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, 2007**

Commission File Number 1-9608

NEWELL RUBBERMAID INC.

(Exact name of registrant as specified in its charter)

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

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

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

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

Yes ☑ No o

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

Large Accelerated Filer ☑ Accelerated Filer o Non-Accelerated Filer o

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

Yes o No ☑

Number of shares of common stock outstanding (net of treasury shares) as of June 30, 2007: 279.3 million.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Net sales	$1,693.1	$1,634.1	$3,077.5	$2,976.7
Cost of products sold	1,087.5	1,071.1	1,997.2	1,981.6
GROSS MARGIN	605.6	563.0	1,080.3	995.1
Selling, general and administrative expenses	357.3	342.2	695.7	655.4
Restructuring costs	15.5	19.1	31.0	28.2
OPERATING INCOME	232.8	201.7	353.6	311.5
Nonoperating expenses:				
Interest expense, net	27.5	35.6	54.9	69.3
Other expense, net	1.5	1.8	2.3	4.3
Net nonoperating expenses	29.0	37.4	57.2	73.6
INCOME BEFORE INCOME TAXES	203.8	164.3	296.4	237.9
Income taxes	60.6	28.8	88.1	(27.8)
INCOME FROM CONTINUING OPERATIONS	143.2	135.5	208.3	265.7
Loss from discontinued operations, net of tax	(1.0)	(16.0)	(16.8)	(91.4)
NET INCOME	$ 142.2	$ 119.5	$ 191.5	$ 174.3
Weighted average shares outstanding:				
Basic	276.0	274.6	275.9	274.5
Diluted	286.1	283.6	277.9	283.5
Earnings (loss) per share:				
Basic –				
Income from continuing operations	$ 0.52	$ 0.49	$ 0.75	$ 0.97
Loss from discontinued operations	—	(0.06)	(0.06)	(0.33)
Earnings per common share	$ 0.52	$ 0.44	$ 0.69	$ 0.63
Diluted –				
Income from continuing operations	$ 0.51	$ 0.49	$ 0.75	$ 0.96
Loss from discontinued operations	—	(0.06)	(0.06)	(0.32)
Earnings per common share	$ 0.51	$ 0.43	$ 0.69	$ 0.64
Dividends per share	$ 0.21	$ 0.21	$ 0.42	$ 0.42

See Footnotes to Condensed Consolidated Financial Statements (Unaudited).

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

	June 30, 2007	December 31, 2006
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 162.8	$ 201.0
Accounts receivable, net	1,215.3	1,113.6
Inventories, net	973.5	850.6
Deferred income taxes	96.5	110.1
Prepaid expenses and other	138.9	133.5
Current assets of discontinued operations	—	68.1
TOTAL CURRENT ASSETS	2,587.0	2,476.9
PROPERTY, PLANT AND EQUIPMENT, NET	707.3	746.9
GOODWILL	2,496.8	2,435.7
OTHER INTANGIBLE ASSETS, NET	483.5	458.8
OTHER ASSETS	229.0	192.2
TOTAL ASSETS	$6,503.6	$6,310.5

See Footnotes to Condensed Consolidated Financial Statements (Unaudited).

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

	June 30, 2007	December 31, 2006
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 638.5	$ 549.9
Accrued compensation	122.3	177.9
Other accrued liabilities	663.8	710.9
Income taxes payable	0.7	144.3
Notes payable	21.4	23.9
Current portion of long-term debt	2.2	253.6
Current liabilities of discontinued operations	—	36.1
TOTAL CURRENT LIABILITIES	1,448.9	1,896.6
LONG-TERM DEBT	2,232.2	1,972.3
OTHER NONCURRENT LIABILITIES	797.2	551.4
STOCKHOLDERS' EQUITY:		
Common stock, authorized shares, 800.0 at $1.00 par value	292.3	291.0
Outstanding shares:		
2007 - 292.3		
2006 - 291.0		
Treasury stock, at cost;	(415.0)	(411.6)
Shares held:		
2007 - 15.8		
2006 - 15.7		
Additional paid-in capital	546.1	505.0
Retained earnings	1,764.5	1,690.4
Accumulated other comprehensive loss	(162.6)	(184.6)
TOTAL STOCKHOLDERS' EQUITY	2,025.3	1,890.2
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$6,503.6	$6,310.5

See Footnotes 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, 2007	2006
OPERATING ACTIVITIES:		
Net income	$ 191.5	$ 174.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	92.4	99.3
Deferred income taxes	41.7	10.7
Non-cash impairment charges	—	50.9
Non-cash restructuring costs	6.4	26.3
(Gain) loss on sale of assets	(0.8)	2.5
Stock-based compensation expense	18.5	15.4
Loss on disposal of discontinued operations	16.6	2.9
Non-cash income tax benefits	(1.9)	(100.7)
Other	(2.4)	(6.7)
Changes in operating assets and liabilities, excluding the effects of acquisitions:		
Accounts receivable	(79.9)	(28.5)
Inventories	(102.9)	(127.4)
Accounts payable	82.3	13.6
Accrued liabilities and other	(88.7)	(49.7)
Discontinued operations	—	9.2
NET CASH PROVIDED BY OPERATING ACTIVITIES	172.8	92.1
INVESTING ACTIVITIES:		
Acquisitions, net of acquired cash	(49.5)	(46.3)
Capital expenditures	(69.0)	(57.2)
Disposals of noncurrent assets and sale of businesses	(2.8)	40.2
NET CASH USED IN INVESTING ACTIVITIES	(121.3)	(63.3)
FINANCING ACTIVITIES:		
Proceeds from issuance of debt	353.4	167.2
Payments on notes payable and debt	(345.0)	(82.0)
Cash dividends paid	(117.3)	(116.4)
Proceeds from exercised stock options and other	16.6	2.3
NET CASH USED IN FINANCING ACTIVITIES	(92.3)	(28.9)
Currency rate effect on cash and cash equivalents	2.6	0.9
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(38.2)	0.8
Cash and cash equivalents at beginning of year	201.0	115.5
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 162.8	$ 116.3

See Footnotes to Condensed Consolidated Financial Statements (Unaudited).

Footnote 1 – Basis of Presentation and Significant Accounting Policies

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

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

Reclassifications: Certain amounts in prior periods have been reclassified to conform to the current year presentation and to reflect the results of discontinued operations. See Footnote 2 for a discussion of discontinued operations.

Footnote 2 – Discontinued Operations

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Net sales	$ —	$141.7	$ 3.6	$283.9
Loss from operations of discontinued operations, net of income tax expense of $- million and $2.0 million for the three months ended June 30, 2007 and 2006, respectively, and an income tax benefit of $- million and $3.4 million for the six months ended June 30, 2007 and 2006, respectively	$ —	$ (14.7)	$ (0.2)	$ (88.5)
Loss on disposal of discontinued operations, net of income tax expense of $0.1 and income tax benefit of $3.9 for the three and six months ended June 30, 2007, respectively, and income tax benefit of $0.4 for the three and six months ended June 30, 2006	(1.0)	(1.3)	(16.6)	(2.9)
Loss from discontinued operations, net of tax	$(1.0)	$ (16.0)	$(16.8)	$ (91.4)

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

Home Décor Europe

The Home Décor Europe business designed, manufactured and sold drapery hardware and window treatments in Europe under Gardinia® and other local brands and was previously classified in the Company's former Home Fashions segment.

In the first quarter of 2006, as a result of a revised corporate strategy and an initiative to improve the Company's portfolio of businesses to focus on those that are best aligned with the Company's strategies of differentiated products, best cost and consumer branding, the Company began exploring various options for its Home Décor Europe business. Those options included marketing the business for potential sale. As a result of this effort, the Company received a preliminary offer from a potential buyer which gave the Company a better indication of the business's fair value. Based on this offer, the Company determined that the business had a net book value in excess of its fair value. Due to the apparent decline in value, the Company conducted an impairment test and recorded a $50.9 million impairment charge in the first quarter of 2006. This charge, as well as the operations of this business during the first two quarters of 2006, is included in the loss from operations of discontinued operations in the table above for the three and six months ended June 30, 2006.

In September 2006, the Company entered into an agreement for the intended sale of portions of the Home Décor Europe business to a global manufacturer and marketer of window treatments and furnishings. The Central and Eastern European, Nordic and Portuguese operations of this business were sold on December 1, 2006. The sale of the operations in Poland and the Ukraine closed on February 1, 2007.

In October 2006, the Company received a binding offer for the intended sale of the Southern European region of the Home Décor Europe business to another party. The sale of operations in France and Spain closed on January 1, 2007 and in Italy on January 31, 2007. The divestiture of Home Décor Europe is now complete.

In connection with these transactions, the Company recorded a loss of $7.0 million and $4.3 million, net of tax, in the third and fourth quarter of 2006, respectively. In the three and six months ended June 30, 2007, the Company recorded a loss of $1.6 million and $14.6 million, net of tax, respectively, to complete the divestiture of Home Décor Europe. The net loss for the three and six months ended June 30, 2007 is reported in the table above as part of the loss on disposal of discontinued operations. The remainder of the loss on disposal of discontinued operations, approximately $2.0 million, net of tax, in the six months ended June 30, 2007 relates to contingencies associated with other prior divestitures.

