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, 1999

Commission File Number 1-9608

NEWELL RUBBERMAID INC.

(Exact name of registrant as specified in its charter)

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

29 East Stephenson Street
Freeport, Illinois 61032-0943
(Address of principal executive offices)
(Zip Code)

(815) 235-4171
(Registrant's telephone number, including area code)

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

Yes /x/ No / /

Number of shares of Common Stock outstanding as of July 27, 1999: 281,916,330

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	1998*	1999	1998*
Net sales	$1,597,314	$1,559,537	$3,113,507	$2,961,630
Cost of products sold	1,176,508	1,082,609	2,269,393	2,088,479
GROSS INCOME	420,806	476,928	844,114	873,151

Selling, general and administrative expenses	322,528	229,052	582,493	463,110
Restructuring costs	8,697	8,546	186,721	51,928
Trade names and goodwill amortization and other	12,625	10,576	24,663	32,384
OPERATING INCOME (LOSS)	76,956	228,754	50,237	325,729
Nonoperating expenses (income):				
Interest expense	24,440	21,344	49,701	43,677
Other, net	3,246	(21,557)	6,288	(208,260)
Net nonoperating expenses (income)	27,686	(213)	55,989	(164,583)
INCOME (LOSS) BEFORE INCOME TAXES	49,270	228,967	(5,752)	490,312
Income taxes	19,216	86,952	43,193	189,804
NET INCOME (LOSS)	$30,054	$142,015	$(48,945)	$300,508
Earnings (loss) per share:				
Basic	$ 0.11	$ 0.51	$ (0.17)	$ 1.07
Diluted	0.11	0.50	(0.17)	1.06
Dividends per share	$ 0.20	$0.19	$ 0.40	$ 0.38
Weighted average shares outstanding:				
Basic	281,830	280,652	281,639	280,547
Diluted	293,251	292,100	292,647	291,685

See notes to consolidated financial statements.
*Restated for the merger with Rubbermaid Incorporated on March 24, 1999, and the merger with Calphalon on May 7, 1998, both of which were accounted for as poolings of interests.

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

	June 30, 1999	% of Total	December 31, 1998	% of Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 48,996	0.8%	$ 86,554	1.3%
Accounts receivable, net	1,166,204	18.5%	1,078,530	17.1%
Inventories, net	1,078,431	17.1%	1,033,488	16.4%
Deferred income taxes	86,624	1.4%	108,192	1.7%
Prepaid expenses and other	151,338	2.4%	143,885	2.3%
TOTAL CURRENT ASSETS	2,531,593	40.1%	2,450,649	38.0%
MARKETABLE EQUITY SECURITIES	26,935	0.4%	19,317	0.3%
OTHER LONG-TERM INVESTMENTS	61,933	1.0%	57,967	0.9%
OTHER ASSETS	301,244	4.8%	267,073	4.2%
PROPERTY, PLANT AND EQUIPMENT, NET	1,514,561	24.0%	1,627,090	25.8%
TRADE NAMES AND GOODWILL	1,871,987	29.7%	1,867,059	29.7%
TOTAL ASSETS	$6,308,253	100.0%	$6,289,155	100.0%

See notes to consolidated financial statements.

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

	June 30, 1999	% of Total	December 31, 1998	% of Total
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Notes payable	$ 51,442	0.8%	$ 94,634	1.5%
Accounts payable	323,458	5.1%	322,080	5.1%
Accrued compensation	111,891	1.8%	110,471	1.8%
Other accrued liabilities	744,190	11.8%	610,618	9.7%
Income taxes	9,737	0.2%	26,744	0.4%
Current portion of long-term debt	7,244	0.1%	7,334	0.1%
TOTAL CURRENT LIABILITIES	1,247,962	19.8%	1,171,881	18.6%
LONG-TERM DEBT	1,550,023	24.6%	1,393,865	22.2%
OTHER NONCURRENT LIABILITIES	326,457	5.2%	374,293	6.0%
DEFERRED INCOME TAXES	-	-	4,527	-
MINORITY INTEREST	1,306	0.0%	857	0.0%
COMPANY-OBLIGATED MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED SECURITIES OF A SUBSIDIARY TRUST	500,000	7.9%	500,000	8.0%
STOCKHOLDERS' EQUITY				
Common stock - authorized shares, 400.0 million at $1 par value;	281,898	4.5%	281,747	4.5%
Outstanding shares: 1999 281.8 million; 1998 281.7 million				
Additional paid-in capital	208,914	3.3%	183,102	3.3%
Retained earnings	2,303,129	36.5%	2,465,064	38.2%
Accumulated other comprehensive income	(111,436)	(1.8%)	(86,181)	(1.4%)
TOTAL STOCKHOLDERS' EQUITY	2,682,505	42.5%	2,843,732	45.2%
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$6,308,253	100.0%	$6,289,155	100.0%

See notes to consolidated financial statements.

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

	FOR THE SIX MONTHS ENDED JUNE 30, 1999	1998*
OPERATING ACTIVITIES:		
Net income	$ (48,946)	$ 300,508
Adjustments to reconcile net income to net cash provided by Operating activities:		
Depreciation and amortization	141,265	140,022
Deferred income taxes	18,808	22,670
Net gain on sale of marketable equity securities	-	(115,674)
Sale of Businesses	-	(24,141)
Write-off of intangible assets and other	-	4,288
Other	111,354	38,253
Changes in current accounts, excluding the effects of acquisitions:		
Accounts receivable	(107,623)	(107,383)
Inventories	(93,204)	(33,413)
Other current assets	(33,532)	(27,429)
Accounts payable	(2,306)	(23,305)
Accrued liabilities and other	38,280	(127,022)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	24,096	47,374
INVESTING ACTIVITIES:		
Acquisitions, net	(35,334)	(370,509)
Expenditures for property, plant and equipment	(89,031)	(117,463)
Proceeds on sale of businesses, Net of taxes paid	-	51,262
Sale of marketable Equity securities	-	378,321
Disposals of non-current assets and other	11,250	(13,027)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	$ (113,115)	$ (71,416)

See notes to consolidated financial statements.
*Restated for the merger with Rubbermaid Incorporated on March 24, 1999, and the merger with Calphalon on May 7, 1998, both of which were accounted for as poolings of interests.

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

	FOR THE SIX MONTHS ENDED JUNE 30, 1999	1998*

FINANCING ACTIVITIES:		
Proceeds from issuance of debt	$ 719,424	$ 203,792
Payments on notes payable and long-term debt	(577,889)	(107,243)
Proceeds from exercised stock options and other	25,963	(1,560)
Cash dividends	(112,989)	(105,823)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	54,509	(10,834)
Exchange rate effect on cash	(3,048)	(156)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(37,558)	(35,032)
Cash and cash equivalents at beginning of year	86,554	150,131
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 48,996	$ 115,099
Supplemental cash flow disclosures - Cash paid during the period for:		
Income taxes	$ 87,327	$ 137,677
Interest	$ 60,903	$ 50,909

See notes to consolidated financial statements.

*Restated for the merger with Rubbermaid Incorporated on March 24, 1999, and the merger with Calphalon on May 7, 1998, both of which were accounted for as poolings of interests.

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - GENERAL INFORMATION

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

On March 24, 1999, Newell Co. ("Newell") completed a merger with Rubbermaid Incorporated ("Rubbermaid") in which Rubbermaid became a wholly-owned subsidiary of Newell. Simultaneously with the consummation of the merger, Newell changed its name to Newell Rubbermaid Inc. (the "Company"). The merger was accounted for as a pooling of interests and the financial statements have been restated to retroactively combine Rubbermaid's financial statements with those of Newell as if the merger had occurred at the beginning of the earliest period presented. Certain 1998 amounts have been reclassified to conform with 1999 presentation.

NOTE 2 - ACQUISITIONS, MERGERS AND DIVESTITURES

Acquisitions

During January 1998, the Company acquired Curver Consumer Products ("Curver"). Curver is a manufacturer and marketer of plastic housewares in Europe. Curver operates as part of Rubbermaid Europe. On March 27, 1998, the Company acquired Swish Track and Pole ("Swish") from Newmond Group PLC. Swish is a manufacturer and marketer of decorative and functional window furnishings in Europe and operates as part of Newell Window Fashions Europe. On May 19, 1998, the Company acquired certain assets of Century Products ("Century"). Century is a manufacturer and marketer of infant products such as car seats, strollers and infant carriers and operates as part of the Graco/Century division. On June 30, 1998, the Company purchased Panex S.A. Industria e Comercio ("Panex"), a manufacturer and marketer of aluminum cookware products in Brazil. Panex operates as part of the Mirro division. On August 31, 1998, the Company purchased the Gardinia Group ("Gardinia"), a manufacturer and supplier of window treatments in Germany. Gardinia operates as part of Newell Window

Fashions Europe. On September 30, 1998, the Company purchased the rotring Group ("Rotring"), a manufacturer and supplier of writing instruments, drawing instruments, art materials and color cosmetic products in Germany. The writing and drawing instruments piece of Rotring operates as part of the Company's Sanford International division. The art materials piece of Rotring operates as part of the Company's Sanford North America division. The color cosmetic products piece of Rotring operates as a separate U.S. division, Cosmolab. On March 30, 1999, the Company purchased Ateliers 28 ("Ateliers"), a manufacturer and marketer of decorative and functional drapery hardware in Europe. Ateliers operates as part of Newell Window Fashions Europe.

For these and other minor acquisitions, the Company paid $693.9 million in cash and assumed $102.9 million of debt. The transactions were accounted for as purchases; therefore, results of operations are included in the accompanying consolidated financial statements since their respective dates of acquisition. The acquisition costs were allocated on a preliminary basis to the fair market value of the assets acquired and liabilities assumed and resulted in trade names and goodwill of approximately $513.3 million.

