in working capital and the current ratio is primarily attributable to the increase in current portion of long-term debt compared to December 31, 2011, since the current portion of long-term debt at June 30, 2012 includes \$500.0 million of medium-term notes maturing in April 2013 as well as \$436.7 million of the Company's Debentures which were called for redemption in June 2012 and redeemed in July 2012.
- The Company monitors its overall capitalization by evaluating total debt to total capitalization. Total debt to total capitalization is defined as the sum of short- and long-term debt, less cash, divided by the sum of total debt and stockholders'

equity, less cash. Total debt to total capitalization was 0.52:1 at June 30, 2012 and December 31, 2011.

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

Borrowing Arrangements

In December 2011, the Company entered into a five-year credit agreement (the "Credit Agreement") with a syndicate of banks. The Credit Agreement provides for an unsecured syndicated revolving credit facility with a maturity date of December 2, 2016, and an aggregate commitment at any time outstanding of up to \$800.0 million (the "Facility"). The Facility is intended to be used for general corporate purposes and, in addition, provides the committed backup liquidity required to issue commercial paper. Accordingly, commercial paper may be issued only up to the amount available for borrowing under the Facility. The Facility also provides for the issuance of up to \$100.0 million of letters of credit, so long as there is a sufficient amount available for borrowing under the Facility. In addition to the committed portion of the Facility, the Credit Agreement provides for extensions of competitive bid loans from one or more lenders (at the lenders' discretion) of up to \$500.0 million, which are not a utilization of the amount available for borrowing under the Facility. As of June 30, 2012, there were no borrowings or standby letters of credit issued or outstanding under the Facility while commercial paper obligations outstanding were \$173.5 million, resulting in \$626.5 million of borrowing capacity available under the Facility.

In September 2011, the Company renewed its 364-day receivables financing facility that provides for maximum borrowings of up to \$200.0 million. Unless it is extended, the receivables facility will expire in September 2012. As of June 30, 2012, no borrowings were outstanding under the receivables facility.

The following table presents the maximum and average daily borrowings outstanding under the Company's short-term borrowing arrangements during the six months ended June 30, (in millions):

Short-term Borrowing Arrangement	2012		2011	
	Maximum	Average	Maximum	Average
Commercial paper	\$ 392.8	\$ 232.9	\$ 214.5	\$ 115.3
Receivables financing facility	200.0	101.9	200.0	140.6

The indentures governing the Company's medium-term notes contain usual and customary nonfinancial covenants. The Company's borrowing arrangements other than the medium-term notes contain usual and customary nonfinancial covenants and certain financial covenants, including minimum interest coverage and maximum debt-to-total-capitalization ratios. As defined by the agreements governing the borrowing arrangements, minimum interest coverage ratio is computed as adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") divided by adjusted interest expense for the four most recent quarterly periods. Generally, maximum debt-to-total-capitalization is calculated as the sum of short-term and long-term debt, excluding the junior convertible subordinated debentures, divided by the sum of (i) total debt, (ii) total stockholders' equity and (iii) a specified dollar amount ranging from \$550.0 million to \$750.0 million related to impairment charges incurred by the Company. As of June 30, 2012, the Company had complied with all covenants under the indentures and its other borrowing arrangements, and the Company could access the full borrowing capacity available under the Facility, \$626.5 million, and the receivables facility, \$200.0 million, and utilize the \$826.5 million for general corporate purposes without exceeding the debt-to-total-capitalization limits in its financial covenants. A failure to maintain the financial covenants would impair the Company's ability to borrow under the Facility and the receivables facility and may result in the acceleration of the repayment of certain indebtedness.

Debt

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

Total debt was \$2.5 billion and \$2.2 billion as of June 30, 2012 and December 31, 2011, respectively. During the six months ended June 30, 2012, the Company repaid the \$250.0 million outstanding principal amount of the 6.75% medium-term notes due March 2012 at maturity. As of June 30, 2012, the current portion of long-term debt and short-term debt totaled \$1,121.8 million, including \$436.7 million outstanding amount of the Debentures that were repaid in July 2012, \$500.0 million principal amount of the 5.5%

senior notes due April 2013 and \$173.5 million of commercial paper obligations.

