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 September 30, 2001

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 (net of treasury shares) as of October 24, 2001: 266,670,700

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 September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
Net sales	$1,767,818	$1,756,372	$5,103,207	$5,172,376
Cost of products sold	1,278,243	1,287,619	3,768,321	3,807,663
GROSS INCOME	489,575	468,753	1,334,886	1,364,713
Selling, general and administrative expenses	296,440	214,509	839,506	675,706
Restructuring costs	11,323	4,243	28,997	12,780
Goodwill amortization and other	14,222	13,378	42,477	39,096
OPERATING INCOME	167,590	236,623	423,906	637,131
Nonoperating expenses:				
Interest expense	32,274	33,184	107,191	95,021
Other, net	5,095	3,440	11,210	10,022
Net nonoperating expenses	37,369	36,624	118,401	105,043
INCOME BEFORE INCOME TAXES	130,221	199,999	305,505	532,088
Income taxes	46,751	77,000	111,607	204,854
NET INCOME	$ 83,470	$ 122,999	$ 193,898	$ 327,234
Weighted average shares outstanding:				
Basic	266,662	266,567	266,643	269,056
Diluted	266,662	276,500	266,643	278,987
Earnings per share:				
Basic	$ 0.31	$ 0.46	$ 0.73	$ 1.22
Diluted	0.31	0.46	0.73	1.22
Dividends per share	$ 0.21	$ 0.21	$ 0.63	$ 0.63

See notes to consolidated financial statements.

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

	September 30, 2001	December 31, 2000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 9,257	$ 22,525
Accounts receivable, net	1,316,139	1,183,363
Inventories, net	1,185,450	1,262,551
Deferred income taxes	241,671	231,875
Prepaid expenses and other	180,873	180,053
TOTAL CURRENT ASSETS	2,933,390	2,880,367
MARKETABLE EQUITY SECURITIES	7,125	9,215
OTHER LONG TERM INVESTMENTS	77,738	72,763
OTHER ASSETS	344,149	352,629
PROPERTY, PLANT AND EQUIPMENT, NET	1,692,916	1,756,903
TRADE NAMES AND GOODWILL	2,171,227	2,189,948
TOTAL ASSETS	$7,226,545	$7,261,825

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

	September 30, 2001	December 31, 2000
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable	$ 23,901	$ 23,492
Accounts payable	446,279	342,406
Accrued compensation	110,458	126,970
Other accrued liabilities	804,020	781,122
Income taxes	185,870	73,122
Current portion of long term debt	915,437	203,714
TOTAL CURRENT LIABILITIES	2,485,965	1,550,826
LONG TERM DEBT	1,365,040	2,319,552
OTHER NON CURRENT LIABILITIES	352,388	347,855
DEFERRED INCOME TAXES	105,318	93,165
MINORITY INTEREST	654	1,788
COMPANY OBLIGATED MANDATORILY REDEEMABLE CONVERTIBLE		

PREFERRED SECURITIES OF A SUBSIDIARY TRUST	499,998	499,998
STOCKHOLDERS' EQUITY		
Common stock - authorized shares, 800.0 million at $1 par value;	282,291	282,174
Outstanding shares:		
2001 282.3 million		
2000 282.2 million		
Treasury stock - at cost;	(408,458)	(407,456)
Shares held:		
2001 15.6 million		
2000 15.6 million		
Additional paid-in capital	218,082	215,911
Retained earnings	2,556,585	2,530,864
Accumulated other comprehensive loss	(231,318)	(172,852)
TOTAL STOCKHOLDERS' EQUITY	2,417,182	2,448,641
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$7,226,545	$7,261,825

See notes to consolidated financial statements.

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

	Nine Months Ended September 30, 2001	2000
OPERATING ACTIVITIES:		
Net income	$ 193,898	$ 327,234
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	254,663	221,837
Deferred income taxes	13,983	(32,992)
Non-cash restructuring charges	12,588	
Other	397	(6,813)
Changes in current accounts, excluding the effects of acquisitions:		
Accounts receivable	(133,216)	(53,870)
Inventories	58,691	(145,570)
Other current assets	1,870	1,164
Accounts payable	102,910	(31,025)
Accrued liabilities and other	71,055	4,873
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 576,839	$ 284,838
INVESTING ACTIVITIES:		
Acquisitions, net	$ (21,961)	$ (70,790)
Expenditures for property, plant and equipment	(184,668)	(240,501)
Disposals of non-current assets and other	27,012	15,504
NET CASH USED IN INVESTING ACTIVITIES	$(179,617)	$(295,787)

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

(Unaudited, in thousands)

	Nine Months Ended September 30, 2001	2000
FINANCING ACTIVITIES:		
Proceeds from issuance of debt	$ 462,944	$ 831,945
Payments of notes payable and long term debt	(704,909)	(324,939)
Proceeds from exercised stock options and other	1,097	(147)
Common stock repurchase		(402,962)
Cash dividends	(167,990)	(169,102)
NET CASH USED IN FINANCING ACTIVITIES	$(408,858)	$(65,205)
Exchange rate effect on cash	(1,632)	(4,571)
DECREASE IN CASH AND CASH EQUIVALENTS	$ (13,268)	$ (80,725)
Cash and cash equivalents at beginning of year	22,525	102,164
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 9,257	$ 21,439
Supplemental cash flow disclosures		
Cash paid during the period for:		
Income taxes, net of refunds	$ (23,768)	$ 121,315
Interest, net of amounts capitalized	$ 119,577	$ 133,768

See notes to consolidated financial statements.

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.

NOTE 2 - ACQUISITIONS

The Company made only minor acquisitions in 2001, for $6.5 million in cash and $0.1 million of assumed debt. In 2000, the Company acquired the following:

BUSINESS	BUSINESS DESCRIPTION	ACQUISITION DATE	INDUSTRY SEGMENT
Mersch SA	Picture Frames	January 24, 2000	Levolor/Hardware
Brio	Picture Frames	May 24, 2000	Levolor/Hardware
Paper Mate/Parker	Writing Instruments	December 29, 2000	Parker/Eldon

For these and for other minor acquisitions made in 2000, the

Company paid $600.7 million in cash and assumed $15.0 million of debt.

The transactions summarized above were accounted for as purchases; therefore, results of operations are included in the accompanying consolidated financial statements since their respective acquisition dates. The acquisition costs for the 2001 acquisitions were allocated on a preliminary basis to the fair market value of the assets acquired and liabilities assumed. The Company's finalized integration plans may include exit costs for certain plants and product lines and employee termination costs. The final adjustments to the purchase price allocations are not expected to be material to the consolidated financial statements.

The preliminary purchase price allocations for the 2001 acquisitions and the finalized purchase price allocations for the 2000 acquisitions resulted in trade names and goodwill of approximately $295.8 million.

