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, 1998

Commission File Number 1-9608

NEWELL CO.

(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.)

Newell Center
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 24, 1998: 162,623,122

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

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

	Three Months Ended Ended June 30,		Six Months Ended June 30,	
	1998	1997*	1998	1997*
Net sales	$ 922,730	$ 819,389	$1,693,229	$1,469,339
Cost of products sold	615,359	549,278	1,154,904	1,004,177
GROSS INCOME	307,371	270,111	538,325	465,162
Selling, general and administrative expenses	133,799	122,934	271,003	238,354
Trade names and goodwill amortization and other	9,654	7,286	30,250	13,368
OPERATING INCOME	163,918	139,891	237,072	213,440

Nonoperating expenses (income):				
Interest expense	11,477	15,989	23,984	29,280
Other, net	5,478	(3,620)	(180,355)	(5,676)
Net nonoperating expenses (income)	16,955	12,369	(156,371)	23,604
INCOME BEFORE INCOME TAXES	146,963	127,522	393,443	189,836
Income taxes	58,197	50,502	155,803	75,178
NET INCOME	$ 88,766	$ 77,020	$ 237,640	$ 114,658
Earnings per share:				
Basic	$ 0.55	$ 0.47	$ 1.46	$ 0.71
Diluted	0.54	0.47	1.42	0.70
Dividends per share	$ 0.18	$ 0.16	$ 0.36	$ 0.32
Weighted average shares outstanding:				
Basic	162,497	162,164	162,440	162,108
Diluted	173,145	162,804	173,009	162,748

See notes to consolidated financial statements.

*Restated for the merger with Calphalon Corporation, which was accounted for as a pooling of interests.

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

	June 30, 1998	% of Total	December 31, 1997*	% of Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 68,422	1.6%	$ 36,107	0.9%
Accounts receivable, net	629,960	14.8%	544,375	13.6%
Inventories, net	696,440	16.4%	653,200	16.3%
Deferred income taxes	188,434	4.4%	134,732	3.4%
Prepaid expenses and other	79,371	1.9%	65,280	1.6%
TOTAL CURRENT ASSETS	1,662,627	39.1%	1,433,694	35.7%
MARKETABLE EQUITY SECURITIES	-	0.0%	307,121	7.7%
OTHER LONG-TERM INVESTMENTS	55,388	1.3%	51,020	1.3%
OTHER ASSETS	157,783	3.7%	144,502	3.6%
PROPERTY, PLANT AND EQUIPMENT, NET	763,799	18.0%	711,325	17.7%
TRADE NAMES & GOODWILL, NET	1,611,698	37.9%	1,364,072	34.0%
TOTAL ASSETS	$4,251,295	100.0%	$4,011,734	100.0%

See notes to consolidated financial statements.

*Restated for the merger with Calphalon Corporation, which was accounted for as a pooling of interests.

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

	June 30, 1998	% of Total	December 31, 1997*	% of Total
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Notes payable	$ 71,408	1.7%	$ 40,366	1.0%
Accounts payable	138,330	3.3%	138,531	3.5%
Accrued compensation	81,496	1.9%	82,676	2.1%
Other accrued liabilities	562,030	13.2%	397,948	9.9%
Income taxes	45,973	1.1%	11,797	0.3%
Current portion of long-term debt	9,846	0.2%	43,548	1.1%
TOTAL CURRENT LIABILITIES	909,083	21.4%	714,866	17.8%
LONG-TERM DEBT	770,172	18.1%	786,793	19.6%
OTHER NONCURRENT LIABILITIES	194,720	4.6%	186,382	4.6%
DEFERRED INCOME TAXES	46,063	1.1%	90,120	2.2%
MINORITY INTEREST	8,937	0.2%	8,352	0.2%
COMPANY-OBLIGATED MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED SECURITIES OF A SUBSIDIARY TRUST	500,000	11.8%	500,000	12.5%
STOCKHOLDERS' EQUITY				
Common stock - authorized shares, 400.0 million at $1 par value; Outstanding shares: 1998 - 162.6 million 1997 - 162.3 million	162,592	3.8%	162,330	4.0%
Additional paid-in capital	200,263	4.7%	201,045	5.0%
Retained earnings	1,484,232	34.9%	1,305,643	32.5%
Net unrealized gain on securities available for sale	-	0.0%	78,839	2.0%
Cumulative translation adjustment	(24,767)	(0.6)%	(22,636)	(0.6)%
TOTAL STOCKHOLDER'S EQUITY	1,822,320	42.9%	1,725,221	43.0%
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 4,251,295	100.0%	$ 4,011,734	100.0%

See notes to consolidated financial statements.

