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, 2004

Commission File Number 1-9608

NEWELL RUBBERMAID INC.

(Exact name of registrant as specified in its charter)

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

10B Glenlake Parkway, Suite 600
Atlanta, Georgia 30328
(Address of principal executive offices)
(Zip Code)

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

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

Yes /x/ No /   /

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes /x/ No /   /

Number of shares of common stock outstanding (net of treasury shares) as of October 29, 2004: 274.8 million.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net sales	$1,671.8	$1,729.1	$4,939.9	$5,072.0
Cost of products sold	1,198.5	1,237.3	3,571.0	3,625.0
GROSS MARGIN	473.2	491.8	1,368.9	1,447.0
Selling, general and administrative expenses	307.1	298.8	945.5	905.5
Impairment charges	348.9	—	374.0	—
Restructuring costs	—	32.3	47.9	109.5
OPERATING (LOSS) INCOME	(182.7)	160.7	1.5	432.0
Nonoperating expenses:				
Interest expense, net	29.5	33.1	90.0	104.5
Other (income) expense, net	(0.8)	1.4	(3.9)	18.6
Net nonoperating expenses	28.7	34.5	86.1	123.1
(LOSS) INCOME BEFORE INCOME TAXES	(211.4)	126.2	(84.6)	308.9
Income taxes	23.6	40.7	58.7	100.0
NET (LOSS) INCOME FROM CONTINUING OPERATIONS	(235.0)	85.5	(143.3)	208.9
Gain/(loss) from discontinued operations, net of tax	8.6	(10.3)	(97.0)	(43.9)
NET (LOSS) INCOME	($ 226.4)	$ 75.2	($ 240.3)	$ 165.0
Weighted average shares outstanding:				
Basic	274.4	274.4	274.4	274.0
Diluted	274.4	274.4	274.4	274.3
(Loss) Earnings per share:				
Basic –				
(Loss) income from continuing operations	($ 0.86)	$ 0.31	($ 0.52)	$ 0.76
Income (loss) from discontinued operations	0.03	(0.04)	(0.35)	(0.16)
Net (loss) income per common share	($ 0.83)	$ 0.27	($ 0.88)	$ 0.60
Diluted –				
(Loss) income from continuing operations	($ 0.86)	$ 0.31	($ 0.52)	$ 0.76
Income (loss) from discontinued operations	0.03	(0.04)	(0.35)	(0.16)
Net (loss) income per common share	($ 0.83)	$ 0.27	($ 0.88)	$ 0.60
Dividends per share	$ 0.21	$ 0.21	$ 0.63	$ 0.63

See Notes to Consolidated Financial Statements (Unaudited).

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

	September 30, 2004	December 31, 2003
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 354.5	$ 144.4
Accounts receivable, net	1,184.3	1,397.1
Inventories, net	1,060.0	884.8
Deferred income taxes	115.3	152.7
Prepaid expenses and other	163.2	183.1
Current assets of discontinued operations	—	238.1
TOTAL CURRENT ASSETS	2,877.3	3,000.2
OTHER LONG-TERM INVESTMENTS	15.5	15.5
OTHER ASSETS	256.7	197.2
PROPERTY, PLANT AND EQUIPMENT, NET	1,341.3	1,608.8
DEFERRED INCOME TAXES	9.3	68.1
GOODWILL	1,798.0	1,989.0
OTHER INTANGIBLE ASSETS, NET	307.1	447.9
NON-CURRENT ASSETS OF DISCONTINUED OPERATIONS	—	154.0
TOTAL ASSETS	$6,605.2	$7,480.7

See Notes to Consolidated Financial Statements (Unaudited).