The unaudited consolidated results of operations for the nine months ended September 30, 2001 and 2000 on a pro forma basis, as

though the Mersch, Brio and Paper Mate/Parker businesses had been acquired on January 1, 2000, are as follows (in millions, except per share amounts):

	Nine Months Ended September 30, 2001	Nine Months Ended September 30, 2000
Net sales	$ 5,103.2	$ 5,592.0
Net income	$ 193.9	$ 302.5
Basic earnings per share	$ 0.73	$ 1.12

NOTE 3 - RESTRUCTURING COSTS

Certain expenses incurred in the reorganization of the Company's operations are considered to be restructuring expenses. Pre-tax restructuring costs consisted of the following (in millions):

	Nine Months Ended September 30, 2001	Nine Months Ended September 30, 2000
Employee severance and termination benefits	$ 17.6	$ 4.8
Facility and product line exit costs	7.3	6.3
Contractual future maintenance costs	-	1.7
Other transaction costs	4.1	
	$ 29.0	$ 12.8

Restructuring provisions were determined based on estimates prepared at the time the restructuring actions were approved by management. Reserves that remained for restructuring provisions consisted of the following (in millions):

	September 30, 2001	December 31, 2000
Employee severance and termination benefits	$ 9.7	$ 3.3
Facility and product line exit costs	7.6	11.4
Contractual future maintenance costs	2.2	4.6
Other transaction costs	4.8	2.6
	$ 24.3	$ 21.9

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):

	September 30, 2001	December 31, 2000
Materials and supplies	$ 237.5	$ 244.8
Work in process	182.1	165.3
Finished products	765.9	852.5
	$ 1,185.5	$ 1,262.6

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

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

	September 30, 2001	December 31, 2000
Land	$ 60.5	$ 60.7
Buildings and improvements	735.8	736.1
Machinery and equipment	2,528.6	2,421.6
	$ 3,324.9	$ 3,218.4
Allowance for depreciation	(1,632.0)	(1,461.5)
	$ 1,692.9	$ 1,756.9

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 6 LONG TERM DEBT

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

	September 30, 2001	December 31, 2000
Medium term notes	$ 1,012.5	$ 1,012.5
Commercial paper	815.4	1,503.7
Other long term debt	452.5	7.1
	$ 2,280.4	$ 2,523.3
Current portion	(915.4)	(203.7)
	$ 1,365.0	$ 2,319.6

At September 30, 2001, $815.4 million (principal amount) of commercial paper was outstanding. Of this amount, the entire $815.4 million is classified as current portion of long term debt.

NOTE 7 EARNINGS PER SHARE

Basic and diluted earnings per share for the third quarter and first nine months of 2001 and 2000 are calculated as follows (in millions, except per share data):

	Basic Method	"In the money" stock options	Convertible Preferred Securities	Diluted Method
Three months ended September 30, 2001:				
Net Income	$ 83.5		$	$ 83.5
Weighted average shares outstanding	266.7			266.7
Earnings per Share (1)	$ 0.31			$ 0.31
Three months ended September 30, 2000:				
Net Income	$ 123.0		4.1	$ 127.1
Weighted average shares outstanding	266.6	0.0	9.9	276.5
Earnings per Share	$ 0.46			$ 0.46
Nine months ended September 30, 2001:				
Net Income	$ 193.9			$ 193.9
Weighted average shares outstanding	266.6			266.6
Earnings per Share (1)	$ 0.73			$ 0.73
Nine months ended September 30, 2000:				
Net Income	$ 327.2		12.3	$ 339.5
Weighted average shares outstanding	269.1	0.0	9.9	279.0
Earnings per Share	$ 1.22			$ 1.22

(1) Diluted earnings per share for these periods exclude the impact of "in the money" stock options and convertible preferred securities because they are antidilutive.

NOTE 8 COMPREHENSIVE INCOME (LOSS)

The following tables display Comprehensive Income and the components of Accumulated Other Comprehensive Loss, in millions:

	Nine months ended September 30, 2001	2000
Comprehensive Income:		
Net income	$ 193.9	$ 327.2
Foreign currency translation loss	(43.8)	(71.5)
Derivatives hedging loss	(13.3)	
Unrealized loss on marketable securities	(1.3)	(2.6)
Total Comprehensive Income	$ 135.3	$ 253.1

	After tax Unrealized Loss on Securities	Foreign Currency Translation Loss	Derivatives Hedging Loss	Accumulated Other Comprehensive Loss
Accumulated Other Comprehensive Loss:				
Balance at December 31, 2000	$ (1.1)	$ (171.8)	$	$ (172.9)
Change during nine months ended September 30, 2001	(1.3)	(43.8)	(13.3)	(58.4)
Balance at September 30, 2001	$ (2.4)	$ (215.6)	$ (13.3)	$ (231.3)

NOTE 9 - INDUSTRY SEGMENTS

On April 2, 2001, the Company announced the realignment of its operating segment structure. This realignment reflects the Company's focus on building large consumer brands, promoting organizational integration and operating efficiencies and aligning businesses with the Company's key account strategy. The five new segments have been named for leading worldwide brands in the Company's product portfolio. Based on this management structure, the Company's segment results are as follows (in millions):

	Three Months Ended September 30		Nine Months Ended September 30,	
	2001	2000	2001	2000
Net Sales				
Rubbermaid	$ 462.1	$ 481.3	$ 1,370.0	$ 1,467.9
Parker/Eldon	433.2	339.7	1,237.2	981.4
Levolor/Hardware	353.0	369.3	1,033.4	1,113.2
Calphalon/WearEver	291.3	313.9	809.3	866.2
Little Tikes/Graco	228.2	252.2	653.3	743.7
	$ 1,767.8	$ 1,756.4	$ 5,103.2	$ 5,172.4

Three Months Ended September 30, Nine Months Ended September 30,

	2001	2000	2001	2000
Operating Income				
Rubbermaid	$ 39.5	$ 59.4	$ 129.0	$ 157.8
Parker/Eldon	73.8	62.3	198.8	195.5
Levolor/Hardware	41.2	57.6	98.8	155.3
Calphalon/WearEver	32.4	49.3	63.5	107.6
Little Tikes/Graco	12.1	30.9	26.6	92.4
Corporate	(20.1)	(18.6)	(63.8)	(58.7)
	$ 178.9	$ 240.9	$ 452.9	$ 649.9
Restructuring costs	(11.3)	(4.3)	(29.0)	(12.8)
	$ 167.6	$ 236.6	$ 423.9	$ 637.1

	September 30, 2001	December 31, 2000
Identifiable Assets		
Rubbermaid	$ 1,078.9	$ 1,185.2
Parker/Eldon	1,132.8	1,050.9
Levolor/Hardware	811.8	775.9
Calphalon/WearEver	827.2	849.3
Little Tikes/Graco	540.7	537.5
Corporate	2,835.1	2,863.0
	$ 7,226.5	$ 7,261.8

Operating income is net sales less cost of products sold and selling, general and administrative expenses. Certain headquarters expenses of an operational nature are allocated to business segments 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 10 ACCOUNTING PRONOUNCEMENTS

At the beginning of the year, the Company adopted Financial Accounting Standard ("FAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement requires companies to record derivatives on the balance sheet as assets or liabilities, measured at fair value. Any changes in fair value of these instruments are recorded in the income statement or other

comprehensive income. The impact of adopting FAS No. 133 on January 1, 2001 resulted in a cumulative after tax gain of approximately $13.0 million, recorded in accumulated other comprehensive income. The cumulative effect of adopting FAS No. 133 had no material impact on the results of operations.

In the years 2001 and 2000, the Emerging Issues Task Force ("EITF") discussed a number of topics related to product merchandising expenses that the Company reports as a reduction of gross sales. Ultimately, the EITF issued EITF No. 00-14 "Accounting for Certain Sales Incentives" and EITF No. 00-25 "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products," and reached a consensus on an element of EITF No. 00-22 "Accounting for Points and Certain Other Time-Based Sales Incentives or Volume-Based Sales Incentive Offers, and Offers of Free Products or Services to Be Delivered in the Future." These EITF's prescribe guidance regarding the timing of recognition and income statement classification of costs incurred for certain sales incentive programs to retailers and end consumers. These EITF's had no impact on the Company as it currently recognizes these costs and classifies them as reductions of gross sales in accordance with the prescribed rules. EITF Nos. 00-14 and 00-25 are effective for the first quarter beginning after December 15, 2001 and EITF No. 00-22 was effective for the first quarter ended after February 15, 2001.