*Restated for the merger with Calphalon Corporation, which was accounted for as pooling of interests.

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

	For the Six Months Ended June 30, 1998	1997*
OPERATING ACTIVITIES:		
Net income	$ 237,640	$ 114,658
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	73,862	61,884
Deferred income taxes	22,670	18,532
Net gain on sale of marketable equity securities	(115,674)	-
Write-off of intangible assets and other	4,288	-
Other	3,051	(2,504)
Changes in current accounts, excluding the effects of acquisitions:		
Accounts receivable	(56,865)	(57,749)
Inventories	(24,630)	(43,944)
Other current assets	(14,689)	2,852
Accounts payable	(18,107)	(7,034)
Accrued liabilities and other	(115,263)	(58,089)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(3,717)	28,606
INVESTING ACTIVITIES:		
Acquisitions, net	(158,615)	(570,096)
Expenditures for property, plant and equipment	(45,118)	(27,013)
Sale of marketable equity securities	378,321	-
Disposals of non-current assets and other	(16,626)	(7,664)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	157,962	(604,773)

See notes to consolidated financial statements.

*Restated for the merger with Calphalon Corporation, which was accounted for as pooling of interests.

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

	For the Six Months Ended June 30, 1998	1997*
FINANCING ACTIVITIES:		
Proceeds from issuance of debt	35,559	770,441
Payments on notes payable and long-term debt	(97,762)	(69,957)
Proceeds from exercised stock options and other	(1,647)	3,355
Cash dividends	(57,924)	(50,879)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(121,774)	602,960
Exchange rate effect on cash	(156)	(8,428)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	32,315	18,365
Cash and cash equivalents at beginning of year	36,107	4,363
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 68,422	22,728
Supplemental cash flow disclosures - Cash paid during the period for:		
Income taxes	$ 102,522	$ 58,064
Interest	$ 32,554	$ 28,712

See notes to consolidated financial statements.

*Restated for the merger with Calphalon Corporation, which was accounted for as pooling of interests.

NEWELL CO. 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 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 AND DIVESTITURES

On March 5, 1997, the Company purchased Insilco Corporation's Rolodex business unit ("Rolodex"), a marketer of office products, including card files, personal organizers and paper punches. Rolodex was integrated into the Company's Newell Office Product division. On May 30, 1997, the Company acquired Cooper Industries Incorporated's Kirsch business ("Kirsch"), a manufacturer and distributor of drapery hardware and custom window coverings in the United States and international markets. The Kirsch North American operations were combined with the Newell Window Furnishings division. The Kirsch European businesses operate as a separate division, Kirsch Window Fashions Europe. On June 13, 1997, the Company acquired Rubbermaid Incorporated's office products business, including the ELDON{R} brand name (now referred to as "Eldon"). Eldon is a designer, manufacturer and supplier of computer and plastic desk accessories, resin-based office furniture and storage and organization products. Eldon was integrated into the Company's Newell Office Products division. On March 27, 1998, the Company acquired Swish Track and Pole ("Swish") from Newmond PLC. Swish is a manufacturer and marketer of decorative and functional window furnishings in Europe and operates as part of Kirsch Window Fashions Europe. 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 Company's Mirro division. For these and other minor acquisitions, the Company paid $909.8 million in cash and assumed $58.3 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 $729.1 million. 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, 1998 and 1997 on a pro forma basis, as though the Rolodex, Kirsch, Eldon, Swish and Panex businesses had been acquired on January 1, 1997, are as follows (in millions, except per share amounts):

	Six Months Ended June 30,	
	1998	1997
Net sales	$ 1,760.1	$ 1,772.0
Net income	234.4	104.4
Earnings per share (basic)	$ 1.44	$ 0.64

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.