In June 2012, the Company completed the offering and sale of the Notes. The aggregate net proceeds from the Notes were \$495.1 million, which were used to fund the redemption of all of the \$436.7 million outstanding amount of the Debentures in July 2012, to reduce short-term borrowings and for general corporate purposes.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Average outstanding debt	\$ 2,307.2	\$ 2,487.3	\$ 2,235.5	\$ 2,415.8
Average interest rate ⁽¹⁾	3.6%	3.5%	3.7%	3.6%

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

The Company's floating-rate debt, which includes medium-term notes that are subject to fixed-for-floating interest rate swaps, was 18.5% and 17.7% of total debt as of June 30, 2012 and December 31, 2011, respectively. The increase in floating-rate debt is primarily due to an increase of \$71.9 million in short-term debt outstanding at June 30, 2012 compared to December 31, 2011. See Footnote 6 of the Notes to Condensed Consolidated Financial Statements for further information.

Pension and Other Obligations

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

Future increases or decreases in pension liabilities and required cash contributions are highly dependent on changes in interest rates and the actual return on plan assets. The Company determines its plan asset investment mix, in part, on the duration of each plan's liabilities. To the extent each plan's assets decline in value or do not generate the returns expected by the Company or interest rates decline further, the Company may be required to make contributions to the pension plans to ensure the pension obligations are adequately funded as required by law or mandate. During the six months ended June 30, 2012, the Company contributed \$32.9 million to its U.S. pension plan, a majority of which was required to be contributed based on the funded status of the plan.

Dividends

The Company's Board of Directors approved a 25% increase in the Company's quarterly dividend from \$0.08 per share to \$0.10 per share, effective with the quarterly dividend paid in June 2012. The Company intends to maintain dividends at a level such that operating cash flows can be used to repay outstanding debt and improve its investment grade credit rating.

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

Share Repurchase Program

In August 2011, the Company announced a \$300.0 million share repurchase program (the "SRP"). Under the SRP, the Company may repurchase its own shares of common stock through a combination of a 10b5-1 automatic trading plan, discretionary market purchases or in privately negotiated transactions. The SRP is authorized to run for a period of three years ending in August 2014. During the six months ended June 30, 2012, the Company repurchased 2.3 million shares pursuant to the SRP for \$41.3 million, and such shares were immediately retired. Since the SRP's inception, the Company has repurchased and retired a total of 5.7 million shares for \$87.4 million. During July 2012, the Company purchased an additional 0.5 million shares at an aggregate cost of \$8.8 million. The repurchase of additional shares will depend upon many factors, including the Company's financial condition, liquidity and legal requirements.

Credit Ratings

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

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

Outlook

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

Overall, the Company believes that available cash and cash equivalents, cash flows generated from future operations, access to capital markets, and availability under the Facility and receivables facility will be adequate to support the cash needs of existing businesses. The Company plans to use available cash, borrowing capacity, cash flows from future operations and alternative financing arrangements to repay debt maturities as they come due, including current portion of long-term debt of \$946.3 million (of which \$436.7 million was repaid in July 2012) and short-term debt of \$175.5 million, primarily representing commercial paper obligations.

Contractual Obligations, Commitments and Off-Balance Sheet Arrangements

The Company has outstanding debt obligations maturing at various dates through 2028. During the three months ended June 30, 2012, the Company completed the offering and sale of \$500.0 million aggregate principal amount of unsecured senior notes due 2015 and 2022. In addition, the Company initiated a tender offer to redeem all of the \$436.7 million outstanding 5.25% junior convertible subordinated debentures (the "Debentures") underlying the 5.25% convertible preferred securities. Additional details regarding the debt obligations are provided in Footnote 6 of the Notes to Condensed Consolidated Financial Statements.