The Company began to formulate an integration plan for these acquisitions as of their respective acquisition dates. The integration plan for Curver was finalized during the first quarter of 1999 and resulted in no integration liabilities included in the purchase price. The Company's integration plans combined Curver into Rubbermaid Europe. The integration plans for Century and Panex were finalized during the second quarter of 1999 and resulted in integration liabilities of $3.2 million for exit costs and employee terminations. The Company's integration plans combined Century into Graco and Panex into Mirro.

No integration liabilities have been included in the allocation of purchase price for Gardinia, Rotring and Ateliers as of June 30, 1999. Such costs will be accrued upon finalization of each acquisition's integration plan. The Company's finalized integration plans will include exit costs for certain plants and product lines and employee terminations associated with the integration of Gardinia into Newell Window Fashions Europe and Rotring into Sanford International and Sanford North America. The final adjustments to the purchase price allocations are not expected to be material to the consolidated financial statements.

The unaudited consolidated results of operations for the six months ended June 30, 1999 and 1998 on a pro forma basis, as though the Curver, Swish, Century, Panex, Gardinia, Rotring and Ateliers businesses had been acquired on January 1, 1998, are as follows (in millions, except per share amounts):

	Six Months Ended June 30, 1999	1998
Net sales	$ 3,122.7	$ 3,293.2
Net income (loss)	$ (49.0)	$ 295.4
Basic earnings (loss) per share	$ (0.17)	$ 1.05

Mergers

On May 7, 1998, a subsidiary of the Company merged with Calphalon Corporation ("Calphalon"), a manufacturer and marketer of gourmet cookware. The Company issued approximately 3.1 million shares of common stock for all of the common stock of Calphalon. This transaction was accounted for as a pooling of interests; therefore prior financial statements were restated to reflect this merger. Calphalon now operates as a separate division of the company.

On March 24, 1999, the Company completed the Rubbermaid merger. The merger qualified as a tax-free exchange and was accounted for as a pooling of interests. Newell issued .7883 Newell Rubbermaid shares for each outstanding share of Rubbermaid common stock. A total of 119.0 million shares (after adjustment for fractional and dissenting shares) of the Company's common stock were issued as a result of the merger, and Rubbermaid's outstanding stock options were converted into options to purchase approximately 2.5 million Newell Rubbermaid common shares. In connection with the merger, the Company incurred $36.8 million ($.13 per common share) of merger costs which were expensed during the six months ended June 30, 1999 as restructuring costs. See Note 3 for further detail of restructuring costs.

No adjustments were made to the net assets of the combining companies to adopt conforming accounting practices or fiscal years other than adjustments to eliminate the accounting effects related to Newell's purchase of a former Rubbermaid operating division (Eldon) in 1997. Because the Newell Rubbermaid merger was accounted for as a pooling of interests, the accounting effects of Newell's purchase of Eldon have been eliminated as if Newell had always owned Eldon. The following table presents a reconciliation of net sales and net income for Newell, Rubbermaid and Calphalon individually to those presented in the accompanying consolidated financial statements:

Six months ended June 30,	1999	1998
Net sales:		
Newell	$ 1,832.3	$ 1,654.3
Rubbermaid	1,228.5	1,268.4
Calphalon	52.7	38.9
Combined	$ 3,113.5	$ 2,961.6
Net income:		
Newell	$ 98.9	$ 239.6
Rubbermaid	(149.5)	61.6
Calphalon	1.7	(0.7)
Combined	$ (48.9)	$ 300.5

Divestitures

On April 29, 1998, the Company sold the assets of its decorative covering product line (Decora). On August 21, 1998, the Company sold its school supplies and stationery business (Stuart Hall).

On September 9, 1998, the Company sold its plastic storage and serveware business (Newell Plastics). The pre-tax net gain on the sales of these businesses was $59.8 million, most of which was offset by non-deductible goodwill, resulting in a net after-tax gain of $15.1 million. Sales for these businesses prior to their divestitures were approximately $131 million in 1998 and $229 million in 1997.

NOTE 3 - RESTRUCTURING COSTS

1998

During January 1998, Rubbermaid announced a series of restructuring initiatives to establish a central global procurement organization and to consolidate, automate, or relocate its worldwide manufacturing and distribution operations. During the first six months of 1998, Rubbermaid recorded pre-tax charges of $51.9 million. The 1998 restructuring charge included: (1) $4.5 million relating to employee severance and termination benefits for sales and administrative employees, (2) $15.2 million for costs to exit business activities at five facilities and (3) $32.2 million to write down impaired long-lived assets to their fair value. The charge for costs to exit business activities related to exit plans for the closure of a plastic housewares molding and warehouse operation in the state of New York, the closure of a commercial play systems warehouse and manufacturing facility in Australia, the closure of a cleaning products manufacturing operation in North Carolina, the elimination of Rubbermaid's Asia Pacific regional headquarters and the related joint venture in Japan and the closure of a distribution facility in France.

The closure of the operations described above necessitated a revaluation of the cash flows related to those operations, resulting in a $32.2 million charge to write down $12.4 million of fixed assets and $19.8 million of goodwill to fair value. Rubbermaid determined that the future cash flows on an undiscounted basis (before taxes and interest) were not sufficient to cover the carrying value of these long-lived assets affected by these decisions. Management determined the fair value of these assets using discounted cash flows.

1999

The 1998 restructuring program was terminated in the first quarter of 1999 after the Newell merger with Rubbermaid. Management is currently formulating a new restructuring plan for the combined company and will be recording a restructuring reserve in 1999 to reflect costs associated with redundant facility closures and related employee termination benefits.

In the first six months of 1999, the Company recorded a pre-tax restructuring charge of $186.7 million ($159.3 million after taxes). The pre-tax charge related to the Rubbermaid acquisition, and included $36.8 million of merger costs (investment banking, legal and accounting fees), executive severance costs of $85.1 million and $64.8 million of exit costs primarily related to impaired Rubbermaid capitalized computer software costs and facility exit costs (concurrent with the merger with Rubbermaid, the Company decided that all Rubbermaid businesses will be integrated into Newell's existing information systems, resulting in an impairment of Rubbermaid's capitalized software asset which will no longer be used).

NOTE 4 INVENTORIES

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

	June 30, 1999	December 31, 1998
Materials and supplies	$ 239.9	$ 223.8
Work in process	151.5	137.2
Finished products	687.0	672.5
	$ 1,078.4	$ 1,033.5

NOTE 5   LONG-TERM MARKETABLE EQUITY SECURITIES

Long-Term Marketable Equity Securities classified as available for sale are carried at fair value with adjustments to fair value

reported separately, net of tax, as a component of stockholders' equity (and excluded from earnings). Gains and losses on the sales of Long-Term Marketable Equity Securities are based upon the average cost of the securities sold. On March 3, 1998, the Company sold 7,862,300 shares it held in The Black & Decker Corporation. The Black & Decker transaction resulted in net proceeds of approximately $378.3 million and a net pre-tax gain, after fees and expenses, of approximately $191.5 million. Long-Term Marketable Equity Securities are summarized as follows (in millions):

	June 30, 1999	December 31, 1998
Aggregate market value	$ 26.9	$ 19.3
Aggregate cost	26.3	26.0
Unrealized pre-tax gain (loss)	$ 0.6	$ (6.7)

NOTE 6   PROPERTY, PLANT AND EQUIPMENT

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

	June 30, 1999	December 31, 1998
Land	$ 56.7	$ 78.4
Buildings and improvements	700.1	705.6
Machinery and equipment	2,149.8	2,166.9
	2,906.6	2,950.9
Allowance for depreciation	(1,392.0)	(1,323.8)
	$1,514.6	$ 1,627.1

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

NOTE 7 - LONG-TERM DEBT

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

	June 30, 1999	December 31, 1998
Medium-term notes	$ 877.5	$ 883.5
Commercial paper	644.5	500.2
Other long-term debt	35.2	17.5

	1,557.2	1,401.2
Current portion	(7.2)	(7.3)
	$ 1,550.0	$ 1,393.9

Commercial paper in the amount of $644.5 million at June 30, 1999 was classified as long-term since it is supported by the 5-year $1.3 billion revolving credit agreement.

NOTE 8 - MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED SECURITIES OF A SUBSIDIARY TRUST OF THE COMPANY

In December 1997, a wholly owned subsidiary trust of the Company issued 10,000,000 of its 5.25% convertible quarterly income preferred securities (the "Convertible Preferred Securities"), with a liquidation preference of $50 per security, to certain institutional buyers. The Convertible Preferred Securities represent an undivided beneficial interest in the assets of the trust. Each of the Convertible Preferred Securities is convertible at the option of the holder into shares of the Company's Common Stock at the rate of 0.9865 shares of Common Stock for each preferred security (equivalent to $50.685 per share of Common Stock), subject to adjustment in certain circumstances. Holders of the Convertible Preferred Securities are entitled to a quarterly cash distribution at the annual rate of 5.25% of the $50 liquidation preference commencing March 1, 1998. The Convertible Preferred Securities are subject to a Company guarantee and are callable by the Company initially at 103.15% of the liquidation preference beginning in December 2001 and decreasing over time to 100% of the liquidation preference beginning in December 2007.

The trust invested the proceeds of this issuance of the Convertible Preferred Securities in $500 million of the Company's 5.25% Junior Convertible Subordinated Debentures due 2027 (the "Debentures"). The Debentures are the sole assets of the trust, mature December 1, 2027, bear interest at the rate of 5.25%, payable quarterly, commencing March 1, 1998, and are redeemable by the Company beginning in December 2001. The Company may defer interest payments on the Debentures for a period not to exceed 20 consecutive quarters during which time distribution payments on the Convertible Preferred Securities are also

deferred. Under this circumstance, the Company may not declare or pay any cash distributions with respect to its capital stock or debt securities that rank PARI PASSU with or junior to the Debentures.The Company has no current intention to exercise its right to defer payments of interest on the Debentures.