On June 25, 1998, the Company entered into a definitive agreement to sell its school supplies and stationery business. Completion of the sale is subject to certain conditions and approvals, and is expected during the third quarter of 1998. Sales for this business were approximately $90.0 million in 1997.

NOTE 3 - INVENTORIES

The components of inventories at the end of each period, net of the LIFO reserve, were as follows (in millions):

	June 30, 1998	December 31, 1997
Materials and supplies	$ 167.6	$ 147.9
Work in process	133.3	109.9
Finished products	395.5	395.4
	$ 696.4	$ 653.2

NOTE 4 - MARKETABLE EQUITY SECURITIES

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). On March 3, 1998, the Company sold all of its marketable equity securities, which included 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. Marketable Equity Securities at December 31, 1997 are summarized as follows (in millions):

	December 31, 1997
Aggregate market value	$ 307.1
Aggregate cost	176.8
Unrealized gain	$ 130.3

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at the end of each period consisted of the following (in millions):

	June 30, 1998	December 31, 1997
Land	$ 34.1	$ 34.1
Buildings and improvements	334.7	292.7
Machinery and equipment	910.3	840.9
	1,279.1	1,167.7
Allowance for depreciation	(515.3)	(456.4)
	$ 763.8	$ 711.3

NOTE 6 - LONG-TERM DEBT

Long-term debt at the end of each period consisted of the following (in millions):

	June 30, 1998	December 31, 1997
Medium-term notes	$ 263.0	$ 263.0
Commercial paper	478.0	517.0
Other long-term debt	39.0	50.3
	780.0	830.3
Current portion	(9.8)	(43.5)
	$ 770.2	$ 786.8

Commercial paper in the amount of $478.0 million at June 30, 1998 was classified as long-term since it is supported by the 5-year $1.3 billion revolving credit agreement.

NOTE 7 - COMPANY-OBLIGATED 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 8 - EARNINGS PER SHARE

Effective December 31, 1997, the Company adopted SFAS No. 128, "Earnings Per Share." As a result, the Company's reported earnings per share for 1997 were restated. The impact on previously reported earnings per share was immaterial. The earnings per share amounts are computed based on the weighted average monthly number of shares outstanding during the year. "Basic" earnings per share is calculated by dividing net income by weighted average shares outstanding. "Diluted" earnings per share is 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 convertible preferred securities). A reconciliation of the difference between basic and diluted earnings per share for the first six months of 1998 is shown below (in millions, except per share amounts):

	Basic Earnings per Share	"In the money" stock options	Convertible Preferred Securities	Diluted Earnings per Share
Net Income	$ 237.6	$ 0.0	$ 8.0	$ 245.6
Weighted average shares outstanding	162.4	0.7	9.9	173.0
Earnings per share	$ 1.46			$ 1.42

Basic earnings per share for the first six months of 1997 was $0.71. Diluted earnings per share for the first six months of 1997 was $0.70.

NOTE 9 - COMPREHENSIVE INCOME

In the first quarter of 1998, the Company adopted SFAS No. 130, "Reporting Comprehensive Income." The Company's Comprehensive Income consists of net income, foreign currency translation adjustments and unrealized gains on marketable equity securities (if any).

The Company sold its stake in The Black & Decker Corporation during the first quarter of 1998 and has no other material marketable equity security position as of June 30, 1998. Therefore, the Company's Comprehensive Income in the first six months of 1998 includes, in addition to net income, only foreign currency translation adjustments, which were immaterial. The Company's Comprehensive Income in the first six months of 1997 included unrealized gains on marketable equity securities of $34.3 million, offset partially by currency translation losses of $8.4 million.