In June 2001, the Financial Accounting Standard Board ("FASB") issued FAS No. 141, "Business Combinations" and No. 142, "Goodwill and Other Intangible Assets" effective for fiscal years beginning after December 31, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to periodic impairment tests in accordance with the statements. Other intangible assets will continue to be amortized over their useful lives. The statement also requires business combinations initiated after June 30, 2001 to be accounted for using

~~the purchase method of accounting, and broadens the criteria for recording intangible assets separate from goodwill.~~

~~Effective January 1, 2002, all amortization expense on goodwill and intangible assets with indefinite lives will stop. The Company anticipates that the application of the nonamortization provisions will increase annual net income by approximately $40.0 million or $0.15 per share. During fiscal 2002, the Company will perform the first of the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002.~~

~~In August 2001, the FASB issued FAS No. 144, "Accounting for Impairment of Disposal of Long Lived Assets." This statement established a single accounting model for long lived assets to be disposed of by sale and provides additional implementation guidance for assets to be held and used and assets to be disposed of other than by sale. The statement supersedes FAS No. 121, "Accounting for the Impairment of Long Lived Assets and for Long Lived Assets to Be~~

~~Disposed Of" and amends the accounting and reporting provisions of Accounting Principles Board Opinion No. 30 related to the disposal of a segment of a business. The statement is effective for fiscal years beginning after December 15, 2001. The Company has not yet determined the effect that the adoption of the standard will have on its financial position and results of operations.~~

~~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 September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of products sold	72.3%	73.3%	73.8%	73.6%
GROSS INCOME	27.7%	26.7%	26.2%	26.4%
Selling, general and administrative expenses	16.8%	12.2%	16.5%	13.1%
Restructuring costs	0.6%	0.2%	0.6%	0.2%
Trade names and goodwill amortization and other	0.8%	0.8%	0.8%	0.8%
OPERATING INCOME	9.5%	13.5%	8.3%	12.3%
Nonoperating expenses:				
Interest expense	1.8%	1.9%	2.1%	1.8%
Other, net	0.3%	0.2%	0.2%	0.2%
Net nonoperating expenses	2.1%	2.1%	2.3%	2.0%
INCOME BEFORE INCOME TAXES	7.4%	11.4%	6.0%	10.3%
Income taxes	2.7%	4.4%	2.2%	4.0%
NET INCOME	4.7%	7.0%	3.8%	6.3%

See notes to consolidated financial statements.

THREE MONTHS ENDED SEPTEMBER 30, 2001 VS. THREE MONTHS ENDED SEPTEMBER 30, 2000

Net sales for the three months ended September 30, 2001 ("third quarter") were $1,767.8 million, representing an increase of $11.4 million or 0.7% from $1,756.4 million in the comparable quarter of 2000. The increase in net sales is primarily due to $119.5 million of contributions from PaperMate/Parker (acquired in December 2000) and internal sales declines of 6.2% resulting from slowness in the economy

and competitive pressures. Sales by business segment for the third quarter were as follows, in millions:

	2001	2000	Percentage Increase/ Decrease
Rubbermaid	$ 462.1	$ 481.3	(4.0)%(1)
Parker/Eldon	433.2	339.7	27.5 (2)
Levolor/Hardware	353.0	369.3	(4.4) (1)
Calphalon/WearEver	291.3	313.9	(7.2) (1)
Little Tikes/Graco	228.2	252.2	(9.5) (1)
Total	$1,767.8	$1,756.4	0.7%

(1) Internal sales decline.
(2) Sales from the PaperMate/Parker acquisition, offset by internal sales decline of 7.7%.

Gross income as a percentage of net sales in the third quarter of 2001 was 27.7% or $489.6 million versus 26.7% or $468.8 million in the comparable quarter of 2000. Excluding charges of $0.5 million ($0.3 million after taxes) relating to recent acquisitions, gross income for the third quarter of 2001 was $490.1 million or 27.7% of net sales. The improvement in gross income is due to the implementation of a productivity initiative throughout the Company and contributions from the PaperMate/Parker acquisition.

Selling, general and administrative expenses ("SG&A") in the third quarter of 2001 were 16.8% of net sales or $296.5 million versus 12.2% or $214.5 million in the comparable quarter of 2000. Excluding charges of $0.8 million ($0.5 million after taxes) relating to recent acquisitions, SG&A in the third quarter of 2001 was $295.7 million or 16.7% of net sales. SG&A increased as a result of the PaperMate/Parker acquisition and planned marketing initiatives supporting the Company's brand portfolio and key account strategy.

In the third quarter of 2001, the Company recorded a pre-tax restructuring charge of $11.3 million ($7.3 million after taxes).

This charge included $7.8 million of severance costs, $4.0 million of facility exit costs and $(0.5) million of other transaction costs.

In the third quarter of 2000, the Company recorded a pre-tax restructuring charge of $4.2 million ($2.6 million after taxes). This charge included $1.5 million of facility exit costs, $1.4 million of severance costs and $1.3 million of other transaction costs.

Goodwill amortization and other in the third quarter of 2001 were 0.8% of net sales or $14.2 million versus 0.8% or $13.4 million in the comparable quarter of 2000.

Operating income in the third quarter of 2001 was 9.5% of net sales or $167.6 million versus operating income of 13.5% or $236.6 million in the comparable quarter of 2000. Excluding restructuring costs and other charges in 2000 and 2001, operating income in the third quarter of 2001 was 10.2% or $180.2 million versus 13.7% or $240.9 million in the third quarter of 2000. The decrease in operating margins was primarily due to planned investment in marketing initiatives supporting the Company's brand portfolio and key account strategy.

Net nonoperating expenses in the third quarter of 2001 were 2.1% of net sales or $37.4 million versus net nonoperating income of 2.1% or $36.6 million in the comparable quarter of 2000.

The effective tax rate was 35.9% in the third quarter of 2001 versus 38.5% in the third quarter of 2000.

Net income for the third quarter of 2001 was $83.5 million, compared to net income of $123.0 million in the third quarter of 2000. Diluted earnings per share were $0.31 in the third quarter of 2001 compared to $0.46 in the third quarter of 2000. Excluding 2001 restructuring and other pre-tax charges of $12.6 million ($8.1 million after taxes) and 2000 restructuring and other pre-tax charges of $4.2 million ($2.6 million after taxes), net income decreased $34.0 million or 27.1% to $91.6 million in the third quarter of 2001 from $125.6 million in 2000. Diluted earnings per share, calculated on the same basis, decreased 27.7% to $0.34 in the third quarter of 2001 from $0.47 in the third quarter of 2000. The decrease in net income and earnings per share was primarily due to internal sales declines and planned investment in the Company's marketing initiatives.

NINE MONTHS ENDED SEPTEMBER 30, 2001 VS. NINE MONTHS ENDED SEPTEMBER 30, 2000

Net sales for the first nine months of 2001 were $5,103.2 million, representing a decrease of $69.2 million or 1.3% from $5,172.4 million in the comparable period of 2000. The decrease in sales is primarily due to lower than expected sales volume partially offset by $341.8 million of contributions from PaperMate/Parker (acquired December 2000). Net sales for each of the Company's segments (and the primary reasons for the increase or decrease) were as follows in millions:

	2001	2000	Percentage Increase/ Decrease
Rubbermaid	$ 1,370.0	$ 1,467.9	(6.7)%(1)
Parker/Eldon	1,237.2	981.4	26.1 (2)
Levolor/Hardware	1,033.4	1,113.2	(7.2) (1)
Calphalon/WearEver	809.3	866.2	(6.6) (1)
Little Tikes/Graco	653.3	743.7	(12.2) (1)
Total	$5,103.2	$5,172.4	(1.3)%

(1) Internal sales decline.
(2) Sales from the PaperMate/Parker acquisition, offset by internal sales decline of 8.8%.

Gross income as a percentage of net sales in the first nine months of 2001 was 26.2% or $1,334.9 million versus 26.4% or $1,364.7 million in the comparable period of 2000. Excluding charges of $3.6 million ($2.3 million after taxes), gross income for the first nine months of 2001 was $1,338.5 million or 26.2% of net sales. Excluding 2000 charges of $3.1 million ($1.9 million after taxes) relating to acquisitions, gross income for the nine months ended September 30, 2000 was $1,367.8 million or 26.4% of net sales. The decrease in gross income is primarily due to decreased sales volume.