The Convertible Preferred Securities are reflected as outstanding in the Company's consolidated financial statements as Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust.

NOTE 9 - EARNINGS PER SHARE

The earnings per share amounts are computed based on the weighted average monthly number of shares outstanding during the year. "Basic" earnings per share are calculated by dividing net income by weighted average shares outstanding. "Diluted" earnings per share are calculated by dividing net income by weighted average shares outstanding, including the assumption of the exercise and/or conversion of all potentially dilutive securities ("in the money" stock options and company-obligated mandatorily redeemable convertible preferred securities of a subsidiary trust). A reconciliation of the difference between basic and diluted earnings per share for the first six months of 1999 and 1998 is shown below (in millions, except per share data):

	Basic Method	"In the money" stock options	Convertible Preferred Securities	Diluted Method(1)
Three months ended June 30, 1999				
Net Income	$ 30.1	$ N/A	$ N/A	$ 30.1
Weighted average shares outstanding	281.8	N/A	N/A	281.8

Earnings per Share	$ 0.11	-	-	$ 0.11
Three months ended June 30, 1998				
Net Income	$ 142.0	$ 0.0	$ 4.0	$ 146.0
Weighted average shares outstanding	280.7	1.5	9.9	292.1
Earnings per share	$ 0.51	-	-	$ 0.50
First six months, 1999				
Net loss	$ (48.9)	$ N/A	$ N/A	$ (48.9)
Weighted average shares outstanding	281.6	N/A	N/A	281.6
Loss per Share	$ (0.17)	-	-	$ (0.17)
First six months, 1998				
Net Income	$ 300.5	$ 0.0	$ 8.1	$ 308.6
Weighted average shares outstanding	280.5	1.3	9.9	291.7
Earnings per share	$ 1.07	-	-	$ 1.06

(1) Diluted earnings per share for the three and six months ended June 30, 1999 exclude the impact of "in the money" stock options and convertible preferred securities because they are antidilutive.

NOTE 10 - COMPREHENSIVE INCOME

In 1998, the Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income," (SFAS No. 130), which requires companies to report all changes in equity during a period, except those resulting from investment by owners and distribution to owners, in a financial statement for the period in which they are recognized. The Company has chosen to report Comprehensive Income and Accumulated Other Comprehensive Income, which encompasses net income, net unrealized gains on securities available for sale and foreign currency translation adjustments, in the Consolidated Statements of Stockholders' Equity and Comprehensive Income. Prior years have been restated to conform to the SFAS No. 130 requirements.

The following table displays the components of Accumulated Other Comprehensive Income:

(In Millions)	Net Unrealized Gains/(Losses) on Securities	Foreign Currency Translation	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 1998	$ (4.1)	$ (82.1)	$ (86.2)
Change during six months	4.5	(29.7)	(25.2)
Balance at June 30, 1999	$ 0.4	$ (111.8)	$ (111.4)

NOTE 11 - INDUSTRY SEGMENT INFORMATION

The Company reviewed the criteria for determining segments of an enterprise in accordance with SFAS No. 131 and concluded it has three reportable operating segments: Household Products, Hardware & Home Furnishings and Office Products. This segmentation is appropriate because the Company organizes its product categories into these groups when making operating decisions and assessing performance. The Company divisions included in each segment also sell primarily to the same retail channel: Household Products (discount stores and warehouse clubs), Hardware and Home Furnishings (home centers and hardware

stores) and Office Products (office superstores and contract stationers). Based on the recent merger with Rubbermaid, the Company added the Rubbermaid divisions to the former Housewares segment to create the Household Products segment.

Net Sales (In Millions)	Three Months Ended June 30, 1999	Three Months Ended June 30, 1998
Household Products	$ 796.4	$ 831.4
Hardware & Home Furnishings	468.2	429.7
Office Products	332.7	298.4
Total Net Sales	$1,597.3	$1,559.5

Operating Income (In Millions)	Three Months Ended June 30, 1999	Three Months Ended June 30, 1998
Household Products	$ (50.7)	$ 101.4
Hardware & Home Furnishings	76.8	71.5
Office Products	80.5	76.3
Corporate	(21.0)	(12.0)
Subtotal	$ 85.6	$ 237.2
Restructuring costs	(8.7)	(8.5)
Total Operating Income	$ 76.9	$ 228.7

Net Sales (In Millions)	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998
Household Products	$ 1,638.5	$ 1,657.0
Hardware & Home Furnishings	898.8	803.3
Office Products	576.2	501.3
Total Net Sales	$ 3,113.5	$ 2,961.6

Operating Income (In Millions)	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998
Household Products	$ 37.2	$ 193.4
Hardware & Home Furnishings	128.8	112.7
Office Products	111.6	111.6
Corporate	(40.7)	(40.1)
Subtotal	$ 236.9	$ 377.6
Restructuring costs	(186.7)	(51.9)
Total Operating Income	$ 50.2	$ 325.7

Identifiable Assets (In Millions)	June 30, 1999	December 31, 1998
Household Products	$2,279.8	$2,286.3
Hardware & Home Furnishings	1,027.9	995.8
Office Products	692.8	643.0
Corporate	2,307.8	2,364.1
Total Identifiable Assets	$6,308.3	$6,289.2

Operating income is net sales less cost of products sold and SG&A expenses, but is not affected either by nonoperating (income) expenses or by income taxes. Nonoperating (income) expenses consists principally of net interest expense, and in 1998, the net gain on the sale of Black & Decker common stock. In calculating operating income for individual business segments, certain headquarters expenses of an operational nature are allocated to business segments primarily on a net sales basis. Trade names and goodwill amortization is considered a corporate expense and not allocated to business segments. All intercompany transactions have been eliminated and transfers of finished goods between areas are not significant. Corporate assets primarily include trade names and goodwill, equity investments and deferred tax assets.

NOTE 12 - ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Effective January 1, 2001, the Company will adopt SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities." Management believes that the adoption of this statement will not be material to the consolidated financial statements.

PART I

Item 2.

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

Results of Operations

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

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1999	1998*	1999	1998*
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of products sold	73.7%	69.4%	72.9%	70.5%
GROSS INCOME	26.3%	30.6%	27.1%	29.5%
Selling, general and administrative expenses	20.2%	14.7%	18.7%	15.6%
Restructuring costs	0.5%	0.5%	6.0%	1.8%
Trade names and goodwill amortization and other	0.8%	0.7%	0.8%	1.1%
OPERATING INCOME	4.8%	14.7%	1.6%	11.0%
Nonoperating expenses (income):				
Interest expense	1.8%	1.4%	1.7%	1.5%
Other, net	(0.1)%	(1.4)%	0.1%	(7.1)%
Net nonoperating expenses (income)	1.7%	0.0%	1.8%	(5.6)%

INCOME (LOSS) BEFORE INCOME TAXES	3.1%	14.7%	(0.2)%	16.6%
Income taxes	1.2%	5.6%	1.4%	6.5%
NET INCOME (LOSS)	1.9%	9.1%	(1.6)%	10.1%

See notes to consolidated financial statements.

* Restated for the merger with Rubbermaid Incorporated on March 24, 1999, and the merger with Calphalon on May 7, 1998, both of which were accounted for as poolings of interests.

Three Months Ended June 30, 1999 Vs. Three Months Ended June 30, 1998

Net sales for the three months ended June 30, 1999 ("second quarter") were $1,597.3 million, representing an increase of $37.8 million or 2.4% from $1,559.5 million in the comparable quarter of 1998. Results for 1998 have been restated to include the March 1999 Rubbermaid merger and the May 1998 Calphalon merger, which were accounted for as poolings of interests. The overall increase in net sales was primarily attributable to contributions from Panex (acquired in June 1998), Gardinia (acquired in August 1998), Rotring (acquired in September 1998), Ateliers 28 (acquired in March 1999) and 4% internal growth in the Newell core businesses. These increases were partially offset by a 7% decline at the Rubbermaid divisions. Net sales for each of the Company's segments (and the primary reasons for the increase or decrease) were as follows, in millions:

	1999	1998	% change
Household Products:			
Former Housewares Group	$ 201.8	$ 194.6	3.7%(1)
Rubbermaid Divisions	594.6	636.8	(6.6)%(2)
	796.4	831.4	(4.2)%
Hardware & Home Furnishings	468.2	429.7	9.0%(3)
Office Products	332.7	298.4	11.5%(4)
	$1,597.3	$1,559.5	2.4%

(1) Internal growth* of 4% plus Panex acquisition less Newell Plastics divestiture.
(2) Unforecasted Rubbermaid promotional commitments made prior to the merger.
(3) Gardinia and Ateliers 28 acquisitions.
(4) Internal growth of 9% plus Rotring acquisition less Stuart Hall divestiture.

* The Company defines internal growth as growth from the core businesses, which include continuing businesses owned more than two years and minor acquisitions.

Gross income as a percentage of net sales in the second quarter of 1999 was 26.3% or $420.8 million versus 30.6% or $476.9 million in the comparable quarter of 1998. Excluding charges of $38.4 million relating to the Rubbermaid merger, gross income in the second quarter of 1999 was $459.2 million or 28.7% of net sales. Excluding charges, gross margins at the Newell core businesses were maintained while the 1998 acquisitions had gross margins which were lower than the Company's average gross margins and the Rubbermaid divisions' gross margins declined in the second quarter of 1999 versus the second quarter of 1998. As the 1998 acquisitions and Rubbermaid divisions are integrated, the Company expects their gross margins to improve.

Selling, general and administrative expenses ("SG&A") in the second quarter of 1999 were 20.2% of net sales or $322.5 million versus 14.7% or $229.1 million in the comparable quarter of 1998. Excluding charges of $89.0 million relating to the Rubbermaid merger, SG&A in the second quarter of 1999 was $233.5 million or 14.6% of net sales. Excluding charges, SG&A as a percentage of net sales declined at Newell core businesses and at Newell Window Fashions Europe due to integration efforts. This was offset by higher than average SG&A expenditures at Rotring and Rubbermaid. As these acquisitions are integrated, the Company expects their SG&A spending as a percentage of net sales to decline.