The accumulated Other Comprehensive Income balances are summarized as follows (in millions):

	Foreign Currency Translation	Net Unrealized Gain on Securities Available For Sale (1)	Accumulated Other Comprehensive Income
Balance at December 31, 1997	$ (22.6)	$ 78.8	$ 56.2
Change during six months ended June 30, 1998	(2.2)	(78.8)	(81.0)
Balance at June 30, 1998	$ (24.8)	$ 0.0	$ (24.8)

(1) On March 3, 1998, the Company sold its stake in The Black & Decker Corporation and realized a net pre-tax gain of approximately $191.5 million ($115.7 million after taxes). The difference between the $78.8 million after-tax balance at December 31, 1997 and the $115.7 million after-tax gain recorded in the first quarter of 1998 represents the appreciation on the shares sold on March 3, 1998 from December 31, 1997 through March 3, 1998.

NOTE 10 - INTERIM SEGMENT REPORTING

Effective December 31, 1998, the Company will adopt SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information." After reviewing the criteria for determining segments of an enterprise, the Company believes it has three reportable segments under the reporting requirements: Hardware and Home Furnishings, Office Products, and Housewares. The Company believes that this segmentation is appropriate because it organizes its product categories into these groups when making operating decisions and assessing performance. The Company Divisions included in each group also sell primarily to the same retail channel: Hardware and Home Furnishings (home centers and hardware stores), Office Products (office superstores and contract stationers), and Housewares (discount stores and warehouse clubs). Financial statement disclosures regarding segments will commence with the 1998 10-K Report filing.

NOTE 11 - DISCLOSURES ABOUT PENSIONS AND OTHER POSTRETIREMENT BENEFITS

Effective December 31, 1998, the Company will adopt SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." Management believes that the adoption of this statement will not be material to the consolidated financial statements.

NOTE 12 - RECLASSIFICATION OF TRADE NAMES AND GOODWILL AMORTIZATION

The Company is reclassifying trade names and goodwill amortization from nonoperating expenses to operating expenses for all periods presented.

NOTE 13 - SUBSEQUENT EVENTS

On July 13, 1998, the Company entered into a definitive agreement to acquire the Gardinia Group, a manufacturer and supplier of window treatments primarily marketed to retailers in Germany and other European markets. Completion of the acquisition is subject to certain customary conditions and approvals, and the acquisition is expected to close during the third quarter of 1998. Sales for the Gardinia Group were approximately $160.0 million in 1997.

On August 3, 1998, the Company entered into a definitive agreement to sell its North American plastic storageware and serveware businesses. Completion of the sale is subject to certain customary conditions and approvals, and the sale is expected to close during the third quarter of 1998. Sales for these businesses were approximately $70.0 million in 1997.

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,	
	1998	1997*	1998	1997*
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of products sold	66.7%	67.0%	68.2%	68.3%
GROSS INCOME	33.3%	33.0%	31.8%	31.7%
Selling, general and administrative expenses	14.5%	15.0%	16.0%	16.2%
Trade names and goodwill amortization and other	1.0%	0.9%	1.8%	1.0%
OPERATING INCOME	17.8%	17.1%	14.0%	14.5%
Nonoperating expenses (income):				
Interest expense	1.2%	2.0%	1.4%	2.0%
Other, net	0.7%	(0.5)%	(10.6)%	(0.4)%
Net nonoperating expenses (income)	1.9%	1.5%	(9.2)%	1.6%
INCOME BEFORE INCOME TAXES	15.9%	15.6%	23.2%	2.9%
Income taxes	6.3%	6.2%	9.2%	5.1%
NET INCOME	9.6%	9.4%	14.0%	7.8%

*Restated for the merger with Calpalon Corporation, which was accounted for as a pooling of interests.