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONT.)
(Amounts in millions, except per share data)

	September 30, 2004	December 31, 2003
	(Unaudited)	
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable	$ 14.0	$ 21.9
Accounts payable	633.1	694.7
Accrued compensation	115.4	122.1
Other accrued liabilities	842.4	960.4
Income taxes	134.0	80.8
Current portion of long-term debt	215.0	13.5
Current liabilities of discontinued operations	—	128.6
TOTAL CURRENT LIABILITIES	1,953.9	2,022.0
LONG-TERM DEBT	2,439.6	2,868.6
OTHER NONCURRENT LIABILITIES	585.0	572.3
LONG-TERM LIABILITIES OF DISCONTINUED OPERATIONS	—	1.5
STOCKHOLDERS' EQUITY:		
Common stock, authorized shares,		
800.0 million at $1.00 par value	290.1	290.1
Outstanding shares:		
2004 - 290.1 million		
2003 - 290.1 million		
Treasury stock, at cost;	(411.6)	(411.6)
Shares held:		
2004 - 15.7 million		
2003 - 15.7 million		
Additional paid-in capital	437.4	439.9
Retained earnings	1,452.2	1,865.7
Accumulated other comprehensive loss	(141.4)	(167.8)
TOTAL STOCKHOLDERS' EQUITY	1,626.7	2,016.3
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$6,605.2	$7,480.7

See Notes to Consolidated Financial Statements (Unaudited).

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Amounts in millions)

	Nine Months Ended September 30,	
	2004	**2003**
OPERATING ACTIVITIES:		
Net (loss) income	($ 240.3)	$ 165.0
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	185.4	186.5
Deferred income taxes	85.1	9.6
Impairment charges	374.0	—
Noncash restructuring charges	25.3	73.0
(Gain)/loss on sale of assets/business	(6.5)	20.5
Loss on discontinued businesses	90.5	—
Other	(4.8)	30.7
Changes in current accounts excluding the Effects of acquisitions:		
Accounts receivable	211.0	47.0
Inventories	(176.8)	(1.4)
Other current assets	17.9	2.6
Accounts payable	(60.2)	121.9
Discontinued operations	(29.8)	9.9
Accrued liabilities and other	(49.0)	(244.8)
NET CASH PROVIDED BY OPERATING ACTIVITIES	421.8	420.5
INVESTING ACTIVITIES:		
Acquisitions, net of cash acquired	(3.0)	(460.0)
Expenditures for property, plant and equipment	(95.2)	(247.1)
Sale of businesses and noncurrent assets	289.2	10.2
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	191.0	(696.9)
FINANCING ACTIVITIES:		
Proceeds from issuance of debt	21.3	1,040.5
Proceeds from issuance of stock	—	200.1
Payments on notes payable and long-term debt	(251.9)	(776.7)
Cash dividends	(173.2)	(173.1)
Proceeds from exercised stock options and other	1.4	6.0
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(402.4)	296.8
Exchange rate effect on cash	(0.3)	1.6
INCREASE IN CASH AND CASH EQUIVALENTS	210.1	22.0
Cash and cash equivalents at beginning of year	144.4	55.1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 354.5	$ 77.1

See Notes to Consolidated Financial Statements (Unaudited).

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 1 – Basis of Presentation

The accompanying unaudited consolidated financial statements of Newell Rubbermaid Inc. (collectively with its subsidiaries, the “Company”) have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission, and do not include all the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the unaudited consolidated financial statements include all adjustments, consisting of only normal recurring accruals, considered necessary for a fair presentation of the financial position and the results of operations. It is suggested that these unaudited consolidated 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.

Seasonal Variations: The Company’s product groups are only moderately affected by seasonal trends. The Cleaning & Organization and Other business segments typically have higher sales in the second half of the year due to retail stocking related to the holiday season; the Tools & Hardware and Home Fashions business segments typically have higher sales in the second and third quarters due to an increased level of do-it-yourself projects completed in the summer months; and the Office Products business segment typically has higher sales in the second and third quarters due to the back-to-school season. Because these seasonal trends are moderate, the Company’s consolidated quarterly sales generally do not fluctuate significantly, unless a significant acquisition is made.