In the second quarter of 1999, the Company recorded a pre-tax restructuring charge of $8.7 million ($5.3 million after taxes). The pre-tax charge related to the Rubbermaid acquisition, and included $3.5 million of merger costs, executive severance costs of $1.8 million and a $3.4 million of exit costs primarily related to impaired Rubbermaid capitalized computer software costs and facility exit costs (concurrent with the merger with Rubbermaid, the Company decided that all Rubbermaid businesses will be integrated into Newell's existing information systems, resulting in an impairment of Rubbermaid's capitalized software asset which will no longer be used).

In the second quarter of 1998, Rubbermaid recorded a pre-tax restructuring charge of $8.5 million ($5.5 million after taxes). The 1998 restructuring charge primarily included costs associated with a U.S. plant closure in the Rubbermaid Home Products division, a reduction of the Rubbermaid sales and administrative staff in Asia, an Australian plant closure in the Rubbermaid Commercial Products division and the sale of Rubbermaid's joint venture in Japan.

Trade names and goodwill amortization and other in the second quarter of 1999 were 0.8% of net sales or $12.6 million versus 0.7% or $10.6 million in the comparable quarter of 1998.

Operating income in the second quarter of 1999 was 4.8% of net sales or $70.9 million versus operating income of 14.7% or $228.7 million in the comparable quarter of 1998. Excluding restructuring costs in 1998 and 1999 and other charges in 1999, operating income in the second quarter of 1999 was 13.3% or $213.0 million versus 15.2% or $237.2 million in the second quarter of 1998. The decrease in operating margins was primarily due to the 1998 Rotring, Panex and Gardinia acquisitions and to the Rubbermaid divisions whose margins declined in the second quarter of 1999 versus the second quarter of 1998. This decrease was offset partially by an increase in margins at several of the Company's core businesses. As the 1998 acquisitions and Rubbermaid are integrated, the Company expects their operating margins to improve.

Net nonoperating expenses in the second quarter of 1999 were 1.7% of net sales or $27.6 million versus net nonoperating income of $0.3 million in the comparable quarter of 1998. The $27.9 million decrease in income was primarily due to a one-time net gain of $24.1 million on

the sale of the Company's decorative coverings product line in the second quarter of 1998.

Excluding restructuring costs and other gains and charges in 1999 and 1998, the effective tax was 39.0% in the second quarter of 1999 versus 37.8% in the second quarter of 1998.

Net income for the second quarter of 1999 was $30.1 million, compared to net income of $142.0 million in the second quarter of 1998. Diluted earnings per share were $0.11 in the second quarter of 1999 compared to $0.50 in the second quarter of 1998. Excluding 1999 restructuring costs of $8.7 million ($5.3 million after taxes), other 1999 pre-tax charges of $127.4 million ($77.7 million after taxes), 1998 restructuring costs of $8.5 million ($5.3 million after taxes), and the one-time net gain in 1998 on the sale of the Company's decorative coverings product line of $24.1 million ($14.7 million after taxes), net income declined $19.7 million or 14.8% to $113.1 million in the second quarter of 1999 versus $132.8 million in 1998. Diluted earnings per share, calculated on the same basis, decreased 14.9% to $0.40 in the second quarter of 1999 versus $0.47 in the second quarter of 1998. The decrease in net income and earnings per share in the second quarter of 1999 was primarily due to profit declines at the Rubbermaid divisions. These results were offset partially by an increase in operating results at several of the Newell's core businesses.

Six Months Ended June 30, 1999 Vs. Six Months Ended June 30, 1998

Net sales for the first six months of 1999 were $3,113.5 million, representing an increase of $151.9 million or 5.1% from $2,961.6 million in the comparable period of 1998. Results for 1998 have been restated to include the March 1999 Rubbermaid merger and the May 1998 Calphalon merger, which were accounted for as poolings of interests. The overall increase in net sales was primarily attributable to contributions from Panex (acquired in June 1998), Gardinia (acquired in August 1998), Rotring (acquired in September 1998), Ateliers 28 (acquired in March 1999) and 5% internal growth in the Newell core businesses. These increases were offset by a 3% decline at the Rubbermaid divisions. Net sales for each of the Company's segments (and the primary reasons for the increase or decrease) were as follows, in millions:

	1999	1998	% change
Household Products:			
Former Housewares Group	$ 409.9	$ 388.6	5.5%(1)
Rubbermaid Divisions	1,228.6	1,268.4	(3.1)%(2)
	1,638.5	1,657.0	(1.1)%
Hardware & Home Furnishings	898.8	803.3	11.9%(3)
Office Products	576.2	501.3	14.9%(4)
	$3,113.5	$2,961.6	5.1%

(1) Internal growth* of 7% plus Panex acquisition less Newell Plastics divestiture.
(2) Unforecasted Rubbermaid promotional commitments made prior to the merger.
(3) Internal growth of 2% plus the Gardinia and Ateliers 28 acquisitions.
(4) Internal growth of 7% plus the Rotring acquisition less the Stuart Hall divestiture.

* The Company defines internal growth as growth from the core businesses, which include continuing businesses owned more than two years and minor acquisitions.

Gross income as a percentage of net sales in the first six months of 1999 was 27.1% or $844.1 million versus 29.5% or $873.1 million in the comparable period of 1998. Excluding charges of $38.4 million relating to the Rubbermaid merger, gross income in the first six months of 1999 was $882.5 million or 28.3% of net sales. Excluding charges, gross margins at the Newell core businesses increased while the 1998 acquisitions had gross margins which were lower than the Company's average gross margins and the Rubbermaid divisions' gross margins declined in the first six months of 1999 versus the first six months of 1998. As the 1998 acquisitions and Rubbermaid divisions are integrated, the Company expects their gross margins to improve.

Selling, general and administrative expenses ("SG&A") in the first six months of 1999 were 18.7% of net sales or $582.5 million versus 15.6% or $463.1 million in the comparable period of 1998. Excluding charges of $89.0 million relating to the Rubbermaid merger, SG&A in the first six months of 1999 was $493.5 million or 15.9% of net sales. Excluding charges, SG&A as a percentage of net sales declined at Newell core businesses and at Newell Window Fashions Europe through integration efforts. This was more than offset by higher than average SG&A expenditures at Rotring and Rubbermaid. As these acquisitions are integrated, the Company expects their SG&A spending as a percentage of net sales to decline.

In the first six months of 1999, the Company recorded a pre-tax restructuring charge of $186.7 million ($159.3 million after taxes). The pre-tax charge related to the Rubbermaid acquisition, and included $36.8 million of merger costs (investment banking, legal and accounting fees), executive severance costs of $85.1 million, a $64.8 million of exit costs primarily related to impaired Rubbermaid capitalized computer software costs and facility exit costs (concurrent with the merger with Rubbermaid, the Company decided that all Rubbermaid businesses will be integrated into Newell's existing information systems, resulting in an impairment of Rubbermaid's capitalized software asset which will no longer be used).

In the first six months of 1998, Rubbermaid recorded a pre-tax restructuring charge of $51.9 million ($33.7 million after taxes). The 1998 restructuring charge primarily included costs associated with a U.S. plant closure in the Rubbermaid Home Products division, a reduction of the Rubbermaid sales and administrative staff in Asia, an Australian plant closure in the Rubbermaid Commercial Products division and the sale of Rubbermaid's joint venture in Japan.

Trade names and goodwill amortization and other in the first six months of 1999 were 0.8% of net sales or $24.7 million versus 1.1% or $32.4 million in the first six months of 1998. Excluding charges in 1998 of $11.4 million (which included write-offs of intangible assets), trade names and goodwill amortization and other was 0.7% of net sales.

Operating income in the first six months of 1999 was 1.6% of net sales or $50.2 million versus 11.0% or $325.7 million in the comparable period of 1998. Excluding restructuring costs in 1998 and 1999 and other charges in 1998 and 1999, operating income in the first six months of 1999 was 11.7% or $364.3 million versus 13.1% or $389.0 million in the first six months of 1999 versus 1998. The decrease in operating margins was primarily due to the 1998 acquisitions and to the Rubbermaid divisions whose margins declined in the first six months of 1998. This decrease was offset partially by an increase in margins at several of the Newell's core businesses. As the 1998 acquisitions and Rubbermaid are integrated, the Company expects their operating margins to improve.

Net nonoperating expenses in the first six months of 1999 were 1.8% of net sales or $55.9 million versus net nonoperating income of 5.6% of net sales or 164.6 million in the comparable period of 1998. The $220.5 million decrease in income was primarily due to net gains of $191.5 million and $24.1 million on the sales of the Company's stake in Black & Decker and the Company's decorative coverings product line.

Excluding restructuring costs and other gains and charges in 1999 and 1998, the effective tax was 39.0% in the first six months of 1999 versus 37.7% in the first six months of 1998.

The net loss for the first six months of 1999 was $48.9 million, compared to net income of $300.5 million in the first six months of 1998. Diluted earnings (loss) per share were $(0.17) in the six months of 1999 compared to $1.06 in the first six months of 1998. Excluding 1999 restructuring costs of $186.7 million ($159.3 million after taxes), other 1999 pre-tax charges of $127.4 million ($77.7 million after taxes), 1998 restructuring costs of $51.9 million ($33.7 million after taxes), the net gain in 1998 on the sale of Black & Decker stock of $191.5 million ($115.7 million after taxes), the 1998 net gain of $24.1 million ($14.7 million after taxes) on the sale of the Company's decorative coverings product line, and other 1998 pre-tax charges of $11.4 million ($6.9 million after taxes), net income declined $22.6 million or 10.7% to $188.1 million the first six months of 1999 versus $210.7 million in 1998. Diluted earnings per share, calculated on the same basis, decreased 10.7% to $0.67 in the first six months of 1999

versus $0.75 in the first six months of 1998. The decrease in net income and earnings per share in the first six months of 1999 was primarily due to declines in profits at the Rubbermaid divisions. These results were offset partially by an increase in operating results at several of the Newell core businesses.