Little Tikes

In September 2006, the Company entered into an agreement for the intended sale of its Little Tikes business unit to a global family and children's entertainment company. Little Tikes is a global marketer and manufacturer of children's toys and furniture for consumers. The transaction closed in the fourth quarter of 2006, resulting in a gain of $16.0 million, net of tax, in 2006. This business was previously included in the Company's Home & Family segment. The operations of the business for the three and six months ended June 30, 2006 are included in loss from operations of discontinued operations in the table above.

European Cookware

In October 2005, the Company entered into an agreement for the intended sale of its European Cookware business. The Company completed this divestiture on January 1, 2006. This business included the brands Pyrex® (used under exclusive license from Corning Incorporated and its subsidiaries in Europe, the Middle East and Africa only) and Vitri® and was previously included in the Company's Home & Family segment. In the first quarter of 2006, the Company recorded an additional net loss of $1.6 million upon completion of the sale. The additional net loss is reported in the table above as loss on disposal of discontinued operations.

Footnote 3 — Restructuring Costs

In the third quarter of 2005, the Company announced a global initiative referred to as Project Acceleration aimed at strengthening and transforming the Company's portfolio. In connection with Project Acceleration, the Board of Directors of the Company approved a restructuring plan ("the Plan") that commenced in the fourth quarter of 2005. The Plan is designed to reduce manufacturing overhead to achieve best cost positions and to allow the Company to increase investment in new product development, brand building and marketing. Project Acceleration includes the anticipated closures of approximately one-third of the Company's 64 manufacturing facilities (as of December 31, 2005, adjusted for the divestiture of Little Tikes and Home Décor Europe), thereby optimizing the Company's geographic manufacturing footprint. Since the plan's inception, the Company has announced the closure of 15 manufacturing facilities. Through June 30, 2007, the Company has recorded $148.7 million of costs related to Project Acceleration. The Plan is expected to result in cumulative restructuring costs of approximately $375 million to $400 million ($315 million — $340 million after tax), with between $100 million and $130 million ($85 million — $110 million after tax) to be incurred in 2007. Approximately 60% of the costs are expected to be cash costs over the life of the initiative. Annualized savings are projected to exceed $150 million upon completion of the project with an approximately $50 million benefit projected in 2007, an incremental $70 million benefit projected in 2008 and the remaining incremental benefit in 2009.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Facility and other exit costs	$ 6.0	$11.9	$ 8.4	$11.7
Employee severance and termination benefits	7.5	6.2	19.8	14.4
Exited contractual commitments and other	2.0	1.0	2.8	2.1
	$15.5	$19.1	$31.0	$28.2

Restructuring provisions were determined based on estimates prepared at the time the restructuring actions were approved by management and are periodically updated for changes, and also include amounts recognized as incurred. A summary of the Company's restructuring plan liabilities as of June 30, 2007 and 2006, respectively, is as follows (*in millions*):

	12/31/06 Balance	Provision	Costs Incurred	6/30/07 Balance
Facility and other exit costs	$ —	$ 8.4	$ (8.4)	$ —
Employee severance and termination benefits	28.9	19.8	(23.1)	25.6
Exited contractual commitments and other	2.0	2.8	(2.7)	2.1
	$30.9	$31.0	$(34.2)	$27.7

	12/31/05 Balance	Provision	Costs Incurred	6/30/06 Balance
Facility and other exit costs	$ —	$11.7	$(11.7)	$ —
Employee severance and termination benefits	—	14.4	(6.9)	7.5
Exited contractual commitments and other	—	2.1	(1.4)	0.7
	$ —	$28.2	$(20.0)	$8.2

Costs incurred include cash payments and the impairment of assets associated with vacated facilities and future minimum lease payments included in facility and other exit costs.

The following table depicts the changes in accrued restructuring reserves for the Plan for the six months ended June 30, 2007 and 2006, respectively, aggregated by reportable business segment *(in millions)*:

Segment	12/31/06 Balance	Provision	Costs Incurred	6/30/07 Balance
Cleaning, Organization & Décor	$ 4.4	$ 2.6	$ (5.0)	$ 2.0
Office Products	25.4	16.3	(18.8)	22.9
Tools & Hardware	0.4	9.2	(7.7)	1.9
Other (Home & Family)	0.3	1.0	(1.3)	—
Corporate	0.4	1.9	(1.4)	0.9
	$30.9	$31.0	$(34.2)	$27.7

Segment	12/31/05 Balance	Provision	Costs Incurred	6/30/06 Balance
Cleaning, Organization & Décor	$ —	$19.1	$(16.8)	$2.3
Office Products	—	3.8	(1.6)	2.2
Tools & Hardware	—	4.0	(2.3)	1.7
Other (Home & Family)	—	0.8	1.1	1.9
Corporate	—	0.5	(0.4)	0.1
	$ —	$28.2	$(20.0)	$8.2

Cash paid for restructuring activities was $15.0 million and $28.3 million for the three and six months ended June 30, 2007, respectively, and $8.1 million and $11.9 million for the three and six months ended June 30, 2006, respectively.

Footnote 4 – 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, 2007	December 31, 2006
Materials and supplies	$178.0	$172.8
Work in-process	176.2	158.6
Finished products	619.3	519.2
	$973.5	$850.6

Footnote 5 – Long-Term Debt

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

	June 30, 2007	December 31, 2006
Medium-term notes	$1,075.0	$1,325.0
Commercial paper	261.0	—
Floating rate note	448.0	448.0
Junior convertible subordinated debentures	436.7	436.7
Terminated interest rate swaps	9.5	11.9
Other long-term debt	4.2	4.3
Total Debt	2,234.4	2,225.9
Current portion of long-term debt	(2.2)	(253.6)
Long-Term Debt	$2,232.2	$1,972.3

On March 15, 2007, the Company paid-off a five-year, $250 million, 6% fixed rate note, at maturity, with available cash and proceeds from the issuance of commercial paper.

Footnote 6 – Employee Benefit and Retirement Plans

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

	United States		International	
	2007	2006	2007	2006
Service cost-benefits earned during the period	$ 0.9	$ 0.8	$ 1.9	$ 1.9
Interest cost on projected benefit obligation	12.8	12.8	6.9	6.1
Expected return on plan assets	(14.6)	(14.9)	(6.8)	(6.1)
Amortization of:				
Prior service cost	—	0.3	—	—
Actuarial loss	2.2	1.9	1.1	1.2
Net pension cost	$ 1.3	$ 0.9	$ 3.1	$ 3.1

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

	United States		International	
	2007	2006	2007	2006
Service cost-benefits earned during the period	$ 1.9	$ 1.5	$ 3.7	$ 3.7
Interest cost on projected benefit obligation	25.6	25.6	13.7	12.0
Expected return on plan assets	(29.3)	(29.8)	(13.6)	(12.0)
Amortization of:				
Prior service cost	—	0.6	—	—
Actuarial loss	4.4	3.9	2.2	2.4
Curtailment & special termination benefit gains	—	—	(2.4)	—
Net pension cost	$ 2.6	$ 1.8	$ 3.6	$ 6.1

In the first quarter of 2007, the Company recorded a $2.4 million curtailment gain resulting from the closure of a European manufacturing facility within the Company's Office Products segment. In addition, the Company recorded a $1.4 million curtailment gain resulting from the sale of the Company's Home Décor Europe business. This gain was included in the loss on disposal of discontinued operations for the six months ended June 30, 2007.

The Company made a cash contribution to the Company sponsored profit sharing plan of $18.4 million and $20.9 million during the first quarter of 2007 and 2006, respectively. In addition, the Company recorded expense for the defined contribution benefit arrangement of $5.1 million and $5.2 million for the three months ended June 30, 2007 and 2006, respectively, and $9.2 million and $10.5 million for the six months ended June 30, 2007 and 2006, respectively.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Service cost-benefits earned during the period	$ 0.5	$ 0.6	$ 0.9	$ 1.2
Interest cost on projected benefit obligation	2.7	2.5	5.4	5.0
Amortization of prior service benefit	(0.6)	(0.6)	(1.2)	(1.2)
Net other postretirement benefit costs	$ 2.6	$ 2.5	$ 5.1	$ 5.0

Footnote 7 – Income Taxes

The Company adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48), on January 1, 2007. The adoption of FIN 48 did not result in an adjustment to beginning retained earnings. However, the adoption of FIN 48 did result in the reclassification of certain income tax assets and liabilities from current to long-term in the Company's condensed consolidated balance sheet. As of January 1, 2007, the Company had unrecognized tax benefits of $161.8 million, of which $160.7 million, if recognized, would affect the effective tax rate. Due to statute expirations and examinations by various worldwide taxing authorities, $54.8 million of the unrecognized tax benefits could reasonably change in the coming year. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as a component of income tax expense. As of January 1, 2007, the Company had recorded accrued interest expense related to the unrecognized tax benefits of $12.6 million. No significant changes to these amounts were recorded during the six months ended June 30, 2007.

The Company files numerous consolidated and separate income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. The statute of limitations for the Company's U.S. federal income tax returns has expired for years prior to 2003, and the Internal Revenue Service has completed its examination of the Company's 2003 and 2004 federal income tax returns. The Company's Canadian income tax returns are subject to examination for years after 2000. With few exceptions, the Company is no longer subject to other income tax examinations for years before 2003.