Selling, general and administrative expenses ("SG&A") in the first nine months of 2001 were 16.5% of net sales or $839.5 million versus 13.1% or $675.7 million in the comparable period of 2000. Excluding charges of $2.4 million ($1.5 million after taxes) relating to recent acquisitions, SG&A in the first nine months of 2001 was $837.1 million or 16.4% of net sales. Excluding 2000 charges of $5.9 million ($3.6 million after taxes) relating to recent acquisitions, SG&A for the nine months ended September 30, 2000 were $669.8 million or 12.9% of net sales. SG&A increased as a result of the PaperMate/Parker acquisition and planned investments in marketing initiatives supporting the Company's brand portfolio and key account strategy.

In the first nine months of 2001, the Company recorded a pre-tax restructuring charge of $29.0 million ($18.4 million after taxes). The pre-tax charge included $17.6 million of severance costs, $7.3 million of facility exit costs and $4.1 million of other transaction costs.

In the first nine months of 2000, the Company recorded a pre-tax restructuring charge of $12.8 million ($7.9 million after taxes). The pre-tax charge included $6.3 million of facility exit costs, $4.8 million of severance costs and $1.7 million of costs to exit contractual commitments and discontinue product lines primarily related to the Rubbermaid acquisition.

Goodwill amortization and other in the first nine months of 2001 were 0.8% of net sales or $42.5 million versus 0.8% or $39.1 million in the first nine months of 2000.

Operating income in the first nine months of 2001 was 8.3% of net sales or $423.9 million versus 12.3% or $637.1 million in the comparable period of 2000. Excluding restructuring costs and other charges in 2000 and 2001, operating income in the first nine months of 2001 was 9.0% or $458.9 million versus 12.7% or $658.9 million in the first nine months of 2000. The decrease in operating margins was primarily due to planned investment in marketing initiatives supporting the Company's brand portfolio and key account strategy.

Net nonoperating expenses in the first nine months of 2001 were 2.3% of net sales or $118.4 million versus 2.0% of net sales or $105.0 million in the comparable period of 2000. Net nonoperating expenses increased due to $12.2 million higher interest expense as a result of the Company's increased level of debt.

The effective tax rate was 36.5% in the first nine months of 2001 versus 38.5% in the first nine months of 2000.

Net income for the first nine months of 2001 was $193.9 million, compared to $327.2 million in the first nine months of 2000. Diluted earnings per share were $0.73 in the first nine months of 2001 compared to $1.22 in the first nine months of 2000. Excluding 2001 restructuring costs of $29.0 million ($18.4 million after taxes), other 2001 pre-tax charges of $6.0 million ($3.8 million after taxes), 2000 restructuring costs of $12.8 million ($7.9 million after taxes), and other 2000 pre-tax charges of $9.0 million ($5.5 million after taxes), net income decreased $124.5 million or 36.5% to $216.1 million the first nine months of 2001 versus $340.6 million in 2000. Diluted earnings per share, calculated on the same basis, decreased 36.2% to $0.81 in the first nine months of 2001 versus $1.27 in the first nine months of 2000. The decrease in net income and earnings per share was primarily due to internal sales declines and planned investment in the Company's marketing initiatives.

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 from operating activities in the first nine months ended September 30, 2001 was $576.8 million compared to $284.8 million for the comparable period of 2000. The increase in operating cash flows is primarily due to improved working capital management, primarily in the areas of inventory and accounts payable.

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 September 30, 2001 totaled $23.9 million.

The Company has a revolving credit agreement of $1,300.0 million that will terminate in August 2002. During 2000, the Company entered into a new 364 day revolving credit agreement in the amount of $700.0 million. This revolving credit agreement will terminate in October 2001. At September 30, 2001, there were no borrowings under the revolving credit agreements.

In lieu of borrowings under the Company's revolving credit agreements, the Company may issue up to $2,000.0 million of commercial paper. The Company's revolving credit agreements provide 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 agreements. At September 30, 2001, $815.4 million (principal amount) of commercial paper was outstanding. Because the backup revolving credit agreement expires in August 2002, the entire $815.4 million is classified as current portion of long term debt.

The revolving credit agreements permit the Company to borrow funds on a variety of interest rate terms. These agreements require, among other things, that the Company maintain a certain Total Indebtedness to Total Capital Ratio, as defined in the agreements. As of September 30, 2001, the Company was in compliance with these agreements.

The Company had outstanding at September 30, 2001 a total of $1,012.5 million (principal amount) of medium term notes. The maturities on these notes range from 3 to 30 years at an average interest rate of 6.34%.

The Company periodically sells trade receivables to a special purpose accounts receivable and financing entity ("SPE"), which is exclusively engaged in purchasing trade receivables from, and making loans to, the Company. During the quarter ended September 30, 2001, the SPE, which is consolidated by the Company, issued $450 million in preferred debt securities to parties not affiliated with the Company. The proceeds of this debt were used to pay down commerical paper. Because this debt matures in 2008, the entire amount is considered long term debt. Those preferred debt securities must be retired or redeemed before the Company can have access to the SPE's receivables.

A universal shelf registration statement became effective in July 1999. As of September 30, 2001, $449.5 million of Company debt and equity securities may be issued under the shelf.

Uses:

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

Cash used in acquiring businesses was $22.0 million and $70.8 million in the first nine months of 2001 and 2000, respectively. In the first nine months of 2001, the Company made other acquisitions for

cash purchase prices totaling $6.5 million. In the first nine months of 2000, the Company acquired Mersch and Brio and made other minor acquisitions for cash purchase prices totaling $50.8 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 $16.4 million and $15.4 million in the first nine months of 2001 and 2000, respectively. Such cash payments represent primarily employee termination benefits and other merger expenses.

Capital expenditures were $184.7 million and $240.5 million in the first nine months of 2001 and 2000, respectively.

Aggregate dividends paid during the first nine months of 2001 and

~~2000 were $168.0 million ($0.63 per share) and $169.1 million ($0.63 per share), respectively.~~

~~During the first nine months of 2000, the Company repurchased 15.5 million shares of its common stock at an average price of $26 per share, for a total cash price of $403.0 million.~~

~~Retained earnings increased in the first nine months of 2001 by $25.7 million. Retained earnings increased in the first nine months of 2000 by $158.0 million. The difference between 2000 and 2001 was primarily due to lower than expected sales volume and planned investment in marketing initiatives supporting the Company's brand portfolio and key account strategy.~~

~~Working capital at September 30, 2001 was $447.4 million compared to $1,329.6 million at December 31, 2000. The current ratio at September 30, 2001 was 1.18:1 compared to 1.86:1 at December 31, 2000. The improvement is due to the Company's increased working capital management, primarily in inventory and accounts payable.~~

~~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 .44:1 at September 30, 2000 and .46:1 at December 31, 2000.~~

~~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.

	September 30, 2001	Time Period	Confidence Level
(In millions)			
Interest rates	$10.5	1 day	95%
Foreign exchange	$ 0.7	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.

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, return on invested capital, capital expenditures, working capital, dividends, capital structure, free cash flow, debt to capitalization ratios, interest rates, internal growth rates, Euro conversion plans and related risks, pending legal proceedings and claims (including environmental matters), future economic performance, operating income improvements, synergies, management's plans, goals and objectives for future operations and growth or the assumptions relating to any of the forward looking statements. The Company cautions that forward looking statements are not guarantees since there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward looking statements. Factors that could cause actual results to differ include, but are not limited to, those matters set forth in this Report and Exhibit 99 to this Report.

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 or have been assumed by the Company when it purchased certain businesses. Although management of the Company cannot predict the ultimate outcome of these legal proceedings and claims with certainty, it believes that their ultimate resolution, including any amounts it may be required to pay in excess of amounts reserved, will not have a material effect on the Company's consolidated financial statements.

As of September 30, 2001, 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 ("PRP") at contaminated sites under the Federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and equivalent state laws.