THREE MONTHS ENDED JUNE 30, 1998 VS. THREE MONTHS ENDED JUNE 30, 1997

Net sales for the second quarter of 1998 were $922.7 million, representing an increase of $103.4 million or 12.6% from $819.3 million in the comparable quarter of 1997. The overall increase in net sales was primarily attributable to contributions from Kirsch (acquired in May 1997), Eldon (acquired in June 1997), Swish (acquired in March 1998) and strong shipments at the Company's core* Office Products (primarily Sanford writing instruments) and Home Furnishings businesses (primarily Intercraft/Burnes picture frames and Newell/Levolor window treatments). These results were offset partially by softness in the Housewares business (primarily Mirro aluminum cookware and bakeware) as a result of reductions in inventory at retail. Net sales for each of the Company's product groups (and the primary reasons for the increase or decrease) were as follows, in millions:

	1998	1997	% change
Hardware & Home Furnishings	$ 429.7	$ 339.7	26.5% (a)
Office Products	298.4	266.4	12.0% (b)
Housewares	194.6	213.2	(8.7)%(c)
	$ 922.7	$ 819.3	12.6%

(a) Internal growth** of 6% plus the Kirsch and Swish acquisitions.
(b) Internal growth of 7% plus the Eldon acquisition.
(c) Internal sales declines.
* The Company defines a core business as a continuing business owned more than two years, including minor acquisitions.
** The Company defines internal growth as growth from its core businesses.

Gross income as a percentage of net sales in the second quarter of 1998 was 33.3% or $307.4 million versus 33.0% or $270.1 million in the comparable quarter of 1997. Gross margins improved in the second quarter of 1998 as a result of improvements at several of the Company's core businesses and cost savings related to the integration of the 1997 acquisitions into existing divisions.

Selling, general and administrative expenses ("SG&A") in the second quarter of 1998 were 14.5% of net sales or $133.8 million versus 15.0% or $122.8 million in the comparable quarter of 1997. SG&A as a percentage of net sales declined in the second quarter of 1998 as a result of stable core business SG&A spending and cost savings achieved as Rolodex (acquired in March 1997), Kirsch and Eldon are being integrated.

The Company has reclassified trade names and goodwill amortization from nonoperating expenses to operating expenses for all periods presented. Trade names and goodwill amortization as a percentage of net sales in the second quarter of 1998 was comparable to the second quarter of 1997.

Operating income in the second quarter of 1998 was 17.8% of net sales or $163.9 million versus 17.1% or $140.0 million in the comparable quarter of 1997. The increase in operating margins was primarily due to an increase in margins at several of the Company's core businesses. These increases were offset partially by the 1997 and 1998 acquisitions, whose operating margins are improving as they are being integrated, but are still operating at less than the Company's average operating margins.

Net nonoperating expenses in the second quarter of 1998 were 1.9% of net sales or $17.0 million versus 1.5% of net sales or $12.4 million in the comparable quarter of 1997. The $4.6 million increase was due primarily to $6.7 million of distributions related to the convertible preferred securities issued by a subsidiary trust in December 1997.

For the first three months of both 1998 and 1997, the effective tax rate was 39.6%.

Net income for the second quarter of 1998 was $88.7 million, representing an increase of $11.6 million or 15.0% from the comparable quarter of 1997. Basic earnings per share increased 17.0% to $0.55 in the second quarter of 1998 versus $0.47 in the second quarter of 1997. Diluted earnings per share increased 14.9% to $0.54 vs. $0.47 in the second quarter of 1997. The increases in net income and earnings per share were primarily due to cost savings related to the integration of Rolodex, Kirsch, and Eldon and strong shipments at Sanford, Intercraft/Burnes and Newell/Levolor. These results were offset partially by softness at Mirro.

SIX MONTHS ENDED JUNE 30, 1998 VS. SIX MONTHS ENDED JUNE 30, 1997

Net sales for the first six months of 1998 were $1,693.2 million, representing an increase of $223.9 million or 15.2% from $1,469.3 million in the comparable period of 1997. The overall increase in net sales was primarily attributable to contributions from Rolodex, Kirsch, Eldon, Swish and strong shipments at Sanford, Intercraft/Burnes and Newell/Levolor. These results were offset partially by softness at Mirro. Net sales for each of the Company's product groups (and the primary reasons for the increase or decrease) were as follows, in millions:

	1998	1997	% change
Hardware & Home Furnishings	$ 803.3	$ 637.6	26.0% (a)
Office Products	501.3	416.6	20.3% (b)
Housewares	388.6	415.1	(6.4)% (c)
	$ 1,693.2	$ 1,469.3	15.2%

(a) Internal growth of 5% plus the Kirsch and Swish acquisitions.
(b) Internal growth of 8% plus the Rolodex and Eldon acquisitions.
(c) Internal sales declines.