The Company's income tax expense and resulting effective tax rate are based upon the respective estimated annual effective tax rates applicable for the respective years adjusted for the effect of items required to be treated as discrete interim period items. The effective tax rates for the three and six months ended June 30, 2007 and 2006 were primarily impacted by the following tax matters characterized as period adjustments:

- During the first quarter of 2007, the Company recorded a benefit of $1.9 million due to the receipt of an income tax refund, resulting in a reduction in the valuation allowance for deferred tax assets.
- During the second quarter of 2006, the Company determined that it would be able to utilize certain capital loss carryforwards that it previously believed would expire unused. Accordingly, the Company reversed an income tax valuation reserve of $22.7 million.
- During the first quarter of 2006, the Company completed the reorganization of certain legal entities in Europe which resulted in the recognition of an income tax benefit of $78.0 million.

Footnote 8 – Earnings per Share

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

	Three Months Ended June 30, 2007	Three Months Ended June 30, 2006	Six Months Ended June 30, 2007	Six Months Ended June 30, 2006
Numerator for basic earnings per share:				
Income from continuing operations	$143.2	$135.5	$208.3	$265.7
Loss from discontinued operations	(1.0)	(16.0)	(16.8)	(91.4)
Net income for basic earnings per share	$142.2	$119.5	$191.5	$174.3
Numerator for diluted earnings per share:				
Income from continuing operations	$143.2	$135.5	$208.3	$265.7
Effect of convertible preferred securities (1)	3.6	3.6	—	7.1
Income from continuing operations for diluted earnings per share	146.8	139.1	208.3	272.8
Loss from discontinued operations	(1.0)	(16.0)	(16.8)	(91.4)
Net income for diluted earnings per share	$145.8	$123.1	$191.5	$181.4
Denominator:				
Denominator for basic earnings per share – weighted-average shares outstanding	276.0	274.6	275.9	274.5
Dilutive securities (2)	1.8	0.7	2.0	0.7
Convertible preferred securities (1)	8.3	8.3	—	8.3
Denominator for diluted earnings per share	286.1	283.6	277.9	283.5
Basic earnings (loss) per share:				
Earnings from continuing operations	$ 0.52	$ 0.49	$ 0.75	$ 0.97
Loss from discontinued operations	—	(0.06)	(0.06)	(0.33)
Earnings per share	$ 0.52	$ 0.44	$ 0.69	$ 0.63
Diluted earnings (loss) per share:				
Earnings from continuing operations	$ 0.51	$ 0.49	$ 0.75	$ 0.96
Loss from discontinued operations	—	(0.06)	(0.06)	(0.32)
Earnings per share	$ 0.51	$ 0.43	$ 0.69	$ 0.64

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

(2) Dilutive securities include “in the money options” and restricted stock awards. The weighted-average shares outstanding exclude the dilutive effect of approximately 7.9 million and 12.7 million stock options for the three months ended June 30, 2007 and 2006, respectively, and 7.9 million and 13.1 million stock options for the six months ended June 30, 2007 and 2006, respectively, because such options were anti-dilutive.

Footnote 9 – Accumulated Other Comprehensive Loss

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

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

	Foreign Currency Translation Gain	After-tax Derivative Hedging Gain	Unrecognized Pension and Other Post Retirement Costs	Accumulated Other Comprehensive Loss
Balance at December 31, 2006	$41.6	$2.5	$(228.7)	$(184.6)
Current year change	20.4	1.6	—	22.0
Balance at June 30, 2007	$62.0	$4.1	$(228.7)	$(162.6)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Net income	$142.2	$119.5	$191.5	$174.3
Foreign currency translation gain	33.3	7.8	20.4	16.8
After-tax derivatives hedging gain (loss)	0.8	(10.9)	1.6	(9.9)
Comprehensive income	$176.3	$116.4	$213.5	$181.2

Footnote 10 – Stock-Based Compensation

The Company recorded $10.0 million and $8.5 million of stock-based compensation expense in selling, general and administrative expense for the three months ended June 30, 2007 and 2006, respectively and $18.5 million and $15.4 million for the six months ended June 30, 2007 and 2006, respectively.

The following table presents the impact of stock-based compensation expense for the three and six months ended June 30, *(in millions)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Reduction to income before income taxes	$10.0	$8.5	$18.5	$15.4
Reduction to net income	$ 7.7	$5.8	$13.0	$10.6

The fair value of share-based payment awards was estimated using the Black-Scholes option pricing model with the following assumptions and weighted-average fair values for the three and six months ended June 30,:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Weighted-average fair value of grants	$ 7	$ 8	$ 7	$ 7
Risk-free interest rate	4.6%	5.1%	4.7%	4.7%
Dividend yield	2.8%	3.0%	2.8%	3.0%
Expected volatility	25%	33%	25%	33%
Expected life (in years)	5.5	6.5	5.5	6.5

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

The following table summarizes the changes in the number of shares of common stock under option for the six months ended June 30, 2007 (*shares in millions*):

	Shares	Weighted Average Exercise Price	Exercisable
Outstanding at December 31, 2006	14.1	$26	6.8
Granted	3.8	30	
Exercised	(0.7)	25	
Forfeited / expired	(0.5)	27	
Outstanding at June 30, 2007	16.7	$27	7.7

At June 30, 2007, the aggregate intrinsic value of exercisable options was $24.0 million.

The following table summarizes the changes in the number of shares of restricted stock for the six months ended June 30, 2007 (*shares in millions*):

	Shares	Weighted-Average Grant Date Fair Value
Outstanding at December 31, 2006	2.2	$24
Granted	1.0	30
Vested	(0.4)	23
Forfeited	(0.2)	26
Outstanding at June 30, 2007	2.6	$26

Footnote 11 – Industry Segment Information

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

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

In the fourth quarter of 2006, the Company combined its Cleaning & Organization and Home Fashions segments (now referred to as Cleaning, Organization & Décor) as these businesses sell to similar major customers, produce products that are used in and around the home, and leverage the same management structure.

Also in 2006, the Company updated its segment reporting to reflect the realignment of certain European businesses, previously reported in the former Cleaning & Organization segment, and now reported in the Other (Home & Family) segment for all periods presented. The decision to realign these businesses, which include the Graco

European business, is consistent with the Company's move from a regional management structure to a global business unit structure. Management measures segment profit as operating income of the business. Segment data presented for the three and six months ended June 30, 2006 has been reclassified to reflect the segment changes. The Company's segment results are as follows *(in millions)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Net Sales (1)				
Cleaning, Organization & Décor	$ 544.4	$ 509.9	$1,001.8	$ 959.6
Office Products	587.5	579.1	993.8	969.9
Tools & Hardware	324.6	328.8	618.5	605.6
Other (Home & Family)	236.6	216.3	463.4	441.6
	$1,693.1	$1,634.1	$3,077.5	$2,976.7
Operating Income (2)				
Cleaning, Organization & Décor	$ 81.2	$ 57.3	$ 138.4	$ 95.7
Office Products	109.0	99.9	144.2	132.2
Tools & Hardware	47.7	53.8	81.9	86.9
Other (Home & Family)	31.3	29.8	61.7	62.5
Corporate	(20.9)	(20.0)	(41.6)	(37.6)
Restructuring Costs	(15.5)	(19.1)	(31.0)	(28.2)
	$ 232.8	$ 201.7	$ 353.6	$ 311.5

	June 30, 2007	December 31, 2006
Identifiable Assets		
Cleaning, Organization & Décor	$ 856.4	$ 840.3
Office Products	1,435.9	1,264.6
Tools & Hardware	676.8	660.8
Other (Home & Family)	316.7	293.7
Corporate (3)	3,217.8	3,183.0
Discontinued Operations	—	68.1
	$6,503.6	$6,310.5

Geographic Area Information

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Net Sales				
United States	$1,236.3	$1,216.7	$2,256.2	$2,231.7
Canada	112.7	105.7	191.8	183.4
North America	1349.0	1,322.4	2,448.0	2,415.1
Europe	221.4	207.2	413.9	369.6
Central and South America	68.1	59.6	116.7	106.6
All other	54.6	44.9	98.9	85.4
	$1,693.1	$1,634.1	$3,077.5	$2,976.7
Operating Income (4)				
United States	$ 178.7	$ 143.5	$ 277.7	$ 234.0
Canada	30.6	24.9	47.1	36.3
North America	209.3	168.4	324.8	270.3

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Europe	8.6	16.8	10.5	22.0
Central and South America	5.8	6.3	1.7	2.3
All other	9.1	10.2	16.6	16.9
	$232.8	$201.7	$353.6	$311.5

1) All intercompany transactions have been eliminated. Sales to Wal*Mart Stores, Inc. and subsidiaries amounted to approximately 14% of consolidated net sales in both the three months ended June 30, 2007 and 2006. Sales to Wal*Mart Stores, Inc. and subsidiaries amounted to approximately 13% and 14% of consolidated net sales in the six months ended June 30, 2007 and 2006, respectively. Sales to no other customer exceeded 10% of consolidated net sales for either period.