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

The Company's estimate of environmental response costs associated with these matters as of September 30, 2001 ranged between $15.5 million and $19.5 million. As of September 30, 2001, the Company had a reserve equal to $17.0 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, except with respect to two long term (30 years) operations and maintenance CERCLA matters which are estimated at present value.

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 be required to pay in connection with environmental matters in excess of amounts reserved will have a material adverse effect on its consolidated financial statements.~~

~~Item 6. Exhibits and Reports on Form 8-K~~

~~(a) Exhibits:~~

~~10. Addendums to the Company's 1993 Stock Option Plan, effective February 9, 1993, as amended May 26, 1999 (incorporated by reference to Exhibit 10.12 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1999), for employees in France, Germany and United Kingdom.~~

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

~~99. Safe Harbor Statement~~

~~(b) Reports on Form 8-K:~~

~~None.~~

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: November 14, 2001 /s/ William T. Alldredge
____
William T. Alldredge
Chief Financial Officer

Date: November 14, 2001 /s/ Brett E. Gries
____
Brett E. Gries
Vice President - Accounting & Audit

EXHIBIT 10

NEWELL RUBBERMAID INC.
AMENDED 1993 STOCK OPTION PLAN
ADDENDUM FOR FRANCE

SECTION 1. GENERAL

This Addendum sets out the terms of the Plan in relation to France. The Addendum should be read in conjunction with the Plan and is subject to the terms and conditions of the Plan, except to the extent that the terms and conditions of the Plan conflict with the terms set out in this Addendum, in which event the terms set out in this Addendum shall prevail in relation to France. The terms of this Addendum are the terms set out in the Plan, modified as follows:

SECTION 2. ADMINISTRATION

This Addendum will be administered by the Board as defined in Section 3.1 of the Plan.

SECTION 3. APPLICATION

If the Board so decides, this Addendum will apply to any Optionee who is, or may become, subject to tax (i.e., income tax and/or social security tax) in France as a result of Options granted under the Plan.

SECTION 4. EXCLUDED PERSONS

The Board may not grant an Option under this Addendum to an individual:

* unless he is employed by a company which is a subsidiary of the Company as defined in Article L225-180 of the French "Code de Commerce" (formerly Article 208-4 of the Law of 24 July 1966 in France); or

* unless he is a director of the company with a management function as defined in Article L225-185 of the French "Code de Commerce" (formerly Article 208-8-1 of the Law of 24 July 1966 in France) of a company which is a subsidiary of the Company as defined in Article L 225-180 of the French "Code de Commerce" (formerly Article 208-4 of the Law of 24 July 1966 in France); or

* who owns more than 10% of the share capital of the Company and who may not be granted an Option to satisfy the requirements of sub-paragraph 2 of Article L225-182 of the French "Code de Commerce" (formerly Article 208-6 of the Law of 24 July 1966 in France).

Non-employee directors may not be granted Options under this Addendum. "Mandataires sociaux", or directors of a company with a management function as defined in Article L225-185 of the French "Code de Commerce", are considered to be directors who are also employees for the purposes of this Addendum.

SECTION 5. OPTION PRICE

The exercise price for an Option must be determined on the date on which the Board resolves to grant the Option.

The exercise price in the case of Options to subscribe for unissued shares may not be lower than 95% of the average stock exchange price during the 20 stock exchange days preceding the grant.

In the case of Options to purchase existing shares, the exercise price cannot, in addition, be lower than 95% of the average actual repurchase price by the Company of its own shares to be allocated to the Optionees if the shares are repurchased prior to the date of grant.

SECTION 6. GRANT OF OPTIONS

An Option may not be granted in the period of 20 trading days immediately following a distribution of dividends or a capital increase as defined in Article L255-177 of the French "Code de Commerce" (formerly Article 208-1 of the Law of 24 July 1966 in France).

If the Option is an Option to buy existing shares of common stock, the Company must have bought or procured the shares before the date on which the Option becomes exercisable. In addition, if the shares are acquired prior to grant, the acquisition must occur less than one year before the grant of the options.

~~SECTION 7. EXERCISABILITY~~

~~Options granted under this Addendum shall become exercisable subject to the following schedule:~~

~~7.1 If, on the first anniversary of the date of grant, the holding period defined by Article 163 bis C of the French Tax Code (or by virtue of any other legal disposition which may replace such Article during the life of the Plan), applicable to options granted under this Addendum, is five years, the options granted under this Addendum will vest subject to the following schedule:~~

- ~~two fifths of such Options shall become exercisable on the day following the second anniversary of the date of grant~~

- ~~one fifth of the Options shall become exercisable at the end of each twelve month period thereafter during the succeeding three years.~~

~~7.2 If, on the first anniversary of the date of grant, the holding period defined by Article 163 bis C of the French Tax Code (or by virtue of any other legal disposition which may replace such Article during the life of the Plan), applicable to options granted under this Addendum, is four years or less, the options granted under this Addendum will vest subject to the terms of sub section 6.4 of the main Plan.~~

~~7.3 No Option shall become exercisable prior to the applicable anniversary of the date of grant, in accordance with sub sections 7.1 and 7.2 above, if the Optionee's employment or service is terminated for any reason other than death or 2nd or 3rd category disability, as defined under Article L.341 4 of the French Social Security Code.~~

~~7.4 If an Optionee's employment or service terminates by reason of death or 2nd or 3rd category disability, as defined under Article L341 4 of the French Social Security Code, at any time before the Options granted hereunder become fully exercisable in accordance with sub sections 7.1 and 7.2 above, then such Options shall become fully exercisable on such date of death or disability.~~

~~7.5 The Board may, in its sole discretion, after due regard to the Optionee's personal circumstances, provide for accelerated exercisability of an option.~~

~~SECTION 8. SALES RESTRICTIONS~~

~~The shares acquired upon exercise of the options issued under this Addendum will be freely negotiable, subject to the following conditions:~~

~~8.1 If the holding period defined by Article 163 bis C of the French Tax Code (or by virtue of any other legal disposition which may replace such Article during the life of the Plan) applicable to options granted under this Addendum is five years, the above mentioned shares may not be sold or otherwise disposed of before the day following the fifth anniversary of the date of grant;~~

~~8.2 If the holding period defined by Article 163 bis C of the French Tax Code (or by virtue of any other legal disposition which may replace such Article during the life of the Plan) applicable to options granted under this Addendum is four years or less, the above mentioned shares may not be sold or otherwise disposed of before the day following the fourth anniversary of the date of grant;~~

~~8.3 The sales restrictions provided by sub sections 8.1 and 8.2 above shall not apply in the case death or of 2nd or 3rd category~~

~~disability of the Optionee as defined under Article L. 341 4 of the French Social Security Code;~~

~~8.4 If the Board so decides in its absolute discretion, after due regard to the Optionee's personal circumstances, the sales restrictions provided by sub sections 8.1 and 8.2 may be lifted;~~

~~8.5 The sales restrictions provided by sub sections 8.1 and 8.2 will only apply to the extent that they would not impose a restriction on resale of the shares for a period of more than three years from the date of exercise of the option, in accordance with Article L225 177 of the French "Code de Commerce" (formerly Article 208 1 of the Law of 24 July 1966 in France).~~

~~SECTION 9. PLAN LIMITS~~

~~Options may not be granted:~~

- ~~over more than one third of the Company's shares of common stock in the case of Options to subscribe for unissued shares; or~~

- ~~over more than 10% of the total number of such shares in issue in the case of Options to purchase existing shares.~~

~~SECTION 10. NON TRANSFERABILITY OF OPTIONS~~

~~Options granted under this Addendum may not be transferred in any manner otherwise than by will or by the laws of descent and distribution and may be exercised during the lifetime of the Optionee only by the Optionee.~~

~~SECTION 11. TERMINATION OF EMPLOYMENT OR SERVICE~~

~~11.1 If an Optionee's employment or service terminates as a result of death his Option must be exercised (if at all) within six months of his death.~~