The following table summarizes the effect the Company's outstanding debt obligations as of June 30, 2012 are expected to have on the Company's cash flows in the indicated period as well as the timing of interest payments on borrowings outstanding (*in millions*):

	Payments Due in Year Ending December 31,				
	Total	2012 (1)	2013 and 2014	2015 and 2016	2017 and Later
Debt ⁽²⁾	\$ 2,494.2	\$ 618.8	\$ 503.0	\$ 250.0	\$ 1,122.4
Interest on debt ⁽³⁾	\$ 485.1	\$ 47.1	\$ 132.3	\$ 111.1	\$ 194.6

(1) Represents amounts due for the remainder of 2012 including \$173.5 million of commercial paper outstanding at June 30, 2012 and \$436.7 million principal amount of the Debentures classified as current portion of long-term debt at June 30, 2012.

(2) Amounts represent contractual obligations based on the earliest date the obligation may become due, excluding interest, based on borrowings outstanding as of June 30, 2012. For further information relating to these obligations, see Footnote 6 of the Notes to Condensed Consolidated Financial Statements.

(3) Interest on floating rate debt was estimated using the rate in effect as of June 30, 2012.

Except as noted below, there were no material changes to the Company's other commitments and obligations, including lease commitments and purchase obligations, during the three and six months ended June 30, 2012.

During the six months ended June 30, 2012, the Company entered into new real estate leases with initial or extended terms ranging from 5 to 10 years that increases the Company's lease commitments by approximately \$85.6 million compared to the \$408.2 million of lease commitments disclosed in the Company's Form 10-K for the year ended December 31, 2011.

Critical Accounting Policies

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

Forward-Looking Statements

Forward-looking statements in this Report are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may relate to, but are not limited to, information or assumptions about the effects of sales (including pricing), income/(loss), earnings per share, return on equity, return on invested capital, operating income, operating margin or gross margin improvements or declines, Project Renewal, the European Transformation Plan, capital and other expenditures, working capital, cash flow, dividends, capital structure, debt to capitalization ratios, debt ratings, availability of financing, interest rates, restructuring and restructuring-related costs, impairment and other charges, potential losses on divestitures, impacts of changes in accounting standards, pending legal proceedings and claims (including environmental matters), future economic performance, costs and cost savings (including raw material and sourced product inflation, productivity and streamlining), synergies, management's plans, goals and objectives for future operations, performance and growth or the assumptions relating to any of the forward-looking statements. These statements generally are accompanied by words such as "intend," "anticipate," "believe," "estimate," "project," "target," "plan," "expect," "will," "should," "would" or similar statements. The Company cautions that forward-looking statements are not guarantees because there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, the Company's dependence on the strength of retail, commercial and industrial sectors of the economy in light of the continuation or escalation of the global economic slowdown or regional sovereign debt issues; currency fluctuations; competition with other manufacturers and distributors of consumer products; major retailers' strong bargaining power; changes in the prices of raw materials and sourced products and the Company's ability to obtain raw materials and sourced products in a timely manner from suppliers; the Company's ability to develop innovative new products and to develop, maintain and strengthen its end-user brands; the Company's ability to expeditiously close facilities and move operations while managing foreign regulations and other impediments; the Company's ability to implement successfully information technology solutions throughout its organization; the Company's ability to improve productivity and streamline operations; changes to the Company's credit ratings; significant increases in the funding obligations related to the Company's pension plans due to declining asset values, declining interest rates or otherwise; the imposition of tax liabilities greater than the Company's provisions for such matters; the risks inherent in the Company's foreign operations and those matters set forth in this Report generally and Exhibit 99.1 to this Report. In addition, there can be no assurance that the Company has correctly identified and assessed all of the factors affecting the Company or that the publicly available and other information the Company receives with respect to these factors is complete or correct.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

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

Item 4. Controls and Procedures

As of June 30, 2012, an evaluation was performed by the Company's management, under the supervision and with the participation of the Company's chief executive officer and chief financial officer, of the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the chief executive officer and the chief financial officer concluded that the Company's disclosure controls and procedures were effective.

The internal control over financial reporting at the Company's Europe, Middle East and Africa operations changed during the quarter ended June 30, 2012 due to the implementation of SAP. The implementation was successful and did not have an adverse effect on the Company's internal control over financial reporting. There were no changes in the Company's internal control over financial reporting at the Company's other businesses that occurred during the quarter ended June 30, 2012 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company is in the process of replacing various business information systems worldwide with an enterprise resource planning system from SAP. Implementation will continue to occur over several years in phases, primarily focused on geographic region and segment. This activity involves the migration of multiple legacy systems and users to a common SAP information platform. In addition, this conversion will impact certain interfaces with the Company's customers and suppliers, resulting in changes to the tools the Company uses to take orders, procure materials, schedule production, remit billings, make payments and perform other business functions.