Liquidity and Capital Resources

Sources:

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

Cash provided by operating activities in the first six months of 1999 was $24.1 million compared $47.4 million for the comparable period of 1998.

On March 3, 1998, the Company received $378.3 million from the sale of 7,862,300 shares of Black & Decker common stock. In April 1998, the Company received $51.3 million from the sale of its decorative coverings product line. The proceeds from the sales were used to pay down commercial paper.

The Company has short-term foreign and domestic uncommitted lines of credit with various banks which are available for short-term financing. Borrowings under the Company's uncommitted lines of credit are subject to discretion of the Lender. The Company's uncommitted lines of credit do not have a material impact on the Company's liquidity. Borrowings under the Company's uncommitted lines of credit at June 30, 1999 totaled $86.7 million.

During 1997, the Company amended its revolving credit agreement to increase the aggregate borrowing limit to $1.3 billion, at a floating interest rate. The revolving credit agreement will terminate in August 2002. At June 30, 1999, there were no borrowings under the revolving credit agreement.

In lieu of borrowings under the Company's revolving credit agreement, the Company may issue up to $1.3 billion of commercial paper. The Company's revolving credit agreement provides the committed backup liquidity required to issue commercial paper. Accordingly, commercial paper may only be issued up to the amount available for borrowing under the Company's revolving credit agreement. At June 30, 1999, $644.5 million (principal amount) of commercial paper was outstanding. The entire amount is classified as long-term debt.

The Company had outstanding at June 30, 1999 a total of $470.5 million of Medium-term notes issued during 1998. The maturities on

these notes range from five to thirty years at an average interest rate of 6.0%. At June 30, 1999, the Company also had outstanding $257.0 million (principal amount) of Medium-term notes issued under a previous program with maturities ranging from five to ten years at an average interest rate of 6.2%.

At June 30, 1999 the Company had outstanding $150.0 million (principal amount) of Senior Notes with a maturity of November 15, 2006 at an interest rate of 6.6%.

Uses:

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

Cash used in acquiring businesses was $48.8 million and $370.5 million in the first six months of 1999 and 1998, respectively. In the first six months of 1998, the Company acquired Swish Track and Pole, Curver, Panex and made another minor acquisition for cash purchase prices totaling $371.6 million. In the first six months of 1999, the Company acquired Ateliers 28 for a cash purchase price of $40.3 million. All of these acquisitions were accounted for as purchases and were paid for with proceeds obtained from the issuance of commercial paper.

Cash used for restructuring activities was $121.7 million and $19.7 million in the first six months of 1999 and 1998, respectively. Such cash payments represent primarily employee termination benefits and other merger expenses. There are no remaining cash payments to be made associated with the restructuring charges reflected in the consolidated financial statements.

Capital expenditures were $89.0 million and $117.5 million in the first six months of 1999 and 1998, respectively.

Aggregate dividends paid during the first six months of 1999 and 1998 were $113.0 million ($0.40 per share) and $105.8 million ($0.38 per share), respectively.

Retained earnings decreased in the first six months of 1999 by $161.9 million. Retained earnings increased in the first six months of 1998 by $168.2 million. The decrease in 1999 was primarily due to restructuring costs of $186.7 million ($159.3 million after taxes) and other pre-tax charges of $127.4 million ($77.7 million after taxes). The increase in 1998 was primarily due to a net gain of $191.5 million ($115.7 million after taxes) on the sale of the Black & Decker common stock.

Working capital at June 30, 1999 was $1,283.6 million compared to $1,278.8 million at December 31, 1998. The current ratio at June 30, 1999 was 2.03:1 compared to 2.09:1 at December 31, 1998.

Total debt to total capitalization (total debt is net of cash and cash equivalents, and total capitalization includes total debt, convertible preferred securities and stockholders equity) was .33:1 at June 30, 1999 and .30:1 at December 31, 1998.

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

Market Risk

The Company's market risk is impacted by changes in interest rates, foreign currency exchange rates, and certain commodity prices. Pursuant to the Company's policies, natural hedging techniques and derivative financial instruments may be utilized to reduce the impact of adverse changes in market prices. The Company does not hold or issue derivative instruments for trading purposes, and has no material sensitivity to changes in market rates and prices on its derivative financial instrument positions.

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

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

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

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

	Time	Confidence

	June 30, 1999	Period	Level
(In millions)			
Interest rates	$9.2	1 day	95%
Foreign exchange	$2.5	1 day	95%

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

YEAR 2000 COMPUTER COMPLIANCE

State of Readiness

Any computer equipment that uses two digits instead of four to specify the year will be unable to interpret dates beyond the year 1999. This "Year 2000" issue could result in system failures or miscalculations causing disruptions of operations.

In order to address Year 2000 compliance issues, the Company has initiated a comprehensive project designed to minimize or eliminate these kinds of operational disruptions in its information technology ("IT") systems, as well as its non-IT systems (e.g., HVAC systems and building security systems). The project consists of six phases: company recognition, inventory of systems, impact analysis, planning, fixing and testing.

The Company's project is approximately 90% complete with all phases for its IT systems and 80% complete for its non-IT systems in the United States and Canada. The Company anticipates that all phases will be completed for all IT and non-IT systems in the United States and Canada by November 30, 1999. With respect to International IT systems, approximately 75% of the Company's business systems are currently compliant and approximately 25% are in the process of being fixed and tested. With respect to International non-IT systems, approximately 80% of the Company's non-IT systems are currently compliant and 20% are in the process of being fixed and tested. The Company anticipates that all phases will be completed for all foreign IT and non-IT systems by November 30, 1999.

As part of its Year 2000 project, the Company has initiated communications with all of its key vendors and services suppliers (including raw material and utility providers) to assess their state of Year 2000 readiness. Most of its key vendors and service suppliers have responded in writing to the Company's Year 2000 readiness inquiries and have said they will be Year 2000 compliant.

The Company plans to continue assessment of its third party business partners, including face-to-face meetings with management and/or onsite visits as deemed appropriate. The Company is prepared in cases where its main vendor or service provider cannot continue with its business due to Year 2000 problems to use alternate vendors as sources for required materials. Despite the Company's efforts, there can be no guarantee that the systems of other companies which the Company relies upon to conduct its day-to-day business will be compliant.

Costs

The Company estimates that it will incur total expenses of $14 million to $16 million in conjunction with the Year 2000 compliance project (including such expenses relating to the Rubbermaid operations). As of June 30, 1999, the Company has spent $15 million in conjunction with this project. The majority of these expenditures were capitalized since they were associated with purchased software that would have been replaced in the normal course of business.

Risks

With respect to the risks associated with its IT and non-IT systems, the Company believes that the most likely worst case scenario is that the Company may experience minor system malfunctions and errors in the early days and weeks of 2000 that were not detected during its fixing and testing efforts. The Company also believes that these problems will not have a material effect on the Company's financial condition or results of operations.

With respect to the risks associated with third parties, the Company believes that the most likely worst case scenario is that some of the Company's vendors will not be compliant and will have difficulty filling orders and delivering goods. Management also believes that the number of such vendors will have been minimized by the Company's program of identifying non-compliant vendors and replacing or jointly developing alternative supply or delivery solutions prior to 2000. Due to the diversity of its product lines, the Company does not have material sensitivity to any one vendor or service supplier.

The Company has limited the scope of its risk assessment to those factors upon which it can reasonably be expected to have an influence. For example, the Company has made the assumption that government agencies, utility companies and telecommunications providers will continue to operate. Obviously, the lack of such services could have a material effect on the Company's ability to operate, but the Company has little if any ability to influence such an outcome, or to reasonably make alternative arrangements in advance for such services in the event they are unavailable. Newell Rubbermaid products are not dependent on dates and therefore are not affected by the transition to the Year 2000.

Contingency Plans

In the United States, the Company has all of its major business systems running on a centralized system for all of its operating divisions. Although extensive testing has been completed for these systems, the following contingency plan has been adopted for Year 2000 issues that may occur on January 1, 2000 and thereafter:

- A triage team has been assembled which has the authority and financial capabilities to rectify all systems problems that may occur.

- The team consists of Corporate officers and managers from every support function.

- The team has access to vendor support hotlines and internal staffs.

- Once a problem has been identified and course of action determined, staff will be assigned to provide around-the-clock corrective actions until the problem is resolved.

EURO CURRENCY CONVERSION

On January 1, 1999, the "Euro" became the common legal currency for 11 of the 15 member countries of the European Union. On that date, the participating countries fixed conversion rates between their existing sovereign currencies ("legacy currencies") and the Euro. On January 4, 1999, the Euro began trading on currency exchanges and became available for non-cash transactions, if the parties elect to use it. The legacy currencies will remain legal tender through December 31, 2001. Beginning January 1, 2002, participating countries will introduce Euro-denominated bills and coins, and effective July 1, 2002, legacy currencies will no longer be legal tender.

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

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

FORWARD LOOKING STATEMENTS

Forward-looking statements in this Report are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may relate to, but are not limited to, such matters as sales, income, earnings per share, return on equity, capital expenditures, dividends, capital structure, free cash flow, debt to capitalization ratios, interest rates, internal growth rates, the Euro conversion plan and related risks, the Year 2000 plan and related risks, pending legal proceeding and claims (including environmental matters), future economic performance, management's plans, goals and objectives for future operations and growth or the assumptions relating to any of the forward-looking information. The Company cautions that forward-looking statements are not guarantees since there are inherent difficulties in predicting future results, and that actual results could differ materially from those expressed or implied in the forward-looking statements. Factors that could cause actual results to differ include, but are not limited to, those matters set forth in the Company's Annual Report on Form 10-K, the documents incorporated by reference therein and in Exhibit 99 thereto.