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

3) Corporate assets primarily include goodwill, trade names, equity investments and deferred tax assets.

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

Footnote 12 – Litigation and Contingencies

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

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

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

Footnote 13 – Subsequent Event

On July 1, 2007, the Company acquired all of the outstanding equity interests of PSI Systems, Inc; providers of Endicia Internet Postage ("Endicia") for $50.4 million plus related acquisition costs and contingent payments of up to $25.0 million based on future revenues. The acquisition of Endicia, a leading provider of online postage, will increase the Company's ability to leverage its other technology brands by developing a full range of innovative and integrated solutions for small and medium sized businesses. This acquisition will be accounted for using the purchase method of accounting. The Company has not yet completed its preliminary purchase price allocation related to this acquisition. Pro forma results of operations would not be materially different as a result of this acquisition and therefore are not presented.

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

<u>Overview</u>

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

The key tenets of the Company's strategy include building large, consumer-meaningful brands, leveraging one Newell Rubbermaid, achieving a best total cost position and commercializing innovation across the enterprise. The Company's results depend on the ability of its individual business units to succeed in their respective categories, each of which has some unique consumers, customers and competitors. The Company's strategic initiatives are designed to help enable these business units to generate differentiated products, operate within a best-in-class cost structure and employ superior branding in order to yield premium margins on their products. Premium margins fund incremental demand creation by the business units, driving incremental sales and profits for the Company.

The following section details the Company's progress thus far in each of its transformational initiatives:

Create Consumer-Meaningful Brands

The Company is moving from its historical focus on push marketing and excellence in manufacturing and distributing products, to a new focus on consumer pull marketing, creating competitive advantage through better understanding its consumers, innovating to deliver great performance, investing in advertising and promotion to create demand and leveraging its brands in adjacent categories around the world. This effort is creating and expanding core competencies and processes centered on consumer understanding, innovation and demand creation, to drive sustainable top line growth. Last year, the Company engaged a leading global advertising agency to help assess its top brands and field incremental consumer and brand research. That research is being used to better segment markets and define differentiated brand positionings that are meaningful to target consumers.

The Company has commenced formalized training programs to help develop best-in-class consumer marketing capabilities. The first of these programs began rolling out in March, and will reach over 700 marketing, sales and product managers within 12 months. Subsequent programs for more senior marketers will be introduced in late 2007 and early 2008. Additionally, several brand teams are working with a leading strategy consulting firm to help identify gaps and opportunities by comparing their current structure and business processes with the highest value-creating activities for building their brands. These learnings on lead brands will serve as a model for reapplication on other brand teams. The Company recently hired Ted Woehrle in the newly-created role of Senior Vice President of Marketing and Brand Management to continue driving its transition to a consumer-centric innovation and marketing company. In this role, Mr. Woehrle will partner with the Company's global business units to build best-in-class, consumer-inspired new product innovation and brand management capabilities across the organization. This includes instituting the skill sets, performance measures and processes needed for the Company to continue driving top line, bottom line and margin growth by creating Brands That Matter™.

The Company is also continuing to make incremental investments in strategic brand building to drive incremental sales growth. In 2007, the Company expects to increase its spending on consumer understanding, innovation and demand creation to between 6 and 6.5 percent of sales, up from 5.5 percent in 2006.

Leverage One Newell Rubbermaid

The Company is committed to leveraging the common business activities and best practices of its business units, and to build one common culture of shared values, with a focus on collaboration and teamwork. The Company is exploring ways to leverage common functional capabilities such as Human Resources, Information Technology, Customer Service, Supply Chain and Finance to improve efficiency and reduce costs. The Company recently announced the formation of an Office Technology Global Business Unit in conjunction with its acquisition of the online postage provider, Endicia. Acquiring Endicia increases the Company's ability to leverage its other technology brands, including DYMO, Cardscan, Mimio and Pelouze, by developing a full range of innovative and integrated solutions for small and medium sized businesses.

This initiative also includes the centralization and consolidation of the Company's distribution and transportation activities, the restructuring of its European organization and expansion of the shared service concept in North America. The Company is over two-thirds complete in the transition to the Shared Services Center in Europe. The Company has already realized savings from negotiating various supply contracts on behalf of all of the Company, achieving lower total cost than what was achieved negotiating one business unit at a time. The Company also has broken ground on a new, 400,000 square foot consolidated Newell Rubbermaid distribution center in Victorville, CA, and has consolidated the warehousing and logistics for all product groups in the UK at a single site near Birmingham, England. These are significant steps toward leveraging distribution and transportation across the Company to achieve low cost logistical excellence. Finally, the Company is in the early stages of migrating multiple legacy systems and users to a common SAP global information platform, which is expected to enable the Company to integrate and manage its worldwide business and reporting process more efficiently. Phase one implementation is currently planned for the North American Office Products business in late 2007. The total company implementation will occur over several years in phases that are primarily based on geographic region and segment.

Achieve Best Total Cost

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

The Company is continuing to make progress on its sourcing transformation — restructuring the manufacturing and sourcing footprint to optimize total delivered cost. Project Acceleration remains on track to deliver its commitments in cost, savings and timing over the life of the project and the Company is starting to see the savings flow through the Company's results. Annualized savings from Project Acceleration are expected to exceed $150 million upon conclusion of the program in 2009, with $50 million in savings projected in 2007. To date, the Company has announced two-thirds of its anticipated closings and consolidations and, in the first quarter, announced the expansion of the program to include certain scale leveraging initiatives with respect to distribution, transportation and shared services.

Nurture 360º Innovation

The Company has broadened its definition of innovation beyond product invention. The Company defines innovation as the successful commercialization of invention. Innovation must be more than product development. It is a rigorous, consumer centric process that permeates the entire development cycle. It begins with a deep understanding of how consumers interact with the Company's brands and categories, and all the factors that drive their purchase decisions and in-use experience. That understanding must then be translated into innovative products that deliver unique features and benefits, at a best-cost position, providing the consumer with great value. Lastly, innovating how and where to create awareness and trial, and measuring the effectiveness of advertising and promotion spending, completes the process. The Company has pockets of excellence using this expanded definition of innovation, and it will continue to build on this competency. As an example, the Company launched the Rubbermaid® Premier line of premium food storage containers in the first quarter of 2007, featuring unique Flex and Seal lids for better organized storage and high quality bases that are resistant to odors and stains. During the second quarter of 2007, the Company rolled out a multi-media marketing campaign to support this new line of food storage containers. To date, the response to the Premier product launch has been excellent, and sales have continued to track ahead of the Company's estimates.

Outlook for the Future

The Company's emphasis throughout the remainder of 2007 will be to deliver sales growth and gross margin expansion through increased investments in consumer understanding, innovation and demand creation activities. The Company will focus on developing best-in-class practices for these activities. The Company's objective is to build brands that really matter to its consumers. The Company will put in the systems to understand its consumers in detail – how they use its products, what they value, and how to delight them and/or excite them. This was demonstrated by the Levolor/Kirsch business which delivered high single digit growth this quarter driven by the success of its custom blinds and shades program. New products like cordless softshades, cordless Roman shades and day/night variable light blocking shades are examples of investment in innovation. The Company also continues to invest in consumer meaningful innovation including improvements to the Company's website to give consumers added confidence and ease of use during their selection process.

The Company will invest in more innovation that differentiates its products. The Company will invest more in advertising and other consumer marketing to increase awareness as well as trial and repeat purchases to enhance the brands. Further, the Company will measure the effectiveness of those increased strategic brand building investments. The Company continually evaluates SG&A spend to ensure it is strategic, timely and impactful. As a result, certain SG&A investments were rescheduled to the back half of 2007. The Company has also made progress in structural cost savings that will be reinvested in previously unscheduled demand creation activity in the back half of the year.

The Company continues to anticipate that approximately 60% of its gross margin expansion for the year will be reinvested in demand creation activities and other long-term initiatives including the SAP implementation, co-location strategies, expanded shared services in Europe and the U.S., and building organizational capability through training and development. The Company is making the necessary investments now for the long-term success of its business and remains focused on executing its key multi-year strategic objectives. These objectives include building a top-tier, global consumer branding and marketing organization, optimizing cost structure, leveraging the power of working together as one company and promoting an overall culture of excellence.