Gross income as a percentage of net sales in the first six months of 1998 was 31.8% or $538.4 million versus 31.7% or $465.2 million in the comparable period of 1997. Gross margins at several of the Company s core businesses improved while the 1997 acquisitions had gross margins which were slightly lower than the Company's average gross margins. As these acquisitions are integrated, the Company expects their gross margins to continue to improve.

SG&A in the first six months of 1998 were 16.0% of net sales or $271.0 million versus 16.2% or $238.3 million in the comparable period of 1997. SG&A as a percentage of net sales declined in the second quarter of 1998 as a result of stable core business SG&A spending and cost savings achieved as the Rolodex, Kirsch and Eldon acquisitions are being integrated.

The Company has reclassified trade names and goodwill amortization from nonoperating expenses to operating expenses for all periods presented. Trade names and goodwill amortization as a percentage of net sales in the first six months of 1998 was comparable to the first six months of 1997, excluding one-time charges (which included write-offs of intangible assets) of $11.4 million recorded in the first quarter of 1998.

Operating income in the first six months of 1998 was 14.0% of net sales or $237.1 million versus 14.5% or $213.5 million in the comparable period of 1997. Excluding the one-time charges of $11.4 million, operating income in the first six months of 1998 was $248.5 million or 14.7% of net sales. The slight increase in operating margins in the first six months of 1998, excluding the one-time charges, was primarily due to an increase in margins at several of the Company's core businesses. These increases were offset partially by the 1997 and 1998 acquisitions, whose operating margins are improving as they are being integrated, but are still operating at less than the Company's average operating margins.

Net nonoperating income in the first six months of 1998 was 9.2% of net sales or $156.3 million versus net nonoperating expenses of 1.6% of net sales or $23.6 million in the comparable period of 1997. The $179.9 million increase in income was due to a one-time net gain of $191.5 million on the sale of the Company's stake in The Black & Decker Corporation. This gain was offset partially by distributions of $13.3 million related to the convertible preferred securities issued by a subsidiary trust in December 1997.

For the first six months of both 1998 and 1997, the effective tax rate was 39.6%.

Net income for the first six months of 1998 was $237.6 million, representing an increase of $122.9 million or 107.1% from the comparable period of 1997. Basic earnings per share increased 105.6% to $1.46 in the first six months of 1998 versus $0.71 in the first six months of 1997. Diluted earnings per share increased 102.9% to $1.42 vs. $0.70 in the first six months of 1997. Excluding the one-time net gain on the sale of Black & Decker stock of $191.5 million ($115.7 million after taxes) and one-time charges of $11.4 million ($6.9 million after taxes), net income increased $14.1 million or 12.3% to $128.8 million in the first six months of 1998 versus $114.7 million in the first six months of 1997. Basic earnings per share, excluding the nonrecurring items, increased 11.3% to $0.79 versus $0.71 in the first six months of 1997 and diluted earnings per share increased 12.9% to $0.79 versus $0.70 in the first six months of 1997.

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 used in operating activities in the first six months of 1998 was $3.7 million, representing a decrease of $32.3 million from cash provided by operating activities of $28.6 million for the comparable period of 1997. The decrease was due to $75.8 million of taxes paid in the seconod quarter of 1998 on the $191.5 million net gain on the sale of Black & Decker common stock sold in the first quarter of 1998. This decrease was offset partially by an increase in net income in the first six months of 1998 (excluding nonrecurring items) of $14.1 million, an increase in depreciation and amortization of $12.0 million and better management of inventories of $19.3 million.

On March 3, 1998, the Company received $378.3 million from the sale of 7,862,300 shares of Black & Decker common stock. The proceeds from the sale 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 the 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, 1998 totaled $71.4 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, 1998, 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, 1998, $478.0 million (principal amount) of commercial paper was outstanding. The entire amount is classified as long-term debt.