PART I.

Item 3.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is subject to certain legal proceedings and claims, including the environmental matters described below, that have arisen in the ordinary conduct of its business.

As of June 30, 1999, the Company was involved in various matters concerning federal and state environmental laws and regulations, including matters in which the Company has been identified by the U.S. Environmental Protection Agency and certain state environmental agencies as a potentially responsible party ("PRPs") at contaminated sites under the Federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and equivalent state laws.

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

Based on information available to it, the Company's estimate of environmental response costs associated with these matters as of June 30, 1999 ranged between $17.0 million and $22.0 million. As of June 30, 1999, the Company had a reserve equal to $20.3 million for such environmental response costs in the aggregate. No insurance recovery was taken into account in determining the Company's cost estimates or reserve, nor do the Company's cost estimates or reserve reflect any discounting for present value purposes.

Because of the uncertainties associated with environmental investigations and response activities, the possibility that the Company could be identified as a PRP at sites identified in the future that require the incurrence of environmental response costs and the possibility of additional sites as a result of businesses acquired,

actual costs to be incurred by the Company may vary from the Company's estimates.

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

Reference is made to the disclosure of several legal proceedings relating to the importation and distribution of vinyl mini-blinds made with plastic containing lead stabilizers in Note 14 to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 1998. All such litigation is pending. Although management of the Company cannot predict the ultimate outcome of these matters with certainty, it believes that their ultimate resolution will not have a material effect on the Company's consolidated financial statements.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

10.12 The Company's 1993 Stock Option Plan, effective February 9, 1993, as amended May 26, 1999.

11. Computation of Earnings per Share of Common Stock

12. Statement of Computation of Ratio of Earnings to Fixed Charges

27. Financial Data Schedule

(b) Reports on Form 8-K:

Registrant filed a Current Report on Form 8-K dated June 30, 1999, restating Registrant's financial statements for 1998, 1997 and 1996 to reflect the pooling of interests accounting used in the merger with Rubbermaid Incorporated.

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 13, 1999 /s/ William T. Alldredge

William T. Alldredge
Vice President - Finance

Date: August 13, 1999 /s/ Brett E. Gries

Brett E. Gries
Vice President - Accounting & Audit

EXHIBIT 10.12

NEWELL RUBBERMAID INC.

AMENDED 1993 STOCK OPTION PLAN

Section 1. Purpose

The purpose of the 1993 Stock Option Plan of Newell Rubbermaid Inc. (the "Plan") is to benefit Newell Rubbermaid Inc. (the "Company") and its Subsidiaries (as defined in Section 2) by recognizing the contributions made to the Company by officers and other key employees (including Directors of the Company who are also employees) of the Company and its Subsidiaries, to provide such persons with additional incentive to devote themselves to the future success of the Company, and to improve the ability of the Company to attract, retain and motivate individuals, by providing such persons with a favorable opportunity to acquire or increase their proprietary interest in the Company over a period of years through receipt of options to acquire common stock of the Company. In addition, the Plan is intended as an additional incentive to members of the Board of Directors of the Company who are not employees of the Company ("Non-Employee Directors") to serve on the Board of Directors of the Company (the "Board of Directors") and to devote themselves to the future success of the Company by providing them with a favorable opportunity to acquire or increase their proprietary interest in the Company through receipt of options to acquire common stock of the Company.

The Company may grant stock options which constitute "incentive stock options" ("ISOs") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), or stock options which do not constitute ISO ("NSOs") (ISOs and NSOs being hereinafter collectively referred to as "Options").

Section 2. Eligibility

Non-Employee Directors shall participate in the Plan only in accordance with the provisions of Section 5 of the Plan. The Board (as defined in Section 3) shall initially, and from time to time thereafter, select those officers and other key employees (including Directors of the Company who are also employees) (collectively referred to herein as "Key Employees") of the Company or any other entity of which the Company is the direct or indirect beneficial owner of not less than fifty percent (50%) of all issued and outstanding equity interests ("Subsidiaries"), to participate in the Plan on the basis of the special importance of their services in the management, development and operations of the Company or its Subsidiaries (each such Director and Key Employee receiving Options granted under the Plan is referred to herein as an "Optionee").

Section 3. Administration

3.1 The Board

The Plan shall be administered by the Board of Directors, except that the Board of Directors may delegate administration of the Plan to the Executive Compensation Committee for such time as the Executive Compensation Committee is comprised of two (2) or more members of the Board of Directors, all of which must (a) satisfy the "disinterested" administration requirements set forth in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the "1934 Act"), or any successor rule or regulation, and (b) not be officers or employees of the Company or any Subsidiary. If at any time any member of the Executive Compensation Committee does not satisfy such disinterested administration requirements, the Executive Compensation Committee may not grant any Options under this Plan to any person until such time as all members of the Executive Compensation Committee satisfy such requirements. For purposes of the Plan, the term "Board" shall refer to the Board of Directors or the Executive Compensation Committee, as applicable.

3.2 Authority of the Board

No person, other than members of the Board, shall have any authority concerning decisions regarding the Plan. Subject to the express provisions of this Plan, including but not limited to Section 5, the Board shall have sole discretion concerning all matters relating to the Plan and Options granted hereunder. The Board, in its sole discretion, shall determine the Key Employees of the Company and its Subsidiaries to whom, and the time or times at which Options will be granted, the number of shares to be subject to each Option, the expiration date of each Option, the time or times within which the Option may be exercised, the cancellation of the Option (with the consent of the holder thereof) and the other terms and conditions of the grant of the Option. The terms and conditions of the Options need not be the same with respect to each Optionee or with respect to each Option.

The Board may, subject to the provisions of the Plan, establish such rules and regulations as it deems necessary or advisable for the proper administration of the Plan, and may make determinations and may take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or other action made or taken pursuant to the Plan, including interpretation of the Plan and the specific terms and conditions of the Options granted hereunder by the Board shall be final and conclusive for all purposes and upon all persons including, but without limitation, the Company, its Subsidiaries, the Board of Directors, officers and the affected employees of the Company and/or its Subsidiaries and their respective successors in interest.

No member of the Board shall, in the absence of bad faith, be liable for any act or omission with respect to service on the Board. Service on the Board shall constitute service as a Director of the Company so that members of the Board shall be entitled to indemnification pursuant to the Company's Restated Certificate of Incorporation and By-Laws.

Section 4. Shares of Common Stock Subject to Plan

4.1 The total number of shares of common stock, par value $1.00 per share, and associated preferred stock purchase rights of the Company (the "Common Stock"), that may be issued and sold under the Plan shall initially be 4,000,000. The total number of shares of Common Stock that may be available for Options under the Plan shall be adjusted on January 1 of each calendar year, within the Applicable Period (as defined below), so that the total number of shares of Common Stock that may be issued and sold under the Plan as of January 1 of each calendar year within the Applicable Period shall be equal to five percent (5%) of the outstanding shares of Common Stock of the Company on such date; provided, however, that no such adjustment shall reduce the total number of shares of Common Stock that may be issued and sold under the Plan below 4,000,000. For purposes of the preceding sentence, Applicable Period shall be the ten-year period commencing on January 1, 1993 and ending on December 31, 2002. The aforementioned total number of shares of Common Stock shall be adjusted in accordance with the provisions of Section 4.2 hereof. Notwithstanding the foregoing, the total number of shares of Common Stock that may be subject to ISOs under the Plan shall be 4,000,000 shares of Common Stock, adjusted in accordance with the provisions of Section 4.2 hereof. The number of shares of Common Stock delivered by any such Optionee or withheld by the Company on behalf of any such Optionee pursuant to Sections 8.2 or 8.3 of the Plan shall once again be available for issuance pursuant to subsequent Options. Any shares of Common Stock subject to issuance upon exercise of Options but which are not issued because of a surrender (other than pursuant to Sections 8.2 or 8.4 of the Plan), forfeiture, expiration, termination or cancellation of any such Option, to the extent consistent with applicable law, rules and regulations, shall once again be available for issuance pursuant to subsequent Options.

4.2 The number of shares of Common Stock subject to the Plan and to Options granted under the Plan shall be adjusted as follows: (a) in the event that the number of outstanding shares of Common Stock is changed by any stock dividend, stock split or combination of shares, the number of shares subject to the Plan and to Options previously granted thereunder shall be proportionately adjusted, (b) in the event of any merger, consolidation or reorganization of the Company with any other corporation or corporations, there shall be substituted on an equitable basis as determined by the Board of Directors, in its sole discretion, for each share of Common Stock then subject to the Plan and for each share of Common Stock then subject to an Option granted under the Plan, the number and kind of shares of stock, other securities, cash or other property to which the holders of Common Stock of the Company are entitled pursuant to the transaction, and (c) in the event of any other change in the capitalization of the Company, the Board, in its sole discretion, shall provide for an equitable adjustment in the number of shares of Common Stock then subject to the Plan and to each share of Common Stock then subject to an Option granted under the Plan. In the event of any such adjustment, the exercise price per share shall be proportionately adjusted.

Section 5. Grant of Options to Non-Employee Directors

5.1. Grants

All grants of Options to Non-Employee Directors shall be automatic and non-discretionary. Each individual who is a Non-Employee Director on November 6, 1997 shall be granted automatically a NSO to purchase 5,000 shares of Common Stock on November 6, 1997. Thereafter, each such Non-Employee Director shall be granted an additional NSO to purchase 5,000 shares of Common Stock on the fifth anniversary of the date the Director was last granted an Option pursuant to this paragraph 5.1. Each individual who becomes a Non-Employee Director after November 6, 1997 shall be granted automatically a NSO to purchase 10,000 shares of Common Stock on the date he or she becomes a Non-Employee Director. Thereafter, each such Non-Employee Director shall be granted automatically an additional NSO to purchase 10,000 shares of Common Stock on the fifth anniversary of the date the Director was last granted an Option pursuant to this paragraph 5.1.