Results of Operations

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

	Three Months Ended June 30,				Six Months Ended June 30,			
	2007		2006		2007		2006	
Net sales	$1,693.1	100.0%	$1,634.1	100.0%	$3,077.5	100.0%	$2,976.7	100.0%
Cost of products sold	1,087.5	64.2	1,071.1	65.5	1,997.2	64.9	1,981.6	66.6
Gross margin	605.6	35.8	563.0	34.5	1,080.3	35.1	995.1	33.4
Selling, general and administrative expenses	357.3	21.1	342.2	20.9	695.7	22.6	655.4	22.0
Restructuring costs	15.5	0.9	19.1	1.2	31.0	1.0	28.2	0.9
Operating income	232.8	13.7	201.7	12.3	353.6	11.5	311.5	10.5
Nonoperating expenses:								
Interest expense, net	27.5	1.6	35.6	2.2	54.9	1.8	69.3	2.3
Other expense, net	1.5	0.1	1.8	0.1	2.3	0.1	4.3	0.1
Net nonoperating expenses	29.0	1.7	37.4	2.3	57.2	1.9	73.6	2.5
Income from continuing operations before income taxes	203.8	12.0	164.3	10.1	296.4	9.6	237.9	8.0
Income taxes	60.6	3.6	28.8	1.8	88.1	2.9	(27.8)	(0.9)
Income from continuing operations	143.2	8.5	135.5	8.3	208.3	6.8	265.7	8.9
Loss from discontinued operations, net of tax	(1.0)	(0.1)	(16.0)	(0.1)	(16.8)	(0.5)	(91.4)	(3.0)
Net income	$ 142.2	8.4%	$ 119.5	7.3%	$ 191.5	6.2%	$ 174.3	5.9%

Three Months Ended June 30, 2007 vs. Three Months Ended June 30, 2006

Consolidated Operating Results:

Net sales for the three months ended June 30, 2007 were $1,693.1 million, representing an increase of $59.0 million, or 3.6%, from $1,634.1 million for the three months ended June 30, 2006. Sales growth excluding foreign currency was 2.1%, marking the seventh consecutive quarter of sales growth for the Company. This quarter's improvement was driven by a high single digit sales increase in the Home & Family segment and a mid single digit increase in the Cleaning, Organization & Décor segment. Partially offsetting this improvement were service issues related to restructuring inefficiencies primarily in the European Office Products business. The Company estimates that these inefficiencies reduced sales by approximately 90 basis points in the quarter which it expects to largely recover in the third quarter.

Gross margin, as a percentage of net sales, for the three months ended June 30, 2007 was 35.8%, or $605.6 million, versus 34.5%, or $563.0 million, for the three months ended June 30, 2006. The majority of the year over year improvement was driven by ongoing productivity initiatives and savings from Project Acceleration, offset by restructuring related expenses, primarily in the European Office Products business. The Company estimates that the gross margin expansion was negatively impacted by approximately 60 basis points due to restructuring related inefficiencies.

SG&A expenses for the three months ended June 30, 2007 were 21.1% of net sales, or $357.3 million, versus 20.9%, or $342.2 million, for the three months ended June 30, 2006. The primary driver of the $15.1 million increase was strategic brand building investments in all four operating segments.

The Company recorded restructuring costs of $15.5 million and $19.1 million for the three months ended June 30, 2007 and 2006, respectively. The Company has announced the closure of 15 manufacturing facilities since Project Acceleration's inception. The Company continues to expect cumulative pre-tax costs of $375 million to $400 million, approximately 60% of which are expected to be cash costs, over the life of the initiative. Annualized savings are projected to exceed $150 million upon completion of the project with an approximately $50 million benefit projected in 2007, an incremental $70 million benefit projected in 2008 and the remaining incremental benefit in 2009. The 2007 restructuring costs included $6.0 million of facility and other exit costs, $7.5 million of employee severance and termination benefits and $2.0 million of exited contractual commitments and other restructuring costs. The 2006 restructuring costs included $11.9 million of facility and other exit costs, $6.2 million of employee severance and termination benefits and $1.0 million of exited contractual commitments and other restructuring costs. See Footnote 3 of the Notes to the Condensed Consolidated Financial Statements (Unaudited) for further information on these restructuring costs.

Operating income for the three months ended June 30, 2007 was $232.8 million, or 13.7% of net sales, versus $201.7 million, or 12.3% of net sales, for the three months ended June 30, 2006. The change in operating income was the result of continued sales growth and gross margin improvement.

Net nonoperating expenses for the three months ended June 30, 2007 were 1.7% of net sales, or $29.0 million, versus 2.3% of net sales, or $37.4 million, for the three months ended June 30, 2006. The decrease in net nonoperating expenses was mainly attributable to a decrease in interest expense, reflecting a reduction in debt year over year and slightly lower average borrowing rates.

The effective tax rate was 29.7% for the three months ended June 30, 2007 versus 17.5% for the three months ended June 30, 2006. The change in the effective tax rate was primarily related to a $22.7 million income tax benefit recorded for the three months ended June 30, 2006 as a result of the determination that the Company would be able to utilize certain capital loss carryforwards that it previously believed would expire unused. The income tax benefit increased earnings per share by $0.08 for the three months ended June 30, 2006. See Footnote 7 of the Notes to the Condensed Consolidated Financial Statements (Unaudited) for further information.

Income from continuing operations for the three months ended June 30, 2007 was $143.2 million, compared to $135.5 million for the three months ended June 30, 2006. Diluted earnings per share from continuing operations were $0.51 and $0.49 for the three months ended June 30, 2007 and 2006, respectively.

The loss from discontinued operations, net of tax, was $1.0 million and $16.0 million for the three months ended June 30, 2007 and 2006, respectively. The loss on disposal of discontinued operations for the three months ended June 30, 2007 was $1.0 million, net of tax, compared to $1.3 million, net of tax, for the three months ended June 30, 2006. The 2007 loss related primarily to the disposal of the remaining operations of the Home Décor Europe business, while the 2006 loss related mostly to the disposal of the Cookware Europe business. There was no activity related to operations of discontinued operations for the three months ended June 30, 2007, compared to $14.7 million, net of tax, for the three months ended June 30, 2006. The 2006 loss included the results of the Home Décor Europe and Little Tikes businesses. There was no diluted loss per share for the three months ended June 30, 2007, compared to $0.06 diluted loss per share for the three months ended June 30, 2006. See Footnote 2 of the Notes to the Condensed Consolidated Financial Statements (Unaudited) for further information.

Net income for the three months ended June 30, 2007 was $142.2 million, compared to $119.5 million for the three months ended June 30, 2006. Diluted earnings per share were $0.51 and $0.43 for the three months ended June 30, 2007 and 2006, respectively.

Business Segment Operating Results:

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

	2007	2006	% Change
Cleaning, Organization & Décor	$ 544.4	$ 509.9	6.8%
Office Products	587.5	579.1	1.5
Tools & Hardware	324.6	328.8	(1.3)
Other (Home & Family)	236.6	216.3	9.4
Total Net Sales	$1,693.1	$1,634.1	3.6%

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

	2007	2006	% Change
Cleaning, Organization & Décor	$ 81.2	$ 57.3	41.7%
Office Products	109.0	99.9	9.1
Tools & Hardware	47.7	53.8	(11.3)
Other (Home & Family)	31.3	29.8	5.0
Corporate	(20.9)	(20.0)	(4.5)
Restructuring costs	(15.5)	(19.1)	18.8
Total Operating Income	$232.8	$201.7	15.4%

Cleaning, Organization & Décor

Net sales for the three months ended June 30, 2007 were $544.4 million, an increase of $34.5 million, or 6.8%, from $509.9 million for the three months ended June 30, 2006. This increase was driven by double digit growth in the Rubbermaid Commercial business, high single digit growth in Levolor/Kirsch and mid single digit growth in the Rubbermaid Home Products and Foodservice businesses.

Operating income for the three months ended June 30, 2007 was $81.2 million, or 14.9% of sales, an increase of $23.9 million, or 41.7%, from $57.3 million for the three months ended June 30, 2006. Sales growth, strong gains from productivity initiatives and extensive restructuring activities to right size the Company's manufacturing footprint in 2005 and 2006 drove the improvement.

Office Products

Net sales for the three months ended June 30, 2007 were $587.5 million, an increase of $8.4 million, or 1.5%, from $579.1 million for the three months ended June 30, 2006. The improvement was driven by sales gains realized in the technology businesses and North American back to school which was partially offset by service level issues in Europe.

Operating income for the three months ended June 30, 2007 was $109.0 million, or 18.6% of sales, an increase of $9.1 million, or 9.1%, from $99.9 million for the three months ended June 30, 2006. The increase was the result of favorable mix and selective pricing initiatives which more than offset restructuring related service level issues and increased strategic brand building spend.

Tools & Hardware

Net sales for the three months ended June 30, 2007 were $324.6 million, a decrease of $4.2 million, or 1.3%, from $328.8 million for the three months ended June 30, 2006. Growth in the Lenox and International tool businesses was offset by softness in the other tool businesses as their demand is most directly affected by U.S. residential construction. For the full year, the Company continues to have a cautious outlook on U.S. residential housing, however, it continues to expect low single digit growth in the segment as a result of continued strength in its international tool businesses and new product introductions.

Operating income for the three months ended June 30, 2007 was $47.7 million, or 14.7% of sales, a decrease of $6.1 million, or 11.3%, from $53.8 million for the three months ended June 30, 2006, driven largely by the sales decline and raw material inflation, primarily in metals.

Home & Family

Net sales for the three months ended June 30, 2007 were $236.6 million, an increase of $20.3 million, or 9.4%, from $216.3 million for the three months ended June 30, 2006, due to investment in demand creation activities during the second quarter of 2007. These activities are expected to drive high single digit growth for the back half of the year as well.

Operating income for the three months ended June 30, 2007 was $31.3 million, or 13.2% of sales, an increase of $1.5 million, or 5.0%, from $29.8 million for the three months ended June 30, 2006, due to sales growth and gross margin expansion. The Company expects double digit operating income improvement for the back half of the year, driven by both the expected sales growth and gross margin expansion, while continuing the planned investment in strategic selling, general and administrative expenses.