~~11.2 If an Optionee's employment or service terminates as a result of 2nd or 3rd category disability as defined under Article L341-4 of the French Social Security Code, Options will expire under the terms of section 7.2 of the main Plan.~~

~~11.3 If an Optionee's employment or service terminates by reason of Retirement, non vested outstanding Options will not become exercisable, unless at the discretion of the Board under Section 7 of this Addendum.~~

~~11.4 In the case of termination of employment or service for any other reason, Options shall terminate on the date of termination of employment or service.~~

~~SECTION 12. ADJUSTMENTS~~

~~No adjustment may be made to the Option which is inconsistent with French law and, in particular, with Sections 174.8 to 174.16 of Decree no. 67-236 of 23 March 1967, implementing Article L225-181 of the French "Code de Commerce" (formerly Article 208-5 of French law no. 66-537 of 24 July 1966).~~

~~Such adjustment is required under Article L225-181 of the French "Code de Commerce" in the event of the following specific capital operations:~~

- ~~Capital increase in cash to the benefit of the shareholders~~

- ~~Capital increase with distribution of shares following capitalization of premium or earnings~~

- ~~Capital reduction due to losses~~

- ~~Distribution of retained earnings either in cash or in shares~~

- ~~Issuance of convertible bonds or exchangeable bonds to the benefit of the shareholders~~

~~SECTION 13. CHANGES~~

~~The Board may not change the Plan in a way which affects this Special Schedule or Options granted under this Addendum, if the change is inconsistent with French law and in particular with French legislation on stock options as defined in Articles L225-176 to L225-185 of the French "Code de Commerce (formerly Articles 208-1 to 208-8-1 of French law no. 66-537 of 24 July 1966).~~

~~NEWELL RUBBERMAID INC.~~
~~AMENDED 1993 STOCK OPTION PLAN~~
~~ADDENDUM FOR GERMANY~~

~~SECTION 1. GENERAL~~

~~This Addendum sets out the terms of the Plan in relation to Germany. The Addendum should be read in conjunction with the Plan and is subject to the terms and conditions of the Plan, except to the extent that the terms and conditions of the Plan conflict with the terms set out in this Addendum, in which event the terms set out in this Addendum shall prevail in relation to Germany. The terms of this Addendum are the terms set out in the Plan, modified as follows:~~

~~SECTION 2. ADMINISTRATION~~

~~This Addendum will be administered by the Board as defined in Section 3.1 of the Plan.~~

~~SECTION 3. APPLICATION~~

~~If the Board so decides, this Addendum will apply to any Optionee who is, or may become, subject to tax (i.e. income tax and/or social security tax) in Germany as a result of Options granted under the Plan.~~

~~SECTION 4. LEGAL ENTITLEMENT~~

~~4.1. Nothing in the Plan or in any instrument executed pursuant to it will confer on any person any right to continue in employment, nor will it impose upon the Board (or if so delegated, the Committee) or any other person any duty or liability whatsoever (whether in contract, tort or otherwise) in connection with:~~

~~(a) the lapsing of any Option pursuant to the Plan;~~

~~(b) the failure or refusal to exercise any discretion under the Plan; and/or~~

~~(c) an Optionee ceasing to be a person who has a service relationship for any reason whatever.~~

~~4.2. Options shall not (except as may be required by taxation law) form part of the emoluments of individuals or count as wages or remuneration for pension or other purposes.~~

~~4.3. Any person who ceases to have the status or relationship of an employee with the Company or any Subsidiary as a result of the termination of his employment for any reason and however that termination occurs, whether lawfully or otherwise, shall not be entitled and shall be deemed irrevocably to have waived any entitlement by way of damages for dismissal or by way of compensation~~

~~for loss of office or employment or otherwise to any sum, damages or other benefits to compensate that person for the loss or alteration of any rights, benefits or expectations in relation to any Option, the Plan or any instrument executed pursuant to it.~~

~~4.4. The benefit of this provision is given to the Company for itself and as trustee and agent of each Subsidiary. To the extent that this provision benefits any company which is not a party to the Plan, the benefit shall be held on trust and as agent by the Company for such company and the Company may, at its discretion, assign the benefit of this provision to any such company.~~

NEWELL RUBBERMAID INC.
AMENDED 1993 STOCK OPTION PLAN
ADDENDUM FOR UNITED KINGDOM

SECTION 1. PURPOSE

1.1 This Addendum to the Plan is for the benefit of employees of the Company or a Subsidiary who are, or may become, resident in the United Kingdom.

1.2 The terms and conditions of this Addendum are established in order to ensure Stock Options granted under Section 6 of the Plan are granted under a share option plan approved under Schedule 9 of ICTA ("Schedule 9"), to the extent that such Stock Options are specified as having been granted pursuant to this Addendum.

1.3 This Addendum should be read in conjunction with the Plan and is subject to the terms and conditions of the Plan except to the extent that the terms and conditions of the Plan conflict with the terms set out in this Addendum in which event the terms set out in this Addendum shall prevail in relation to the United Kingdom.

SECTION 2. DEFINITIONS

2.1 For the purpose of this Addendum, where the context permits, the definition of words used in this Addendum shall be as stated in the Plan and in addition the following terms shall have the meanings listed below:

ASSOCIATED COMPANY: the meaning given by Section 187(2) of ICTA.

APPROPRIATE PERIOD: the meaning given by Paragraph 15(2) of Schedule 9.

CONTROL: the meaning given in Section 840 of ICTA.

DATE OF GRANT: the date on which a Stock Option is granted under this Addendum.

DEALING DAY: any day on which the New York Stock Exchange is open for the transaction of business.

ELIGIBLE EMPLOYEE: any individual who at the Date of Grant is: (a) an employee of a Participating Company; (b) a director of a Participating Company who devotes substantially the whole of his working time to his duties and is required under the terms of his office or employment with a Participating Company to devote to his duties not less than 25 hours per week (excluding meal breaks); and (c) in either case, not precluded by Paragraph 8 of Schedule 9 (material interests in close companies) from participating in the Plan.

EMPLOYER: the Company or a Subsidiary thereof.

FAIR MARKET VALUE: in relation to a Share on any day: (a) if

~~and so long as the Shares are listed on the New York Stock Exchange, its Composite Tape closing market quotation (as reported in the Wall Street Journal midwest edition); (b) if and so long as the Shares are listed on the London Stock Exchange, its middle market quotation (as derived from the Daily Official List); and (c) subject to (a) and (b) above, its market value, determined in accordance with Part VIII of the United Kingdom Taxation of Chargeable Gains Act 1992 and agreed in advance with Inland Revenue Shares Valuation.~~

~~ICTA: the United Kingdom Income and Company Taxes Act 1988.~~

~~OPTIONEE: an Eligible Employee to whom a Stock Option has been granted (or where the context requires his personal representatives).~~

~~PARTICIPATING COMPANY: (a) the Company; and (b) any Subsidiary which the Board shall select to participate for the time being in this Addendum. For the avoidance of doubt any company of which the Company does not have Control cannot be nominated as a Participating Company.~~

~~SHARES: Common Stock, with a par value of $1.00 per share, of the Company which satisfies Paragraphs 10 to 14 inclusive of Schedule 9.~~

~~STOCK OPTION: an option granted pursuant to this Addendum.~~

~~SUBSIDIARY: the meaning given by Section 736 of the United Kingdom Companies Act 1985.~~

~~2.2 Reference in this Addendum to any statutory provisions are to those provisions as amended, extended or re-enacted from time to time, and shall include any regulations made thereunder. The United Kingdom Interpretation Act 1978 shall apply to this Addendum mutatis mutandis as if it was an Act of Parliament.~~

~~SECTION 3. ELIGIBILITY~~

~~A UK individual shall not be entitled to be granted Stock Options under this Addendum unless he is an Eligible Employee on the Date of Grant. Section 2 of the Plan shall be construed accordingly.~~

~~SECTION 4. GRANT OF OPTIONS~~

~~4.1 The per share Option exercise price must be stated at the time the Stock Option is granted. The Option price must not be less than the Fair Market Value on the relevant Date of Grant. Section 6 of the Plan shall be construed accordingly.~~