5.2 Exercise Price and Period

The per share Option exercise price of each such NSO granted to a Non-Employee Director shall be the "Fair Market Value," on the date on which the Option is granted, of the Common Stock subject to the Option. "Fair Market Value" shall mean the closing sales price of the Common Stock on the New York Stock Exchange Composite Tape (as reported in THE WALL STREET JOURNAL, Midwest Edition). Each such NSO shall become exercisable with respect to one-fifth of the total number of shares of Common Stock subject to the Option on the date twelve months after the date of its grant and with respect to an additional one-fifth of the total number of shares of Common Stock subject to the Option at the end of each twelve-month period thereafter during the succeeding four years. Each NSO shall expire on the date ten years after the date of grant.

Section 6. Grants of Options to Employees

6.1 Grant

Subject to the terms of the Plan, the Board may from time to time grant Options, which may be ISOs or NSOs, to Key Employees of the Company or any of its Subsidiaries. Unless otherwise expressly provided at the time of the grant, Options granted under the Plan to Key Employees will be ISOs.

6.2 Option Agreement

Each Option shall be evidenced by a written Option Agreement specifying the type of Option granted, the Option exercise price, the terms for payment of the exercise price, the expiration date of the Option, the number of shares of Common Stock to be subject to each Option and such other terms and conditions established by the Board, in its sole discretion, not inconsistent with the Plan.

6.3 Expiration

Except to the extent otherwise provided in or pursuant to Section 7, each Option shall expire, and all rights to purchase shares of Common Stock shall expire, on the tenth anniversary of the date on which the Option was granted.

6.4 Exercise Period

Except to the extent otherwise provided in or pursuant to Section 7, or in the proviso to this sentence, Options shall become exercisable pursuant to the following schedule: with respect to one-fifth of the total number of shares of Common Stock subject to Option on the date twelve months after the date of its grant and with respect to an additional one-fifth of the total number of shares of Common Stock subject to the Option at the end of each twelve-month period thereafter during the succeeding four years; provided, however, that the Board, in its sole discretion, shall have the authority to shorten or lengthen the exercise schedule with respect to any or all Options, or any part thereof, granted to Key Employees under the Plan.

6.5 Required Terms and Conditions of ISOs

Each ISO granted to a Key Employee shall be in such form and subject to such restrictions and other terms and conditions as the Board may determine, in its sole discretion, at the time of grant, subject to the general provisions of the Plan, the applicable Option Agreement, and the following specific rules:

(a) Except as provided in Section 6.5(d), the per share exercise price of each ISO shall be the Fair Market Value of the shares of Common Stock on the date such ISO is granted.

(b) The aggregate Fair Market Value (determined with respect to each ISO at the time such Option is granted) of the shares of Common Stock with respect to which ISOs are exercisable for the first time by an individual during any calendar year (under all incentive stock option plans of the Company and its parent and subsidiary corporations) shall not exceed $100,000. If the aggregate Fair Market Value (determined at the time of grant) of the Common Stock subject to an Option, which first becomes exercisable in any calendar year exceeds the limitation of this Section 6.5(b), so much of the Option that does not exceed the applicable dollar limit shall be an ISO and the remainder shall be a NSO; but in all other respects, the original Option Agreement shall remain in full force and effect.

(c) As used in this Section 6, the words "parent" and "subsidiary" shall have the meanings given to them in Section 425(e) and 425(f) of the Code.

(d) Notwithstanding anything herein to the contrary, if an ISO is granted to an individual who owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of its parent or subsidiary corporations, within the meaning of Section 422(b)(6) of the Code, (i) the purchase price of each share of Common Stock subject to the ISO shall be not less than one hundred ten percent (110%) of the Fair Market Value of the Common Stock on the date the ISO is granted, and (ii) the ISO shall expire and all rights to purchase shares thereunder shall cease no later than the fifth anniversary of the date the ISO was granted.

(e) No ISOs may be granted under the Plan after February 9, 2003.

6.6 Required Terms and Conditions of NSOs

Each NSO granted to Key Employees shall be in such form and subject to such restrictions and other terms and conditions as the Board may determine, in its sole discretion, at the time of grant, subject to the general provisions of the Plan, the applicable Option Agreement, and the following specific rule: the per share exercise price of each NSO shall be the Fair Market Value of the shares of Common Stock on the date the NSO is granted; provided however, that in no event may the exercise price be less than the par value of the shares of Common Stock subject to such NSO.

Section 7. Effect of Termination of Employment

7.1 Termination Generally

Except as provided in Sections 7.2, 7.3 and 11, or by the Board of Directors, in its sole discretion, any Option held by an Optionee whose employment with the Company and its Subsidiaries or during service on the Board is terminated for any reason, shall terminate on the date of termination of employment or service on the Board of Directors. The transfer of employment from the Company to a Subsidiary, or from a Subsidiary to the Company, or from a Subsidiary to another Subsidiary, shall not constitute a termination of employment for purposes of the Plan. Options granted under the Plan shall not be affected by any change of duties in connection with the employment of the Optionee or by leave of absence authorized by the Company or a Subsidiary.

7.2 Death and Disability

In the event of the death or Disability (as defined below) of an Optionee during employment with the Company or any of its Subsidiaries or during service on the Board of Directors, all Options held by the Optionee shall become fully exercisable on such date of death or Disability. Each of the Options held by such an Optionee shall expire on the earlier of (a) the first anniversary of the date of death or Disability and (b) the date that such Option expires in accordance with its terms. For purposes of this Section 7.2, "Disability" shall mean the inability of an individual to engage in any substantial gainful activity by reason of any medical determinable physical or mental impairment which is expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months. The Board, in its sole discretion, shall determine the date of any Disability.

7.3 Retirement of Employees

(a) KEY EMPLOYEES (OTHER THAN KEY EMPLOYEES WHO ARE ALSO DIRECTORS OF THE COMPANY). In the event the employment of a Key Employee with the Company and/or its Subsidiaries (other than a Key Employee who is also a Director of the Company) shall be terminated by reason of Employee Retirement, all Options held by the Key Employee shall become fully exercisable. Each of the Options held by such a Key Employee shall expire on the earlier of (i) the first anniversary of the date of the Employee Retirement and (ii) the date that such Option expires in accordance with its terms. For purposes of this Section 7.3, "Employee Retirement" shall mean retirement of a Key Employee at age 65. In the event the employment of a Key Employee with the Company and/or its Subsidiaries shall be terminated by reason of a retirement that is not an Employee Retirement as herein defined, the Board may, in its sole discretion, determine that the exercisability and exercise periods set forth in this Section 7.3(a) shall be applicable to Options held by such Key Employee.

(b) NON-EMPLOYEE DIRECTORS. In the event the service of a Non-Employee Director on the Board of Directors shall be terminated by reason of the retirement of such Non-Employee Director of the Company in accordance with the Company's retirement policy for Directors, any Option or Options granted to such Non-Employee Director shall continue to vest and remain exercisable pursuant to Section 5, in the same manner and to the same extent as if such Director had continued his or her service on the Board of Directors during such period.

(c) KEY EMPLOYEES WHO ARE ALSO DIRECTORS. Section 7.3(b) shall be applicable to Options held by any Key Employee who is also a Director in the event the employment of such Key Employee with the Company and/or its Subsidiaries shall be terminated by reason of Employee Retirement, so long as the service of such Key Employee on the Board of Directors continues after such Employee Retirement. Section 7.3(a) shall be applicable to Options held by any Key Employee who is also a Director in the event the employment of such Key Employee with the Company and/or its Subsidiaries shall be terminated by reason of Employee Retirement, if such Key Employee ceases to be a Director on the date of such Key Employee's Employee Retirement.

Section 8. Exercise of Options

8.1. Notice

A person entitled to exercise an Option may do so by delivery of a written notice to that effect specifying the number of shares of Common Stock with respect to which the Option is being exercised and any other information the Board may prescribe. The notice shall be accompanied by payment as described in Section 8.2. The notice of exercise shall be accompanied by the Optionee's copy of the writing or writings evidencing the grant of the Option. All notices or requests provided for herein shall be delivered to the Secretary of the Company.

8.2 Exercise Price

Except as otherwise provided in the Plan or in any Option Agreement, the Optionee shall pay the purchase price of the shares of Common Stock upon exercise of any Option (a) in cash, (b) in cash received from a broker-dealer to whom the Optionee has submitted an exercise notice consisting of a fully endorsed Option (however, in the case of an Optionee subject to Section 16 of the 1934 Act, this payment option shall only be available to the extent such insider complies with Regulation T issued by the Federal Reserve Board), (c) by delivering shares of Common Stock having an aggregate Fair Market Value on the date of exercise equal to the Option exercise price, (d) by directing the Company to withhold such number of shares of Common Stock otherwise issuable upon exercise of such Option having an aggregate Fair Market Value on the date of exercise equal to the Option exercise price, (e) in the case of a Key Employee, by such other medium of payment as the Board, in its discretion, shall authorize at the time of grant, or (f) by any combination of (a), (b), (c), (d) and (e). In the case of an election pursuant to (a) or (b) above, cash shall mean cash or a check issued by a federally insured bank or savings and loan, and made payable to Newell Rubbermaid Inc. In the case of payment pursuant to (b), (c) or (d) above, the Optionee's election must be made on or prior to the date of exercise and shall be irrevocable. In lieu of a separate election governing each exercise of an Option, an Optionee may file a blanket election with the Board which shall govern all future exercises of Options until revoked by the Optionee. The Company shall issue, in the name of the Optionee, stock certificates representing the total number of shares of Common Stock issuable pursuant to the exercise of any Option as soon as reasonably practicable after such exercise, provided that any shares of Common Stock purchased by an Optionee through a broker-dealer pursuant to clause (b) above shall be delivered to such broker-dealer in accordance with 12 C.F.R. Section 220.3(e)(4) or other applicable provision of law.