Fair Value of Stock Options: The Company’s stock option plans are accounted for under Accounting Principles Board Opinion No. 25. As a result, the Company grants fixed stock options under which no compensation cost is recognized. Had compensation cost for the plans been determined consistent with Statement of Financial Accounting Standard No. 123 (FAS 123), “Accounting for Stock Based Compensation,” the Company’s net income and earnings per share would have been reduced to the following pro forma amounts for the three and nine months ended September 30, *(in millions, except per share data):*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net (loss) income:				
As reported	($226.4)	$75.2	($240.3)	$165.0
Fair value option expense	(4.6)	(4.7)	(13.7)	(14.1)
Pro forma	($231.0)	$70.5	($254.0)	$150.9
Basic (loss) earnings per share:				
As reported	($ 0.83)	$0.27	($ 0.88)	$ 0.60
Pro forma	($ 0.84)	$0.26	($ 0.93)	$ 0.55
Diluted (loss) earnings per share:				
As reported	($ 0.83)	$0.27	($ 0.88)	$ 0.60
Pro forma	($ 0.84)	$0.26	($ 0.93)	$ 0.55

Reclassifications: Certain amounts in prior years have been reclassified to conform to the current year presentation. See Note 4 for a discussion of discontinued operations.

Note 2 – Impairment Charges

The following table summarizes the recorded noncash pretax impairment charges *(in millions)*:

	Three Months Ended September 30, 2004	Nine Months Ended September 30, 2004
Goodwill	$181.2	$182.7
Other indefinite-lived intangible assets	107.1	116.0
Long-lived assets	60.6	75.3
	$348.9	$374.0

The Company conducts its annual test of impairment for goodwill and other indefinite-lived intangible assets in the third quarter. The Company also tests for impairment if events or circumstances occur subsequent to the Company's annual impairment tests that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The Company performs the annual impairment testing in the third quarter because it coincides with its annual strategic planning process for all of its businesses.

The annual strategic planning meeting provides a forum for executive management to review changes recommended by division and group management in the long-term strategy of the individual businesses and approve specific initiatives. At the planning session, division management teams present their long-term vision for the business and recommend changes in response to internal and external factors, which may impact the valuation of long-lived assets, including goodwill, other intangible assets, and fixed assets. Additionally, these meetings are used to discuss the current business environment and outlook, as well as overall brand strategy.

Subsequent to the recent planning meetings, the Company performed its impairment testing of indefinite-lived intangible assets, giving consideration to underlying strategic and economic changes in the business. Additionally, the Company tested its other long-lived assets for impairment in accordance with Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets."

The results of the impairment testing were reviewed and discussed with the Audit Committee of the Board of Directors, which agreed with management's recommendations and concluded on October 22, 2004, that the impairment charges described below are required under generally accepted accounting principles.

Testing Approach

Goodwill

The goodwill impairment test requires that a company estimate the fair value of the business enterprise at the reporting unit level, that is, the operating segment or one reporting level below the operating segment. The fair value of a reporting unit was calculated with the assistance of an independent third party valuation specialist using discounted cash flows. The discounted cash flows were estimated utilizing various assumptions regarding future revenue and expenses, working capital, terminal value, and discount rates. The underlying assumptions used were consistent with those used in the strategic plan. If the fair value of the reporting unit was less than its carrying amount at the valuation date, an impairment loss was recognized to the extent that the implied fair value of the goodwill within the reporting unit was less than the recorded amount of goodwill.

Other Indefinite-Lived Intangible Assets, primarily Trademarks and Tradenames

The impairment test for other indefinite-lived intangible assets, primarily trademarks and tradenames (intangible assets), requires that a company determine the fair value of the intangible asset. Generally, the fair value of the intangible assets was calculated with the assistance of an independent third party valuation specialist using discounted cash flows associated with the underlying intangible asset. The discounted cash flows were estimated utilizing various assumptions regarding future revenue and expenses, working capital, terminal value, and discount rates. The underlying assumptions used were consistent with those used in the strategic plan. The fair value of the intangible asset was then compared to the carrying value. If the fair value of the intangible asset was less than its carrying amount, an impairment charge was recorded.