PART II. OTHER INFORMATION**Item 1. Legal Proceedings**

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

Item 1A. Risk Factors

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

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**ISSUER PURCHASES OF EQUITY SECURITIES**

The following table provides information about the Company's purchases of equity securities during the quarter ended June 30, 2012:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1)
4/1/12-4/30/12	492,500	\$ 17.40	492,500	\$ 228,920,502
5/1/12-5/31/12	177,615 ⁽²⁾	18.23	164,200	225,931,845
6/1/12-6/30/12	736,409 ⁽²⁾	18.14	735,800	212,584,716
Total	1,406,524	\$ 17.89	1,392,500	\$ 212,584,716

(1) On August 12, 2011, the Company announced a \$300.0 million share repurchase program (the "SRP"). Under the SRP, the Company may repurchase its own shares of common stock through a combination of a 10b5-1 automatic trading plan, discretionary market purchases or in privately negotiated transactions. The SRP is authorized to run through August 2014. The average per share purchase price for April, May and June 2012 were \$17.40, \$18.20 and \$18.14, respectively.

(2) All shares purchased by the Company during the quarter ended June 30, 2012 other than those purchased under the SRP were acquired to satisfy employees' tax withholding and payment obligations in connection with the vesting of awards of restricted stock units, which are repurchased by the Company based on their fair market value on the vesting date. In May and June 2012, in addition to the shares purchased under the SRP, the Company purchased 13,415 shares (average price: \$18.66) and 609 shares (average price: \$18.31), respectively, in connection with vesting of employees' stock-based awards.

Item 6. Exhibits

4.1	Indenture, dated as of June 14, 2012, between Newell Rubbermaid Inc. and The Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated June 11, 2012).
4.2	Form of 2.000% Note due 2015 issued pursuant to the Indenture, dated as of June 14, 2012, between Newell Rubbermaid Inc. and The Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated June 11, 2012).
4.3	Form of 4.000% Note due 2022 issued pursuant to the Indenture, dated as of June 14, 2012, between Newell Rubbermaid Inc. and The Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K dated June 11, 2012).
10.1	First Amendment dated June 8, 2012 to the Credit Agreement dated as of December 2, 2011 among Newell Rubbermaid Inc., the subsidiary borrowers party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent.
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Safe Harbor Statement.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

SIGNATURES

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

NEWELL RUBBERMAID INC.

Registrant

Date: August 7, 2012

/s/ Juan R. Figuero

Juan R. Figuero

Chief Financial Officer

Date: August 7, 2012

/s/ John B. Ellis

John B. Ellis

Vice President – Corporate Controller and

Chief Accounting Officer

AMENDMENT NO. 1

AMENDMENT NO. 1 (this "Amendment") dated as of June 8, 2012 to the Credit Agreement referred to below, between Newell Rubbermaid Inc. (the "Company"), each of the Subsidiary Borrowers identified under the caption "SUBSIDIARY BORROWERS" on the signature pages hereto, each of the Lenders party hereto and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent thereunder (in such capacity, the "Administrative Agent").

WHEREAS, the Company, the Subsidiary Borrowers party thereto, the Lenders party thereto (individually, a "Lender" and, collectively, the "Lenders") and the Administrative Agent are parties to a Credit Agreement dated as of December 2, 2011 (as amended and in effect immediately prior to giving effect to this Amendment, the "Credit Agreement"); and

WHEREAS, the Company and the Lenders wish to amend the Credit Agreement in certain respects;

NOW, THEREFORE, the parties hereto hereby agree as follows:

Section 1. Definitions. Capitalized terms used in this Amendment and not otherwise defined are used herein as defined in the Credit Agreement.