~~4.2 No Stock Option shall be granted to an Eligible Employee under this Addendum at any time if it would result in:~~

~~(a) the aggregate Fair Market Value of the Shares (determined when the rights were obtained) which he may acquire in pursuance of rights obtained under this Addendum; and~~

~~(b) the aggregate market value of shares (determined when the rights were obtained) which the Eligible Employee could acquire by the exercise of an option (which has neither lapsed nor been exercised) under any other plan approved under Schedule 9 (not being a savings related share option plan) and established by the Company, or any Associated Company,~~

~~to exceed or further exceed Pounds Sterling 30,000 or, if different, such other limit contained from time to time in Paragraph 28 (1) of Schedule 9.~~

~~4.3 The conversion rate to be used to determine the pound sterling equivalent of the US dollar price of the Shares will be the mid-market spot closing exchange rate as quoted in the Financial Times (or such other journal as the Board may determine and agree in advance with the Shares Valuation Division of the United Kingdom Inland Revenue) published on the Date of Grant of the Stock Option (or, if not a Dealing Day, the last preceding Dealing Day). The price will be such that the approved status of this Addendum is retained.~~

~~4.4 If the Board attempts to grant a Stock Option under this Addendum which is inconsistent with Section 4.2 of this Addendum, the Stock Option granted under this Addendum will be limited and take effect on a basis consistent with the provisions of Section 4.2 of this Addendum. The Board may call in the Option Agreement for endorsement, replacement or cancellation (as appropriate).~~

~~4.5 This Addendum shall not become effective and no Stock Options shall be granted under it until it has been approved by the United Kingdom Inland Revenue under Schedule 9 of ICTA.~~

~~4.6 If the Board under the powers conferred by the Plan, determines the terms and conditions of any Stock Option granted under~~

~~this Addendum, such terms and conditions shall:~~

~~(a) be objective, specified at the Date of Grant and set out in full in, or details given, with the Option Agreement;~~

~~(b) be such that rights to exercise such Stock Options after the fulfilment or attainment of any terms and conditions so specified shall not be dependent upon the further discretion of any person; and~~

~~(c) not be capable of amendment, variation or waiver unless events occur which causes the Board to reasonably consider a waived, varied or amended term and condition a fairer measure of performance and would be no more difficult to satisfy.~~

~~4.7 Each Stock Option granted under the terms of this Addendum shall be designated as such in the Option Agreement which shall be issued to an Optionee as soon as practicable following the Date of Grant.~~

~~4.8 The dates on which a Stock Option shall become exercisable shall be clearly stated in the Option Agreement at the Date of Grant. The Board shall have no discretion to shorten or lengthen the exercise schedule with respect to any or all Stock Options granted under the Addendum except to the extent provided in this Addendum. Section 6.4 of the Plan shall be construed accordingly.~~

~~SECTION 5. EXERCISE OF OPTIONS~~

~~For purposes of this Addendum, the following paragraphs shall be added to Section 8 of the Plan to read as follows:~~

~~5.1 An Optionee may not exercise a Stock Option granted under this Addendum if he is ineligible to participate in this Addendum by virtue of Paragraph 8 of Schedule 9 (material interests in close companies).~~

~~5.2 A Stock Option shall be exercised by the Optionee's giving notice to the Company in writing on a form approved by the Company of the number of Shares in respect of which he wishes to exercise the Stock Option accompanied by payment of the Option price in respect of such Shares and shall be effective on the date of its receipt by the Company.~~

~~5.3 The Company shall use its best endeavours to ensure that the certificate of Shares covered by the exercise of a Stock Option is delivered to the Optionee, or as the case may be, his personal representative, within 30 days of the date of exercise.~~

~~5.4 Notwithstanding any provision in the Plan to the contrary, the Board may not at any time buy out for a payment in cash or shares any Stock Option granted under this Addendum.~~

~~5.5 The Option price payable upon exercise of a Stock Option shall comprise entirely of cash, check or other form of cash transfer. Section 8.2 of the Plan shall be construed accordingly.~~

~~5.6 Shares issued pursuant to the exercise of a Stock Option under this Addendum shall rank parri passu with Shares then in issue, except that they shall not rank for any right attaching to Shares by reference to a record date preceding the date of exercise.~~

~~SECTION 6. VARIATION OF SHARE CAPITAL~~

~~Any adjustment proposed under Section 4.2 of the Plan shall not be effective in relation to Stock Options granted under this Addendum at a time when the Addendum is approved under Schedule 9 except in the~~

~~event of a variation in the share capital of the Company within the meaning of Paragraph 29 of Schedule 9 and only if the prior approval of the United Kingdom Inland Revenue has been obtained for such adjustment.~~

~~SECTION 7. CHANGE OF CONTROL~~

~~7.1 Upon a change of Control, all outstanding Stock Options shall become fully exercisable and all restrictions thereon shall terminate in order that Optionees may fully realize the benefits thereunder within such period as may be specified by the Board, but which shall not exceed six months from the change of Control. To the extent that any Stock Option is not so exercised, it shall lapse.~~

~~7.2 Notwithstanding Section 7.1 of this Addendum, an Optionee may be entitled to receive options over shares of a successor company or another company (in either case "the Successor Company"), in consideration for the release of his Stock Option on any consolidation, merger, change of control or amalgamation with or into another company provided that the Successor Company makes an appropriate offer and the holder of the Stock Option agrees within the Appropriate Period referred to in Section 7.3 below and:~~

~~(a) the Successor Company obtains Control of the Company as a result of making a general offer to acquire the whole of the issued ordinary share capital of the Company(which is made on the condition such that if it is satisfied the Successor Company will have control of the Corporation);~~

~~(b) the Successor Company obtains Control of the Company as a result of making a general offer to acquire all the Shares in the Company which are of the same class as the Shares which may be acquired by the exercise of Stock Options granted under this Addendum (ignoring any Shares which are already owned by it or a member of the same group of companies);~~

~~(c) the Successor Company obtains Control of the Company in pursuance of a compromise or arrangement sanctioned by the Court under Section 425 of the United Kingdom Companies Act 1985 ("the 1985 Act") or any local equivalent of the same; or~~

~~(d) the Successor Company becomes bound or entitled to acquire Shares in the Company under Section 428 to 430F of the 1985 Act or the local equivalent of the same.~~

~~7.3 If the events mentioned in Section 7.2 above occur:~~

~~(a) subject to the limitations of the Plan, where any Optionee who has been granted a Stock Option granted under this Addendum is entitled to receive shares of a Successor Company or another company he may at any time within the Appropriate Period release any Stock Option which has not lapsed ("the Old Option")~~

~~in consideration of the grant to him of a Stock Option (the "New Option") which (for the purposes of Paragraph 15 of Schedule 9) is equivalent to the Old Option but relates to shares in a different company (whether the Successor Company itself or some other company falling within Paragraph 10(b) or 10(c) of Schedule 9). For this purpose, the New Option shall not be regarded as equivalent to the Old Option unless the conditions set out in Paragraph 15(3) of Schedule 9 are satisfied; and~~

~~(b) for the purposes of any application of the provisions of this Addendum, where any holder of a Stock Option has released an Old Option, any New Option granted shall be regarded as having been granted at the same time as the Old Option. With effect from the date of release, the New Option shall be subject to the same provisions of this Addendum as applied to the Old Option except that the following terms have the meaning assigned to them in this Section 7.3 and not the meanings elsewhere in the Plan or in this Addendum:~~

~~(i) "Board" means the Board of Directors of the company in respect of whose shares New Options have been granted or a duly appointed committee thereof;~~

~~(ii) "Company" means the company or Company in respect of whose shares new options have been granted; and~~

~~(iii) "Shares" means fully paid ordinary shares or common stock in the capital of the company over whose shares New Options have been granted and which satisfy the conditions specified in Paragraphs 10 to 14 of Schedule 9.~~