8.3 Taxes Generally

At the time of the exercise of any Option, as a condition of the exercise of such Option, the Company may require the Optionee to pay the Company an amount equal to the amount of the tax the Company or any subsidiary may be required to withhold to obtain a deduction for federal and state income tax purposes as a result of the exercise of such Option by the Optionee or to comply with applicable law.

8.4 Payment of Taxes

At any time when an Optionee is required to pay an amount required to be withheld under applicable income tax or other laws in connection with the exercise of an Option, the Optionee may satisfy this obligation in whole or in part by (a) directing the Company to withhold such number of shares of Common Stock otherwise issuable upon exercise of such Option having an aggregate Fair Market Value on the date of exercise equal to the amount of tax required to be withheld, or (b) delivering shares of Common Stock of the Company having an aggregate Fair Market Value equal to the amount required to be withheld. In the case of payment of taxes pursuant to (a) or (b) above, the Optionee's election must be made on or prior to the date of exercise and shall be irrevocable. The Board may disapprove any election or delivery or may suspend or terminate the right to make elections or deliveries. In lieu of a separate election governing each exercise of an Option, an Optionee may file a blanket election with the Board which shall govern all future exercises of Options until revoked by the Optionee.

Section 9. Transferability of Options

No Option granted pursuant to the Plan shall be transferable otherwise than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code.

Section 10. Rights as Stockholder

An Optionee or a transferee of an Optionee pursuant to Section 9 shall have no rights as a stockholder with respect to any Common Stock covered by an Option or receivable upon the exercise of an Option until the Optionee or transferee shall have become the holder of record of such Common Stock, and no adjustments shall be made for dividends in cash or other property or other distributions or rights in respect to such Common Stock for which the record date is prior to the date on which the Optionee shall have in fact become the holder of record of the shares of Common Stock acquired pursuant to the Option.

Section 11. Change in Control

11.1 Effect of Change in Control

Notwithstanding any of the provisions of the Plan or any Option Agreement evidencing Options granted hereunder, upon a Change in Control of the Company (as defined in Section 11.2) all outstanding Options shall become fully exercisable and all restrictions thereon shall terminate in order that Optionees may fully realize the benefits thereunder. Further, in addition to the Board's authority set forth in Section 3, the Board, as constituted before such Change in Control, is authorized, and has sole discretion, as to any Option, either at the time such Option is granted hereunder or any time thereafter, to take any one or more of the following actions: (a) provide for the purchase of any such Option, upon the Optionee's request, for an amount of cash equal to the difference between the exercise price and the then Fair Market Value of the Common Stock covered thereby had such Option been currently exercisable; (b) make such adjustment to any such Option then outstanding as the Board deems appropriate to reflect such Change in Control; and (c) cause any such Option then outstanding to be assumed, by the acquiring or surviving corporation, after such Change in Control.

11.2 Definition of Change in Control

The term "Change in Control" shall mean the occurrence, at any time during the specified term of an Option granted under the Plan, of any of the following events:

(a) The occurrence of any "Distribution Date," as such term is defined in Section 3 of the Rights Agreement between the Company and First Chicago Trust Company of New York dated October 20, 1988, as such may be amended from time to time;

(b) The Company is merged or consolidated or reorganized into or with another corporation or other legal person (an "Acquiror") and as a result of such merger, consolidation or reorganization less than 50% of the outstanding voting securities or other capital interests of the surviving, resulting or acquiring corporation or other person are owned in the aggregate by the stockholders of the Company, directly or indirectly, immediately prior to such merger, consolidation or reorganization, other than the Acquiror or any corporation or other person controlling, controlled by or under common control with the Acquiror;

(c) The Company sells all or substantially all of its business and/or assets to an Acquiror, of which less than 50% of the outstanding voting securities or other capital interests are owned in the aggregate by the stockholders of the Company, directly or indirectly, immediately prior to such sale, other than the Acquiror or any corporation or other person controlling, controlled by or under common control with the Acquiror; or

(d) The election to the Board of Directors, without the recommendation or approval of the incumbent Board of Directors, of the lesser of (i) three Directors or (ii) Directors constituting a majority of the number of Directors of the Company then in office.

Section 12. Postponement of Exercise

The Board may postpone any exercise of an Option for such time as the Board in its sole discretion may deem necessary in order to permit the Company (a) to effect, amend or maintain any necessary registration of the Plan or the shares of Common Stock issuable upon the exercise of an Option under the Securities Act of 1933, as amended, or the securities laws of any applicable jurisdiction, (b) to permit any action to be taken in order to (i) list such shares of Commons Stock on a stock exchange if shares of Common Stock are then listed on such exchange or (ii) comply with restrictions or regulations incident to the maintenance of a public market for its shares of Common Stock, including any rules or regulations of any stock exchange on which the shares of Common Stock are listed, or (c) to determine that such shares of Common Stock and the Plan are exempt from such registration or that no action of the kind referred to in (b)(ii) above needs to be taken; and the Company shall not be obligated by virtue of any terms and conditions of any Option or any provision of the Plan to recognize the exercise of an Option or to sell or issue shares of Common Stock in violation of the Securities Act of 1933 or the law of any government having jurisdiction thereof. Any such postponement shall not extend the term of an Option and neither the Company nor its directors or officers shall have any obligation or liability to an Optionee, to the Optionee's successor or to any other person with respect to any shares of Common Stock as to which the Option shall lapse because of such postponement.

Section 13. Termination or Amendment of Plan

The Board may terminate, suspend, or amend the Plan, in whole or in part, from time to time, without the approval of the stockholders of the Company, unless such approval is required by applicable law or the rules and regulations of any stock exchange on which the shares of Common Stock are listed.

The Board may correct any defect or supply an omission or reconcile any inconsistency in the Plan or in any Option granted hereunder in the manner and to the extent it shall deem desirable, in its sole discretion, to effectuate the Plan.

No amendment or termination of the Plan shall in any manner affect any Option theretofore granted without the consent of the Optionee, except that the Board may amend the Plan in a manner that does affect Options theretofore granted upon a finding by the Board that such amendment is in the best interest of holders of outstanding Options affected thereby.

This Plan is intended to comply with all applicable requirements of Rule 16b-3 or its successors under the 1934 Act, insofar as participants subject to Section 16 of the 1934 Act are concerned. To the extent any provision of the Plan does not so comply, the provision shall, to the extent permitted by law and deemed advisable by the Board, be deemed null and void with respect to such participants.

Section 14. Effective Date

The Plan has been adopted and authorized by the Board of Directors for submission to the stockholders of the Company. If the Plan is approved by the affirmative vote of a majority of the shares of the voting stock of the Company entitled to be voted by the holders of stock represented at a duly held stockholders' meeting, it shall be deemed to have become effective as of February 9, 1993. Options may be granted under the Plan prior, but subject, to approval of the Plan by stockholders of the Company and, in each such case, the date of grant shall be determined without reference to the date of approval of the Plan by the stockholders of the Company.

EXHIBIT 11

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
COMPUTATION OF EARNINGS
PER SHARE OF COMMON STOCK
(in thousands, except per share data)

	Six Months Ended June 30, 1999	1998*
Basic Earnings (loss) per Share:		
Net income (loss)	$(48,945)	$ 300,508
Weighted average outstanding	281,639	280,547
Basic Earnings (loss) per Share	(0.17)	$ 1.07
Diluted Earnings per Share:		
Net income (loss)	$(48,945)	$ 300,508
Minority interest in income of subsidiary trust, net of tax	N/A (1)	8,115
Net income, assuming conversion of all applicable securities	$(48,945)	$ 308,623
Weighted average shares outstanding:	281,639	280,547
Incremental common shares applicable to common stock options based on the market price during the period	N/A (1)	1,273
Average common shares issuable assuming conversion of the Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust	N/A (1)	9,865
Weighted average shares outstanding assuming full dilution	281,639	291,685
Diluted Earnings (loss) per Share assuming conversion of all applicable securities(1)	$ (0.17)	$ 1.06

*Restated for the March 1999 merger with Rubbermaid Incorporated and the merger with Calphalon on May 7, 1998, both of which were accounted for as poolings of interests.

(1) Diluted earnings per share for the six months ended June 30, 1999 exclude the impact of "in the money" stock options and convertible preferred securities because they are anti-dilutive.

EXHIBIT 12

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

	Six Months Ended June 30, 1999	1998*
Earnings (loss) available to fixed charges:		
Income before income taxes	$(5,752)	$490,312
Fixed charges:		
Interest expense	49,701	43,677
Portion of rent determined to be interest (1)	13,996	12,168
Minority interest in income of subsidiary trust	13,396	13,304
Eliminate equity in earnings of unconsolidated entities	(4,056)	(4,458)
	$67,285	$555,003
Fixed charges:		
Interest expense	49,701	43,677
Portion of rent determined to be interest (1)	13,996	12,168
Minority interest in income of subsidiary trust	13,396	13,304
	$ 77,093	$ 69,149
Ratio of earnings to fixed charges	0.87	8.03

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

*Restated for the March 1999 merger with Rubbermaid Incorporated and the merger with Calphalon on May 7, 1998, both of which were accounted for as poolings of interests.

5

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

1,000
6-MOS
DEC-31-1999
JUN-30-1999
48,996
0
1,166,204
(33,868)
1,078,431
2,531,593
2,906,611
(1,392,050)
6,308,253
1,247,962
1,550,023
500,000
0
281,898
2,400,607
6,308,253
3,113,507
844,114
2,269,383
3,063,270
55,989
8,437
49,701
(5,752)
43,193
(48,945)
0
0
0
(48,945)
(0.17)
(0.17)

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

See notes to consolidated financial statements.