The Company has a universal shelf registration statement under which the Company may issue up to $500.0 million of debt and equity securities, subject to market conditions. At June 30, 1998, the Company had not issued any securities under this registration statement. However, in July 1998, the Company issued an aggregate $325.0 million (principal amount) of medium-term notes under this registration statement, the proceeds of which were used to pay down commercial paper.

At June 30, 1998, the Company had outstanding $263.0 million (principal amount) of medium-term notes issued under a previous shelf registration statement with maturities ranging from five to ten years at an average annual rate of interest equal to 6.3%.

USES:

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

Cash used in acquiring businesses was $158.6 million and $570.1 million in the first six months of 1998 and 1997, respectively. In the first six months of 1998, the Company acquired Swish Track and Pole, Panex, and made another minor acquisition for cash purchase prices totaling $160.7 million. In the first six months of 1997, the Company acquired Rolodex, Kirsch and Eldon for cash purchase prices totaling $595.9 million. All of these acquisitions were accounted for as purchases and were paid for with proceeds obtained from the issuance of commercial paper.

Capital expenditures were $45.1 million and $27.0 million in the first six months of 1998 and 1997, respectively.

The Company has paid regular cash dividends on its common stock since 1947. On February 10, 1998, the quarterly cash dividend was increased to $0.18 per share from the $0.16 per share that had been paid since February 11, 1997. Prior to this date, the quarterly cash dividend paid was $0.14 per share since February 6, 1996, which was an increase from the $0.12 per share paid since May 11, 1995. Aggregate dividends paid during the first six months of 1998 and 1997 were $57.9 million and $50.9 million, respectively.

Retained earnings increased in the first six months of 1998 and 1997 by $178.6 million and $65.2 million respectively. The increase in 1998 was primarily due to a net pre-tax gain of $191.5 million ($115.7 million after taxes) on the sale of the Black & Decker common stock.

Working capital at June 30, 1998 was $753.5 million compared to $718.8 million at December 31, 1997. The current ratio at June 30, 1998 was 1.83:1 compared to 2.01:1 at December 31, 1997.

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 .25:1 at June 30, 1998 and .27:1 at December 31, 1997.

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.

Based on the Company's overall interest rate, currency rate and commodity price exposures at June 30, 1998, management of the Company believes that a short-term change in any of these exposures will not have a material effect on the consolidated financial statements of the Company.

YEAR 2000 COMPUTER COMPLIANCE

In order to address the "Year 2000 Problem" relating to the inability of certain computer software programs to process 2-digit year-date codes after December 31, 1999, the Company has conducted a comprehensive review of its computer systems and formulated a plan to modify or replace programs where necessary. It is anticipated that all reprogramming efforts for major systems will be completed by December 31, 1998, allowing more than adequate time for testing. The Company has received confirmations from its primary vendors and customers that they have plans underway to address this issue as well. Management believes that the total cost of implementing the Year 2000 plan will not be significant to the Company's financial results.

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, expenses, margins, earnings per share, return on equity, capital expenditures, dividends, capital structure, free cash flow, debt to capitalization ratios, internal growth rates, the Year 2000 plan, 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

As of June 30, 1998, the Company was involved in 35 matters concerning federal and state environmental laws and regulations, including matters in which it had been identified by the U.S. Environmental Protection Agency and certain state environmental agencies as a potentially responsible party ("PRP") for contaminated sites under the 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 CERCLA site relative to that of other PRPs: the kind of waste; where applicable, the terms of existing cost sharing and other 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, 1998 ranged between $19.8 million and $27.9 million. As of June 30, 1998, the Company had a reserve equal to $24.3 million for such environmental costs in 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 costs, the Company does not expect that any sum 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 15 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 1997. With respect to the civil suit filed by the California Attorney General and the Alameda County District Attorney against numerous defendants, including a subsidiary of the Company (which was coordinated with the case filed as a national and California private class action in 1997), on June 22, 1998, the Court entered a Stipulated Consent Judgement resolving the Attorney General's case as to the Company's subsidiary and most of the defendants. The Company's contribution to the judgement amount is not expected to be material to the Company's consolidated financial statements. Other related litigation described in Note 15 remains 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:

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 Report on Form 8-K dated May 7, 1998 reporting the acquisition by Registrant of Calphalon Corporation.