Six Months Ended June 30, 2007 vs. Six Months Ended June 30, 2006

Consolidated Operating Results:

Net sales for the six months ended June 30, 2007 were $3,077.5 million, representing an increase of $100.8 million, or 3.4%, from $2,976.7 million for the six months ended June 30, 2006. Sales growth excluding foreign currency was 2.0%. All four operating segments showed growth over the prior year led by mid single digit growth in the Cleaning, Organization & Décor and Home & Family segments, with the Office Products and Tools and Hardware segments posting low single digit growth. For the back half of the year the Company expects sales improvement of between 4% and 6%, with growth anticipated across all segments.

Gross margin, as a percentage of net sales, for the six months ended June 30, 2007 was 35.1%, or $1,080.3 million, versus 33.4%, or $995.1 million, for the six months ended June 30, 2006. The year over year improvement was the result of sales growth, ongoing productivity initiatives, savings related to Project Acceleration and favorable mix. A few factors will likely negatively affect gross margin for the remainder of the year, most notably the reduction of Chinese VAT rebates ($6 to $9 million in 2007) and restructuring related inefficiencies, primarily in the European Office Products business. Despite these factors, sales growth, productivity initiatives and favorable mix are expected to generate gross margin expansion of between 125 and 175 basis points in the back half of the year.

SG&A expenses for the six months ended June 30, 2007 were 22.6% of net sales, or $695.7 million, versus 22.0%, or $655.4 million, for the six months ended June 30, 2006. The primary drivers of the $40.3 million increase were additional strategic brand building investments in all four operating segments. The Company continually evaluates SG&A spend to ensure it is strategic, timely and impactful. As a result, certain SG&A investments were rescheduled to the back half of 2007. The Company has also made progress in structural savings that will be reinvested in previously unscheduled demand creation activity in the back half of the year. The Company continues to anticipate that approximately 60% of the gross margin expansion for the year will be reinvested in demand creation activities and other strategic initiatives such as the implementation of SAP and shared services.

The Company recorded restructuring costs of $31.0 million and $28.2 million for the six months ended June 30, 2007 and 2006, respectively. The Company has announced the closure of 15 manufacturing facilities since Project Acceleration's inception. The Company continues to expect cumulative pre-tax costs of $375 million to $400 million, approximately 60% of which are expected to be cash costs, over the life of the initiative. Annualized savings are projected to exceed $150 million upon completion of the project with an approximately $50 million benefit projected in 2007, an incremental $70 million benefit projected in 2008 and the remaining incremental benefit in 2009. The 2007 restructuring costs included $8.4 million of facility and other exit costs, $19.8 million of employee severance and termination benefits and $2.8 million of exited contractual commitments and other restructuring costs. The 2006 restructuring costs included $11.7 million of facility and other exit costs, $14.4 million of employee severance and termination benefits and $2.1 million of exited contractual commitments and other restructuring costs. See Footnote 3 of the Notes to the Condensed Consolidated Financial Statements (Unaudited) for further information on these restructuring costs.

Operating income for the six months ended June 30, 2007 was $353.6 million, or 11.5% of net sales, versus $311.5 million, or 10.5% of net sales, for the six months ended June 30, 2006. The change in operating income was the result of the factors described above.

Net nonoperating expenses for the six months ended June 30, 2007 were 1.9% of net sales, or $57.2 million, versus 2.5% of net sales, or $73.6 million, for the six months ended June 30, 2006. The decrease in net nonoperating expenses was mainly attributable to a decrease in interest expense, reflecting a reduction in debt year over year.

The effective tax rate was 29.7% for the six months ended June 30, 2007 versus (11.7)% for the six months ended June 30, 2006. The change in the effective tax rate was primarily related to the $1.9 million income tax benefit recorded for the six months ended June 30, 2007 relating to the receipt of an income tax refund, resulting in a reduction in the valuation allowance for deferred tax assets, compared to the $100.7 million income tax benefit recorded for the six months ended June 30, 2006 resulting from the $78.0 million net income tax benefit recorded in the first quarter of 2006 as a result of the reorganization of certain of the Company’s non-U.S. subsidiaries and the $22.7 million income tax benefit recorded in the second quarter of 2006 as a result of the determination that the Company would be able to utilize certain capital loss carryforwards that it previously believed would expire unused. The income tax benefits increased earnings per share by $0.01 and $0.36 for the six months ended June 30, 2007 and 2006, respectively. See Footnote 7 of the Notes to the Condensed Consolidated Financial Statements (Unaudited) for further information.

Income from continuing operations for the six months ended June 30, 2007 was $208.3 million, compared to $265.7 million for the six months ended June 30, 2006. Diluted earnings per share from continuing operations were $0.75 and $0.96 for the six months ended June 30, 2007 and 2006, respectively.

The loss from discontinued operations, net of tax, was $16.8 million and $91.4 million for the six months ended June 30, 2007 and 2006, respectively. The loss on disposal of discontinued operations for the six months ended June 30, 2007 was $16.6 million, net of tax, compared to $2.9 million, net of tax, for the six months ended June 30, 2006. The 2007 loss related primarily to the disposal of the remaining operations of the Home Décor Europe business, while the 2006 loss related mostly to the disposal of the Cookware Europe business. The loss from operations of discontinued operations for the six months ended June 30, 2007 was $0.2 million, net of tax, compared to $88.5 million, net of tax, for the six months ended June 30, 2006. The 2007 loss related to the results of the remaining operations of the Home Décor Europe business, while the 2006 loss included a $50.9 million impairment charge to write off goodwill of the Home Décor business. Diluted loss per share from discontinued operations was $0.06 and $0.32 for the six months ended June 30, 2007 and 2006, respectively. See Footnote 2 of the Notes to the Condensed Consolidated Financial Statements (Unaudited) for further information.

Net income for the six months ended June 30, 2007 was $191.5 million, compared to $174.3 million for the six months ended June 30, 2006. Diluted earnings per share were $0.69 and $0.64 for the six months ended June 30, 2007 and 2006, respectively.

Business Segment Operating Results:

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

	2007	2006	% Change
Cleaning, Organization & Décor	$1,001.8	$ 959.6	4.4%
Office Products	993.8	969.9	2.5
Tools & Hardware	618.5	605.6	2.1
Other (Home & Family)	463.4	441.6	4.9
Total Net Sales	$3,077.5	$2,976.7	3.4%

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

	2007	2006	% Change
Cleaning, Organization & Décor	$138.4	$ 95.7	44.6%
Office Products	144.2	132.2	9.1
Tools & Hardware	81.9	86.9	(5.8)
Other (Home & Family)	61.7	62.5	(1.3)
Corporate	(41.6)	(37.6)	(10.6)
Restructuring costs	(31.0)	(28.2)	(9.9)
Total Operating Income	$353.6	$311.5	13.5%

Cleaning, Organization & Décor

Net sales for the six months ended June 30, 2007 were $1,001.8 million, an increase of $42.2 million, or 4.4%, from $959.6 million for the six months ended June 30, 2006. The improvement was the result of mid single digit growth in the Rubbermaid Home Products and Foodservice businesses, driven by strength in home organization and insulated products, as well as high single digit growth in the Rubbermaid Commercial Products business.

Operating income for the six months ended June 30, 2007 was $138.4 million, or 13.8% of sales, an increase of $42.7 million, or 44.6%, from $95.7 million for the six months ended June 30, 2006, driven by sales growth, strong gains from productivity initiatives, favorable raw material costs and extensive restructuring activities to right size the Company's manufacturing footprint in 2005 and 2006.

Office Products

Net sales for the six months ended June 30, 2007 were $993.8 million, an increase of $23.9 million, or 2.5%, compared to $969.9 million for the six months ended June 30, 2006. The sales improvement was mainly driven by favorable foreign currency and improvements particularly in our technology businesses partially offset by restructuring related inefficiencies.

Operating income for the six months ended June 30, 2007 was $144.2 million, or 14.5% of sales, an increase of $12.0 million, or 9.1%, from $132.2 million for the six months ended June 30, 2006. The increase in sales, coupled with favorable mix, more than offset restructuring related inefficiencies and increased strategic brand building expenditures.

Tools & Hardware

Net sales for the six months ended June 30, 2007 were $618.5 million, an increase of $12.9 million, or 2.1%, from $605.6 million for the six months ended June 30, 2006. The sales improvement was attributed to growth in the Lenox and International tool businesses, slightly offset by softness in the other tool businesses caused by lower original equipment manufacturing demand related to weaknesses in the U.S. residential construction market. For the full year the Company continues to have a cautious outlook on U.S. residential housing, however, it continues to expect low single digit growth in the segment as a result of continued strength in its international tool business and new product introductions.

Operating income for the six months ended June 30, 2007 was $81.9 million, or 13.2% of sales, a decrease of $5.0 million, or 5.8%, from $86.9 million for the six months ended June 30, 2006, driven largely by raw material inflation, primarily in metals.

Home & Family

Net sales for the six months ended June 30, 2007 were $463.4 million, an increase of $21.8 million, or 4.9%, from $441.6 million for the six months ended June 30, 2006, primarily driven by favorable currency and investment in demand creation activities.