Section 2. Amendments. Effective as provided (and subject to the satisfaction of the conditions precedent) in Section 5 hereof, the Credit Agreement shall be amended as follows:

2.01. General References. References in the Credit Agreement (including references to the Credit Agreement as amended hereby) to "this Agreement" (and indirect references such as "hereunder", "hereby", "herein" and "hereof") shall be deemed to be references to the Credit Agreement as amended hereby.

2.02. Schedule 3.12 (Existing Agreements). Schedule 3.12 to the Credit Agreement shall be amended by adding to such schedule, at the end thereof, the following additional item:

"10. Deed of Guarantee dated November 16, 2007, between the Company and the trustees of certain Company related United Kingdom pension schemes whereby the Company guarantees the obligations of certain of its United Kingdom subsidiaries' pension funding commitments as set forth in an agreed upon schedule of contributions. The current schedule of contributions provides for contributions of approximately £750,000 per month. A new schedule of contributions will be entered into in 2014 based upon updated valuations."

Section 3. Waiver. The Required Lenders hereby waive any Default that may have occurred and be continuing as of the date hereof by reason of the omission from Schedule 3.12 to the Credit Agreement of the additional item referred to in Section 2.02 hereof.

Section 4. Representations and Warranties. The Company represents and warrants to the Administrative Agent and the Lenders that, as of the date hereof, (a) the representations and warranties of the Loan Parties set forth in the Credit Agreement and the other Loan Documents, in each case as amended hereby, are true and correct on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of an earlier date, as of such earlier date); and (b) no Default shall have occurred and be continuing under the Credit Agreement as amended hereby (after giving effect to Section 3 hereof).

Section 5. Conditions to Effectiveness. The amendments to the Credit Agreement set forth in Section 2 hereof and the waivers set forth in Section 3 hereof shall become effective as of the date


hereof upon receipt by the Administrative Agent of one or more counterparts of this Amendment signed on behalf of the Company and the Required Lenders.

Section 6. Miscellaneous. Except as herein provided, the Credit Agreement shall remain unchanged and in full force and effect. The Company shall pay all reasonable expenses incurred by the Administrative Agent, including the reasonable fees, charges and disbursements of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to JPMCB, in connection with the preparation, negotiation, execution and delivery of, and satisfaction of the conditions under, this Amendment. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement and any of the parties hereto may execute this Amendment by signing any such counterpart. This Amendment shall be governed by, and construed in accordance with, the law of the State of New York.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be duly executed and delivered as of the day and year first above written.

NEWELL RUBBERMAID INC.

By 

Name: Dale L. Metz

Title: Vice President and Treasurer

Signature Page to Amendment No. 1

SUBSIDIARY BORROWERS

[NONE AS OF THE DATE OF THIS AMENDMENT]

LENDERS

JPMORGAN CHASE BANK, N.A.,
as a Lender and the Administrative Agent

By 
Name: Matthew H. Massie
Title: Managing Director

BARCLAYS BANK PLC

By _____
Name:
Title:

CITIBANK, N.A.

By _____
Name:
Title:

ROYAL BANK OF CANADA

By _____
Name:
Title:

BANK OF AMERICA, N.A.

By _____
Name:
Title:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH

By _____
Name:
Title:

Signature Page to Amendment No. 1

LENDERS

JPMORGAN CHASE BANK, N.A.,
as a Lender and the Administrative Agent

By _____
Name:
Title:

BARCLAYS BANK PLC

By Lisa Minigh
Name: Lisa Minigh
Title: Assistant Vice President

CITIBANK, N.A.

By _____
Name:
Title:

ROYAL BANK OF CANADA

By _____
Name:
Title:

BANK OF AMERICA, N.A.

By _____
Name:
Title:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH

By _____
Name:
Title:

By _____
Name:
Title:

Signature Page to Amendment No. 1

LENDERS

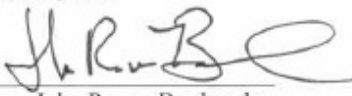
JPMORGAN CHASE BANK, N.A.,
as a Lender and the Administrative Agent

By _____
Name:
Title:

BARCLAYS BANK PLC

By _____
Name:
Title:

CITIBANK, N.A.

By 
Name: John R. van Brederode
Title: Vice President

ROYAL BANK OF CANADA

By _____
Name:
Title:

BANK OF AMERICA, N.A.