Registrant filed a Report on Form 8-K dated July 9, 1998 reporting that the Registrant entered into a Terms Agreement in connection with a public offering of a series of Medium-Term Notes under Registrant's Shelf Registration Statement on Form S-3 (Registration No. 33-64225).

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 CO.
Registrant

Date: August 12, 1998

/s/ William T. Alldredge

William T. Alldredge
Vice President - Finance

Date: August 12, 1998

/s/ Brett E. Gries

Brett E. Gries
Vice President - Accounting & Tax

EXHIBIT 11

NEWELL CO. AND SUBSIDIARIES
COMPUTATION OF EARNINGS
PER SHARE OF COMMON STOCK
(In thousands, except per share data)

	Year-to-date June 30, 1998	For the Year Ended December 31, 1997*	For the Year Ended December 31, 1996*
Basic Earnings per Share:			
Net income	$ 237,640	$ 293,147	$ 262,713
Weighted average shares outstanding	162,440	162,173	161,858
Basic Earnings per Share	$ 1.46	$ 1.81	$ 1.62
Diluted Earnings per Share:			
Net income	$ 237,640	$ 293,147	$ 262,713
Minority interest in income of subsidiary trust, net of tax	8,036	923	-
Net income, assuming conversion of all applicable securities	$ 245,676	$ 294,070	$ 262,713
Weighted average shares outstanding:	162,440	162,173	161,858
Incremental common shares applicable to common stock options based on the market price during the period	703	622	423
Average common shares issuable assuming conversion of the Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust	9,865	513	-
Weighted average shares outstanding assuming full dilution	173,008	163,308	162,281
Diluted Earnings per Share, assuming conversion of all applicable securities	$ 1.42	$ 1.80	$ 1.62

* Restated for the merger with Calphalon Corporation, which was accounted for as a pooling of interests.

EXHIBIT 12

NEWELL CO. AND SUBSIDIARIES
STATEMENT OF COMPUTATION OF
RATIO EARNINGS TO FIXED CHARGES
(In thousands, except ratio data)

	Year-to-date June 30, 1998	For the Year Ended December 31, 1997*	1996*
Earnings available to fixed charges:			
Income before income taxes	$ 213,318 (1)	$ 485,334	$ 434,378
Fixed charges -			
Interest expense	23,984	76,413	58,541
Portion of rent determined to be interest (2)	8,868	16,963	15,185
Minority interest in income of subsidiary trust	13,304	1,528	-
Eliminate equity in earnings	(4,458)	(5,831)	(6,364)
	$ 255,026	$ 575,407	$ 501,740
Fixed charges:			
Interest expense	$ 23,984	$ 76,413	$ 58,541
Portion of rent determined to be interest (2)	8,868	16,963	15,185
Minority interest in income of subsidiary trust	13,304	1,528	-
	$ 46,156	$ 94,904	$ 73,726
Ratio of earnings to fixed charges	5.53	6.05	6.81

* Restated for the merger with Calphalon Corporation, which was accounted for as a pooling of interests.

(1) Excludes one-time net pre-tax gain of $191,513 from the sale of Black & Decker stock, offset partially by $11,398 of one-time pre-tax charges.

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

5

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

1,000

3-MOS
DEC-31-1998
JUN-30-1998
62,283
6,139
629,960
(20,912)
696,440
1,662,627
1,279,143
(515,344)
4,251,295
909,083
770,172
500,000
0
162,592
1,659,728
4,251,295
1,693,229
538,325
1,154,904
1,456,157
(156,371)
2,456
23,984
393,443
155,803
237,640
0
0
0
237,640
1.46
1.42

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 note 5 to consolidated financial statements.