Operating income for the six months ended June 30, 2007 was $61.7 million, or 13.3% of sales, a decrease of $0.8 million, or 1.3%, from $62.5 million for the six months ended June 30, 2006, driven by investment in strategic SG&A in these businesses, which was slightly offset by returns realized from the initiative in the second quarter. The Company expects continued strong sales growth and gross margin expansion partially offset by continued investment in strategic brand building during the remainder of the year.

Liquidity and Capital Resources

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

	2007	2006
Cash provided by operating activities	$ 172.8	$ 92.1
Cash used in investing activities	(121.3)	(63.3)
Cash used in financing activities	(92.3)	(28.9)
Currency effect on cash and cash equivalents	2.6	0.9
(Decrease) increase in cash and cash equivalents	$ (38.2)	$ 0.8

Sources:

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

Cash provided by operating activities for the six months ended June 30, 2007 was $172.8 million, compared to $92.1 million for the comparable period of 2006. The increase in cash provided by operating activities was principally a result of higher net income, as well as lower working capital, primarily due to the timing of receivables and payables and an emphasis on controlling inventory levels.

The Company has $750.0 million available under its revolving credit facility (the "Revolver") through November 2010 and $725.0 million thereafter, through November 2011. At June 30, 2007, there were no borrowings under the Revolver.

In lieu of borrowings under the Revolver, the Company may issue up to $750.0 million of commercial paper through 2010 and $725.0 million thereafter, through 2011. The Revolver provides the committed backup liquidity required to issue commercial paper. Accordingly, commercial paper may only be issued up to the amount available for borrowing under the Revolver. The Revolver also provides for the issuance of up to $100.0 million of standby letters of credit so long as there is a sufficient amount available for borrowing under the Revolver. At June 30, 2007, there was $261.0 million of commercial paper outstanding and no standby letters of credit issued under the Revolver.

In the six months ended June 30, 2007, the Company received proceeds from the issuance of debt of $353.4 million, compared to $167.2 million in the six months ended June 30, 2006. Proceeds in 2007 reflect the issuance of commercial paper used to fund the payment of a five-year, $250 million, 6% fixed rate medium term note that came due on March 15, 2007.

The Company used cash of $2.8 million in the six months ended June 30, 2007 relating to the divestiture of the Home Décor Europe and Little Tikes businesses, partially offset by the sale of facilities in the UK and Illinois. The Company generated cash proceeds from the disposal of noncurrent assets and sale of businesses of $40.2 million in the six months ended June 30, 2006 relating primarily to the sale of the Company's European Cookware business.

Uses:

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

Cash used for acquisitions was $49.5 million and $46.3 million for the six months ended June 30, 2007 and 2006, respectively. The Company acquired United Receptacle for $40.5 million in June 2007. United Receptacle, based in Pennsylvania, manufactures and markets high quality decorative refuse containers and accessories for commercial distribution.

The Company made payments on notes payable and long-term debt of $345.0 million and $82.0 million in the six months ended June 30, 2007 and 2006, respectively. On March 15, 2007, the Company paid-off a five-year, $250 million, 6% fixed rate note, at maturity, with available cash and proceeds from the issuance of commercial paper. During the second quarter 2007, the Company made payments of $88.0 million on commercial paper.

Cash used for restructuring activities was $28.3 million and $11.9 million in the six months ended June 30, 2007 and 2006, respectively. These payments relate primarily to employee termination benefits. In 2007, the Company continues to expect to use approximately $75 million to $100 million of cash on restructuring activities related to Project Acceleration. See Footnote 3 of the Notes to the Condensed Consolidated Financial Statements (Unaudited) for additional information.

Capital expenditures were $69.0 million and $57.2 million in the six months ended June 30, 2007 and 2006, respectively. The increase in capital expenditures was driven primarily by investment in the Company's SAP initiative. Capital expenditures for 2007 are expected to be in the range of $140 million to $160 million.

The Company made cash contributions of $18.4 million and $20.9 million in the six months ended June 30, 2007 and 2006, respectively, to fund its defined contribution plan.

Dividends paid were $117.3 million and $116.4 million in the six months ended June 30, 2007 and 2006, respectively.

Retained earnings increased in the six months ended June 30, 2007 by $74.1 million. The increase in retained earnings was primarily due to the current year net income.

Working capital (defined as current assets less current liabilities) at June 30, 2007 was $1,138.1 million compared to $580.3 million at December 31, 2006. The current ratio was 1.8:1 at June 30, 2007 and 1.31:1 at December 31, 2006.

Total debt to total capitalization (total debt is net of cash and cash equivalents, and total capitalization includes total debt and stockholders' equity) was 0.51:1 at June 30, 2007 and 0.52:1 at December 31, 2006.

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

Market Risk

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

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

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

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

The amounts shown below represent the estimated potential economic loss that the Company could incur from adverse changes in either interest rates or foreign exchange rates using the value-at-risk estimation model. The value-at-risk model uses historical foreign exchange rates and interest rates to estimate the volatility and correlation of these rates in future periods. It estimates a loss in fair market value using statistical modeling techniques that are based on a variance/covariance approach and includes substantially all market risk exposures (specifically excluding equity-method investments). The fair value losses shown in the table below have no impact on results of operations or financial condition, but are shown as an illustration of the impact of potential adverse changes in interest and foreign currency exchange rates. The following table indicates the calculated amounts for the six months ended June 30, *(dollars in millions)*:

	2007 Six Month Average	June 30, 2007	2006 Six Month Average	June 30, 2006	Confidence Level
Interest rates	$8.1	$8.4	$8.4	$8.8	95%
Foreign exchange	$3.6	$3.6	$5.5	$5.8	95%

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

Forward-Looking Statements

Forward-looking statements in this Report are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may relate to, but are not limited to, information or assumptions about the effects of Project Acceleration, sales (including pricing), income/(loss), earnings per share, operating income or gross margin improvements, return on equity, return on invested capital, capital expenditures, working capital, cash flow, dividends, capital structure, debt to capitalization ratios, interest rates, internal growth rates, restructuring, impairment and other charges, potential losses on divestitures, impact of changes in accounting standards, pending legal proceedings and claims (including environmental matters), future economic performance, costs and cost savings (including raw material 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" 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. Factors that could cause actual results to differ include, but are not limited to, those matters set forth in this Report generally and Exhibit 99.1 to this Report. 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.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

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

Item 4. Controls and Procedures

As of June 30, 2007, an evaluation was performed by the Company's management, under the supervision and with the participation of the Company's chief executive officer and chief financial officer, of the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the chief executive officer and the chief financial officer concluded that the Company's disclosure controls and procedures were effective.

There were no changes in the Company's internal control over financial reporting that occurred during the quarter ended June 30, 2007 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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 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, 2007.

Period	Total Number of Shares Purchased(1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number / Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
4/1/07-4/30/07	—	—	—	—
5/1/07-5/31/07	5,868	$30.54	—	—
6/1/07-6/30/07	—	—	—	—
Total	5,868	$30.54	—	—

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

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

On May 8, 2007, the 2007 Annual Meeting of Stockholders of the Company was held. The following is a brief description of the matters voted upon at the meeting and tabulation of the voting therefor:

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

	Number of Shares	
Nominee	For	Withheld
Scott S. Cowen	145,569,462	101,517,481
Cynthia A. Montgomery	138,766,196	108,320,747
Gordon R. Sullivan	145,770,160	101,316,783
Michael A. Todman	241,465,705	5,621,238

In addition, the terms of office of the following Directors continued after the meeting: Thomas E. Clarke, Michael T. Cowhig, Mark D. Ketchum, William D. Marohn, Elizabeth Cuthbert Millett, Steven J. Strobel, and Raymond G. Viault.

Proposal 2. Ratification of Appointment of Independent Registered Public Accounting Firm. A proposal to ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the year 2007 was adopted, with 244,829,712 votes cast for, 576,882 votes cast against, and 1,680,349 votes abstained.

Proposal 3. A stockholder proposal requesting that the Company's Board of Directors take the necessary steps to adopt a simple majority vote to apply to the greatest extent possible, was adopted, with 176,832,321 votes cast for, 40,210,154 votes cast against, 2,167,464 votes abstained, and 27,877,003 broker non-votes.

Proposal 4. A stockholder proposal requesting that the Company's Board of Directors initiate the appropriate process to amend the Company's governance documents to provide that director nominees shall be elected by the affirmative vote of the majority of votes cast, was adopted, with 163,962,052 votes cast for, 52,987,921 votes cast against, 2,259,967 votes abstained, and 27,877,003 broker non-votes.

Item 6. Exhibits

10.1	Newell Rubbermaid Inc. EMEA Special Bonus Plan Agreement dated May 9, 2007 for Magnus Nicolin, President, Newell Rubbermaid Europe, Middle East & Africa.
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Safe Harbor Statement.

SIGNATURES

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

NEWELL RUBBERMAID INC.
Registrant

Date: August 9, 2007

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

Exhibit 10.1

NEWELL RUBBERMAID, INC.

MAGNUS NICOLIN – EMEA SPECIAL BONUS PLAN AGREEMENT

Magnus Nicolin, President, Newell Rubbermaid Europe, Middle East & Africa (EMEA) is being given the opportunity to participate in an EMEA Special Bonus Plan for calendar years 2007 and 2008. Mr. Nicolin's award is subject to the following terms and conditions of this agreement.