By _____
Name:
Title:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH

By _____
Name:
Title:

By _____
Name:
Title:

Signature Page to Amendment No. 1

LENDERS

JPMORGAN CHASE BANK, N.A.,
as a Lender and the Administrative Agent

By _____
Name:
Title:

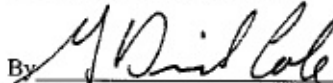
BARCLAYS BANK PLC

By _____
Name:
Title:

CITIBANK, N.A.

By _____
Name:
Title:

ROYAL BANK OF CANADA

By 
Name: David Cole
Title: Authorized Signatory

BANK OF AMERICA, N.A.

By _____
Name:
Title:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH

By _____
Name:
Title:

By _____
Name:
Title:

Signature Page to Amendment No. 1

LENDERS

JPMORGAN CHASE BANK, N.A.,
as a Lender and the Administrative Agent

By _____
Name:
Title:

BARCLAYS BANK PLC

By _____
Name:
Title:

CITIBANK, N.A.

By _____
Name:
Title:

ROYAL BANK OF CANADA

By _____
Name:
Title:

BANK OF AMERICA, N.A.

By  _____
Name: David L. Catherall
Title: Director

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH

By _____
Name:
Title:

By _____
Name:
Title:

Signature Page to Amendment No. 1

LENDERS

JPMORGAN CHASE BANK, N.A.
as a Lender and the Administrative Agent

By _____
Name:
Title:

BARCLAYS BANK PLC

By _____
Name:
Title:

CITIBANK, N.A.

By _____
Name:
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ROYAL BANK OF CANADA

By _____
Name:
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BANK OF AMERICA, N.A.

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Name:
Title:

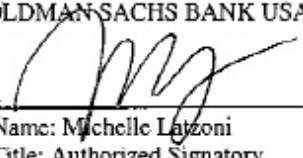
CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH

By  _____
Name: BILL O'DALY
Title: DIRECTOR

By  _____
Name: Sanja Gazahi
Title: Associate

Signature Page to Amendment No. 1

GOLDMAN SACHS BANK USA

By: 
Name: Michelle Lazoni
Title: Authorized Signatory

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

By: _____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
Name:
Title:

THE NORTHERN TRUST COMPANY

By: _____
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION

By: _____
Name:
Title:


U.S. BANK NATIONAL ASSOCIATION

By: _____
Name:
Title:

GOLDMAN SACHS BANK USA

By _____
Name:
Title:

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

By 
Name: Maria Ieruccio
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION

By _____
Name:
Title:

THE NORTHERN TRUST COMPANY

By _____
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION

By _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION

By _____
Name:
Title:

Signature Page to Amendment No. 1

GOLDMAN SACHS BANK USA

By _____
Name:
Title:

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

By _____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By 
Name: *Arden G. Ryan*
Title: *Director*

THE NORTHERN TRUST COMPANY

By _____
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION

By _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION

By _____
Name:
Title:

Signature Page to Amendment No. 1

GOLDMAN SACHS BANK USA

By _____
Name:
Title:

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

By _____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By _____
Name:
Title:

THE NORTHERN TRUST COMPANY

By Kelvin Kew
Name: Kelvin Kew
Title: VP

PNC BANK, NATIONAL ASSOCIATION

By _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION

By _____
Name:
Title:

Signature Page to Amendment No. 1

GOLDMAN SACHS BANK USA

By _____
Name:
Title:

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

By _____
Name:
Title:


WELLS FARGO BANK, NATIONAL ASSOCIATION

By _____
Name:
Title:

THE NORTHERN TRUST COMPANY

By _____
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION

By  _____
Name: JAMES R. PAVOR
Title: SENIOR VICE PRESIDENT

U.S. BANK NATIONAL ASSOCIATION

By _____
Name:
Title:

Signature Page to Amendment No. 1

GOLDMAN SACHS BANK USA

By _____
Name:
Title:

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

By _____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By _____
Name:
Title:

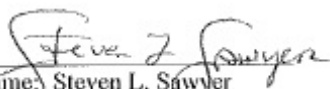
THE NORTHERN TRUST COMPANY

By _____
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION

By _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION

By 
Name: Steven L. Sawyer
Title: Vice President

ING BANK, N.V., DUBLIN BRANCH

By 
Name:
Title: Maurice Kenny
Director

By 
Name: Sean Hassett
Title: Director

RBC BANK (USA)

By _____
Name:
Title:

CERTIFICATION

I, Michael B. Polk, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2012 of Newell Rubbermaid Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2012

/s/ Michael B. Polk

Michael B. Polk

Chief Executive Officer

CERTIFICATION

I, Juan R. Figuereo, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2012 of Newell Rubbermaid Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2012

/s/ Juan R. Figuereo

Juan R. Figuereo
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 June 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael B. Polk, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael B. Polk

Michael B. Polk

Chief Executive Officer

August 7, 2012

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

In connection with the Quarterly Report of Newell Rubbermaid Inc. (the "Company") on Form 10-Q for the period ending June 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Juan R. Figuero, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Juan R. Figuero

Juan R. Figuero
Chief Financial Officer
August 7, 2012

NEWELL RUBBERMAID INC. SAFE HARBOR STATEMENT

The Company has made statements in its Annual Report on Form 10-K for the year ended December 31, 2011, as well as in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, and the documents incorporated by reference therein that constitute forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties. The statements relate to, and other forward-looking statements that may be made by the Company may relate to, but are not limited to, information or assumptions about the effects of Project Renewal, the European Transformation Plan, sales (including pricing), income/ (loss), earnings per share, return on equity, return on invested capital, capital and other expenditures, working capital, cash flow, dividends, capital structure, debt to capitalization ratios, availability of financing, interest rates, restructuring and restructuring-related costs, impairment and other charges, potential losses on divestitures, impacts of changes in accounting standards, pending legal proceedings and claims (including environmental matters), future economic performance, operating income, operating or gross margin improvements or declines, costs and cost savings (including raw material and sourced product inflation, productivity and streamlining), synergies, and management's plans, goals and objectives for future operations, performance and growth. These statements generally are accompanied by words such as "intend," "anticipate," "believe," "estimate," "project," "target," "plan," "expect," "will," "should," "would" or similar statements. Forward-looking statements are not guarantees because there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. The factors that are discussed below, as well as the matters that are set forth generally in the 2011 Form 10-K and the second quarter 2012 Form 10-Q and the documents incorporated by reference therein could cause actual results to differ. Some of these factors are described as criteria for success. The Company's failure to achieve, or limited success in achieving, these objectives could result in actual results differing materially from those expressed or implied in the forward-looking statements. In addition, there can be no assurance that the Company has correctly identified and assessed all of the factors affecting the Company or that the publicly available and other information the Company receives with respect to these factors is complete or correct.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Company is in the process of replacing various business information systems worldwide with an enterprise resource planning system from SAP. Through June 30, 2012, the North American and European operations of substantially all of the Company's nine GBUs have successfully gone live with their SAP implementation efforts. The Company's Asia Pacific and Latin American operations are scheduled to go live by the end of 2014. This activity involves the migration of multiple legacy systems and users to a common SAP information platform. Throughout this process, the Company is changing the way it conducts business and employees' roles in processing and utilizing information. In addition, this conversion will impact certain interfaces with the Company's customers and suppliers, resulting in changes to the manner in which the Company takes orders, procures materials, schedules production, remits billings, makes payments and performs other business functions. Based upon the complexity of this initiative, there is risk that the Company will be unable to complete the implementation in accordance with its timeline and will incur additional costs. The implementation could result in operating inefficiencies, and the implementation could impact the

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

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

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

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

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

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

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

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

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

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

As of June 30, 2012, the Company had \$685.1 million of debt that it will be required to refinance or repay within the next 12 months, excluding the \$436.7 million in junior convertible subordinated debentures that were called by the Company in June 2012,

but not redeemed until July 2012. It is possible that the Company may seek to address its short-term obligations through the capital markets or other arrangements. However, access to the capital markets cannot be assured, and although the Company believes that alternative arrangements will be available to refinance these obligations, such arrangements could result in an increase in the Company's borrowing costs.

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

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

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

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

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