~~7.4 Notwithstanding anything contained in the Plan, if the Company merges or is consolidated with another company under circumstances where the Company is not the surviving company, no Stock Options may be granted under this Addendum following such merger or consolidation apart from new options granted by the successor company pursuant to this Section 7.~~

~~SECTION 8. LEGAL ENTITLEMENT~~

~~8.1 For the purposes of this Addendum, nothing in the Plan or this Addendum nor in any instrument executed pursuant to it will confer on any person any right to continue in employment, nor will it affect the right of the Company or any company it controls to~~

~~terminate the employment of any person without liability at any time with or without cause, nor will it impose upon the Company or any company it controls, the Board or any other person any duty or~~

~~liability whatsoever (whether in contract, tort, or otherwise howsoever) in connection with:~~

~~(a) the lapsing of any Stock Option pursuant to the Plan or Addendum;~~

~~(b) the failure or refusal to exercise any discretion under the Plan or Addendum; and/or~~

~~(c) a holder of a Stock Option ceasing to be a person who has the status or relationship of an employee with the Company or any company it controls for any reason whatsoever as a result of the termination of the employment relationship with the Company or any company it controls and participation in the Plan by any individual will not form part of his contract of employment with the Company or any company it controls.~~

~~8.2 Stock Options shall not (except as may be required by taxation law) form part of the emoluments of individuals or count as wages or remuneration for pension or other purposes.~~

~~8.3 Any person who ceases to have the status or relationship as an employee with the Company or any company it controls as a result of the termination of his employment for any reason and however that termination occurs, whether lawfully or otherwise, shall not be entitled and shall be deemed irrevocably to have waived any entitlement by way of damages for dismissal or by way of compensation for loss of office or employment or otherwise to any sum, damages or other benefits to compensate that person for the loss or alteration of any rights, benefits or expectations in relation to any Stock Options, the Plan, this Addendum or any instrument executed pursuant to it.~~

~~8.4 The benefit of this Section 8 is given to the Company for itself and as trustee and agent of each company which it controls. To the extent that this paragraph benefits any company which is not a party to the Plan or Addendum the benefit shall be held on trust and as agent by the Company for such company and the Corporation, may, at its discretion, assign the benefit of this paragraph to any such company.~~

~~SECTION 9. TRANSFERABILITY~~

~~For the purposes of this Addendum, subject to the rights of exercise by the Optionee's personal representative, every Stock Option granted under this Addendum shall be personal to the Optionee and may not be sold, transferred or disposed of in any way. Section 9 of the Plan shall be construed accordingly.~~

~~SECTION 10. TERMINATION OF EMPLOYMENT~~

~~10.1 Section 7 of the Plan shall apply except that the words "or by the Board, in its sole discretion" in Section 7.1 shall be deleted.~~

~~10.2 If an Optionee dies, his Stock Option shall terminate within a period not exceeding one year following his death, but not later than the date the Stock Option expires pursuant to its terms. Section 7.2 of the Plan shall be construed accordingly.~~

~~SECTION 11. OTHER AMENDMENTS TO THE PLAN~~

~~The following Sections of the Plan shall be deleted or amended for the purposes of construing this Addendum:~~

~~11.1 All references to Incentive Stock Options, NSOs and other stock based awards shall be deleted.~~

~~11.2 All references to Non Employee Director shall be deleted.~~

~~11.3 Section 5 shall be deleted.~~

~~11.4 Section 6.1 shall be deleted.~~
~~11.5 Section 6.5 shall be deleted.~~

~~11.6 Section 6.6 shall be deleted.~~

~~11.7 Section 7.3(a) shall apply except that the final sentence in Section 7.3(a) shall be deleted.~~

~~SECTION 12. AMENDMENT OF THE ADDENDUM~~

~~The terms of this Addendum shall not be amended, nor shall the Plan be amended if it shall affect this Addendum, except to the extent that such amendments have been approved by the Board of the Inland Revenue, (so long as the Addendum is to continue to be approved by the United Kingdom Inland Revenue). No such amendment shall take effect before the date on which it is approved by the Board of the Inland Revenue. Section 13 of the Plan shall be construed accordingly.~~

EXHIBIT 12

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
	(In thousands, except ratio data)			
Earnings available to fixed charges:				
Income before income taxes	$130,221	$199,999	$305,505	$532,088
Fixed charges:				
Interest expense	32,274	33,184	107,191	95,021
Portion of rent determined to be interest (1)	9,013	8,651	26,592	25,212
Minority interest in income of subsidiary trust	6,677	6,677	20,031	20,040
Eliminate equity in earnings of unconsolidated entities	(1,673)	(1,936)	(5,401)	(6,813)
	$176,512	$246,575	$453,918	$665,548
Fixed charges:				
Interest expense	$32,274	$33,184	$107,191	$95,021
Portion of rent determined to be interest (1)	9,013	8,651	26,592	25,212
Minority interest in income of subsidiary trust	6,677	6,677	20,031	20,040
	$47,964	$48,512	$153,814	$140,273
Ratio of earnings to fixed charges	3.68	5.08	2.95	4.74

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

EXHIBIT 99

NEWELL RUBBERMAID INC. SAFE HARBOR STATEMENT

The Company has made statements in its Annual Report on Form 10 K for the year ended December 31, 2000, and the documents incorporated by reference therein, as well as in its Quarterly Reports on Form 10 Q for the quarters ended March 31, 2001 and June 30, 2001, that constitute forward looking statements, as defined by the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties. The statements relate to, and other forward looking statements that may be made by the Company may relate to, information or assumptions about sales, income, earnings per share, return on equity, return on invested capital, capital expenditures, working capital, dividends, capital structure, free cash flow, debt to capitalization ratios, interest rates, internal growth rates, Euro conversion plans and related risks, pending legal proceedings and claims (including environmental matters), future economic performance, operating income improvements, synergies, management's plans, goals and objectives for future operations and growth. These statements generally are accompanied by words such as "intend," "anticipate," "believe," "estimate," "project," "target," "expect," "should" or similar statements. You should understand that forward looking statements are not guarantees since there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward looking statements. The factors that are discussed below, as well as the matters that are set forth generally in the 2000 Form 10 K and the documents incorporated by reference therein and in the 2001 Forms 10 Q, could cause actual results to differ. Some of these factors are described as criteria for success. Our failure to achieve, or limited success in achieving, these objectives could result in actual results differing materially from those expressed or implied in the forward looking statements. In addition, there can be no assurance that we have correctly identified and assessed all of the factors affecting the Company or that the publicly available and other information we receive with respect to these factors is complete or correct.

Retail Economy

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

These retail economies are affected primarily by such factors as consumer demand and the condition of the consumer products retail industry, which, in turn, are affected by general economic conditions and events such as those of September 11, 2001. In recent years, the consumer products retail industry in the U.S. and, increasingly, elsewhere has been characterized by intense competition and consolidation among both product suppliers and retailers.

Nature of the Marketplace

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

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

New Product Development

Our long term success in this competitive retail environment depends on our consistent ability to develop innovative new products that create consumer demand for our products. Although many of our businesses have had notable success in developing new products, we

~~need to improve our new product development capability. There are numerous uncertainties inherent in successfully developing and introducing innovative new products on a consistent basis.~~

~~Marketing~~

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

~~Productivity and Streamlining~~

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

~~The Company has recently added or promoted more than 60 executives. The Company's long term success depends on its ability to integrate these management changes.~~

~~Acquisition Integration~~

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

~~Foreign Operations~~

~~Foreign operations, which include manufacturing and/or sourcing in many countries in Europe, Asia, Central and South America and Canada, are increasingly important to our business. Foreign operations can be affected by factors such as currency devaluation, other currency fluctuations and the Euro currency conversion, tariffs, nationalization, exchange controls, interest rates, limitations on foreign investment in local business and other political, economic and regulatory risks and difficulties.~~