The receipt of an award by Mr. Nicolin pursuant to this agreement is conditioned upon its acceptance by Mr. Nicolin in the space provided below and the return of an executed copy of this agreement to the Human Resources – Compensation department of the Company no later than July 9, 2007, or, if later, 30 days after Mr. Nicolin receives this agreement.

1. EMEA Special Bonus Plan With the potential consolidation of divisions and corporate offices in Europe, there are a number of executives (directors and above) who are participating in a special bonus plan for a period of two (2) years. The purpose of this plan is to achieve higher performance levels and retention purposes. This plan will include performance goals and results for calendar years 2007 and 2008.

2. Cash Payment Award The payment of this award will be in cash and made for the performance results for calendar years 2007 and 2008. Each calendar year will be calculated separately with the 2007 cash payment, if applicable, being carried over and combined with the 2008 payment which results in only one payment being made. This special bonus payment will be made in 2009, net of any required tax or other withholding, at the same time that other Newell Rubbermaid Cash Management Bonus Plan payments are made, generally around March 15, 2009. This special bonus will be paid by the Company or the affiliate of the Company that employs Mr. Nicolin on the date of payment.

3. Special Bonus Calculation The performance goals, relative weights and payout percentages that will be used to determine the payout of this special bonus will be identical to those applicable to payouts under the EMEA-Newell Rubbermaid Management Bonus Plan for calendar years 2007 and 2008. The Organizational Development & Compensation Committee (the "Committee") will establish the EMEA-Newell Rubbermaid Management Cash Bonus Plan performance goals detailing the amount that may be paid based upon the level of attainment of the applicable performance goals. For calendar year 2007, the EMEA bonus participants have performance goals that are based 25% on US corporate results; 25% on EMEA results; and 50% on business unit results.

4. Target Award The target award percentage is determined by calculating the total of all salaries of other executives participating in this program and multiplying by 7%. The total of all other applicable executive salaries (in US dollars) is approximately $3,000,000. As a result of this, Nicolin will be eligible for a target bonus of $105,000 for both years 2007 and 2008. Since the EMEA-Newell Rubbermaid Management Bonus program offers a maximum potential payout of 200%, Nicolin is eligible for a maximum payment of $210,000 for each year 2007 and 2008 for a total maximum payout of $420,000.

5. Forfeiture This special bonus award shall be forfeited in is entirety in the event that Nicolin's employment with the Company and all affiliates is terminated, voluntarily or involuntarily, at any time prior to the last business day of 2008.

6. Management Rights The Committee and/or Board of Directors reserve the right to cancel eligibility to receive the special bonus at any time or to reduce or refuse payout of this special bonus for any reason.

7. Performance Goals The parties acknowledge that the payment of this special bonus will be determined based on the same performance goals that utilized for determining cash awards to Mr. Nicolin under the EMEA-Newell Rubbermaid Management Cash Bonus Plan for the 12-month periods ending December 31, 2007 and December 31, 2008. Following the completion of each 12-month period, the Committee shall determine, in its sole judgment, the extent to which such performance goals have been achieved and shall authorize the issuance of this special bonus.

IN WITNESS WHEREOF, this Agreement is executed by the Company this __________th day of __________, __________, effective as of the 9th day of May, 2007.

NEWELL RUBBERMAID INC.

By: ____

Agreed and accepted this __________ day of __________ , 2007

____

Magnus R. Nicolin

EXHIBIT 31.1

CERTIFICATION

I, Mark D. Ketchum, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2007 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 9, 2007

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

EXHIBIT 31.2

CERTIFICATION

I, J. Patrick Robinson, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2007 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 9, 2007

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

EXHIBIT 32.1

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

In connection with the Quarterly Report of Newell Rubbermaid Inc. (the “Company”) on Form 10-Q for the period ending June 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mark D. Ketchum, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Mark D. Ketchum

Mark D. Ketchum
Chief Executive Officer
August 9, 2007

EXHIBIT 32.2

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

In connection with the Quarterly Report of Newell Rubbermaid Inc. (the “Company”) on Form 10-Q for the period ending June 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, J. Patrick Robinson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ J. Patrick Robinson

J. Patrick Robinson
Chief Financial Officer
August 9, 2007

EXHIBIT 99.1

NEWELL RUBBERMAID INC. SAFE HARBOR STATEMENT

The Company has made statements in its Annual Report on Form 10-K for the year ended December 31, 2006, as well as in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2007, and the documents incorporated by reference therein that constitute forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties. The statements relate to, and other forward-looking statements that may be made by the Company may relate to, but are not limited to, information or assumptions about the effects of Project Acceleration, sales (including pricing), income/(loss), earnings per share, return on equity, return on invested capital, capital expenditures, working capital, cash flow, dividends, capital structure, debt to capitalization ratios, interest rates, internal growth rates, restructuring, impairment and other charges, potential losses on divestitures, impact of changes in accounting standards, pending legal proceedings and claims (including environmental matters), future economic performance, operating income improvements, costs and cost savings (including raw material inflation, productivity and streamlining), synergies, and 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" or similar statements. You should understand that forward-looking statements are not guarantees because there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. The factors that are discussed below, as well as the matters that are set forth generally in the 2006 Form 10-K, the 2nd Quarter 2007 Form 10-Q and the documents incorporated by reference therein could cause actual results to differ. Some of these factors are described as criteria for success. Our failure to achieve, or limited success in achieving, these objectives could result in actual results differing materially from those expressed or implied in the forward-looking statements. In addition, there can be no assurance that we have correctly identified and assessed all of the factors affecting the Company or that the publicly available and other information we receive with respect to these factors is complete or correct.

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

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

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

The Company competes with numerous other manufacturers and distributors of consumer and commercial products, many of which are large and well established. The Company's principal customers are large mass merchandisers, such as discount stores, home centers, warehouse clubs and office superstores, and commercial distributors. The rapid growth of these large mass merchandisers, together with changes in consumer shopping patterns, have contributed to the formation of dominant multi-category retailers that have strong negotiating power with suppliers. Current trends among retailers include fostering high levels of competition among suppliers, demanding innovative new products and requiring suppliers to maintain or reduce product prices and deliver 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 products of the Company.

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

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

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

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

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

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

The Company purchases some raw materials, including resin, glass, corrugate, steel, gold, zinc, brass and aluminum, which are subject to price volatility and inflationary pressure. 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. Raw material price increases may offset productivity gains and could materially impact the Company's financial results.

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

The Company's success depends on its ability to continuously improve its manufacturing efficiencies, reduce supply chain costs and streamline non-strategic SG&A expenses in order to produce products at a best-cost position and free up money for investment in innovation and brand building. Project Acceleration includes the closure of approximately one-third of the Company's 64 manufacturing facilities (adjusted for the divestiture of Little Tikes and Home Décor Europe) between the periods January 1, 2006 and December 31, 2009. In addition, the Company is exploring ways to best leverage its functional capabilities such as Human Resources, Information Technology, Customer Service, Supply Chain and Finance in order to improve efficiency and reduce costs. The Company runs the risk that Project Acceleration and other corporate initiatives aimed at streamlining and cost reduction may not be completed substantially as planned, may be more costly to implement than expected, or may not have the positive effects anticipated, or that other major productivity and streamlining programs may be required after such projects are completed. In addition, disruptions in the Company's ability to supply products on a timely basis, which may be incidental to any problems in the execution of Project Acceleration, could adversely affect the Company's future results.

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

Although the Company has in recent years increasingly emphasized internal growth rather than growth by acquisition, the Company's ability to continue to make strategic acquisitions and to integrate the acquired businesses successfully, obtaining anticipated cost savings and operating income improvements within a reasonable period of time, remain important factors in the Company's future growth. Furthermore, the cost of any future major acquisitions could constrain the Company's access to capital and increase the Company's borrowing costs.

The Company is subject to risks related to its international operations.

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

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

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

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

The Company is in the early stages of replacing various business information systems worldwide with an enterprise resource planning system from SAP. The pilot implementation is currently planned for the North American Office Products business in late 2007. The implementation will occur over several years in phases, primarily based on geographic region and segment. This activity involves the migration of multiple legacy systems and users to a common SAP information platform. Throughout this process, the Company is changing the way it conducts business and employees' roles in processing and utilizing information. In addition, this conversion will impact certain interfaces with the Company's customers and suppliers, resulting in changes to the tools we use to take orders, procure material, schedule production, remit billings, make payments and perform other business functions. Based upon the complexity of this initiative, there is risk that the Company will be unable to complete the implementation in accordance with its timeline and will incur additional costs, the implementation could result in operating inefficiencies, and the implementation could impact the Company's ability to perform necessary business transactions. All of these risks could adversely impact the Company's results of operations, financial condition and cash flows.

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

Future events may occur that would adversely affect the reported value of the Company's assets and require impairment charges. Such events may include, but are not limited to, strategic decisions made in response to changes in economic and competitive conditions, the impact of the economic environment on the Company's customer base, the unfavorable resolution of litigation, including patent infringement litigation involving PSI

Systems, Inc., or a material adverse change in the Company’s relationship with significant customers or business partners.

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

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