Other Long-Lived Assets, primarily Fixed Assets and Patents

In accordance with SFAS No. 144, the Company evaluated if there were impairment indicators present related to its fixed assets and other long-term assets. If impairment indicators were present, future cash flows related to the asset group was estimated. The sum of the undiscounted future cash flows attributable to the asset group was then compared to the carrying amount of the asset group. The cash flows were estimated utilizing various assumptions regarding future revenue and expenses, working capital, and proceeds from asset disposals on a basis consistent with the strategic plan. If the carrying amount exceeded the sum of the future undiscounted future cash flows, the Company discounted the future cash flows using a risk-free discount rate and recorded an impairment charge as the difference between the discounted cash flows and the carrying value of the asset group. Generally, the Company performed its testing of the asset group at the product-line level, as this is the lowest level for which identifiable cash flows are available.

As a result of the impairment testing described above, the Company recorded a noncash $348.9 million ($332.8 million, net of tax) impairment charge in the third quarter as follows:

Segment	Goodwill	Other Indefinite-Lived Intangible Assets	Other Long-Lived Assets (Fixed Assets / Patents)	Total
Cleaning & Organization	$ 34.0	$ —	$45.7	$ 79.7
Office Products	138.8	93.8	8.5	241.1
Home Fashions	8.4	13.3	3.9	25.6
Tools & Hardware	—	—	1.0	1.0
Other	—	—	1.5	1.5
Total	$181.2	$107.1	$60.6	$348.9

Cleaning & Organization

The European Cleaning & Organization business was previously classified in the fix portfolio of the Company’s business, as management believed that the restructuring and other investments made in the business would produce favorable returns in the future. These expected returns have not materialized and the Company is currently exploring alternatives for this business. Accordingly, an impairment charge was recorded to write the long-lived assets down to fair value (disposal value). The write-down of fixed assets is expected to decrease depreciation expense in 2005 by approximately $5 million.

Office Products

The impairment charge recorded in the Office Products segment is primarily a result of three factors:

- Prior year restructuring activity related to a product line in the European business has not resulted in the expected returns, and management is currently exploring alternatives for this product line. Accordingly, an impairment charge was recorded to write the long-lived assets down to fair value (disposal value). The impairment charge recognized on this product line was $80.8 million, of which $8.5 million related to the write-down of fixed assets. The write-down of fixed assets is expected to decrease depreciation expense in 2005 by approximately $1 million.

- In the European business, the Company has historically promoted and supported several different brands in the everyday writing category. In the third quarter management developed a plan to consolidate certain brands in Europe in this category. This new plan results from several factors:

  - The Company believes that rationalizing its brands will enable the Company to more effectively allocate capital and other resources. In this regard, the Company is focused on promoting its brands globally and reducing the reliance on local or regional brands.

  - The brand that is targeted for rationalization has experienced sales declines, especially in the current year, and management believes it has more effective investment opportunities outside of this brand.

  As a result of this plan, the Company recognized an impairment charge of $123.1 million related to this product line.

- In the third quarter, management decided to rationalize several trademarks and trade names (brands), primarily in the Latin America businesses. The current plan is to reduce the number of brands from 76 to 12 over the next three years.

As a result of this decision, the Company determined that certain brands that were previously considered to have indefinite lives were impaired. Accordingly, the Company wrote these trademarks and tradenames down to their fair value and will begin amortizing these brands over their remaining useful lives (generally three years). As a result of this reclassification, amortization expense is expected to increase by approximately $3 million in 2005. The total impairment charge recognized as a result of the decision to rationalize brands was $37.2 million.

Home Fashions

Management decided to rationalize certain trademarks and tradenames (brands), primarily in the United Kingdom home fashions business, in order to focus on promoting more effective brands. As a result of this decision the Company determined that these brands became impaired and accordingly, these trademarks and tradenames, as well as certain associated patents, have been written off. The impairment charge associated with this decision was $17.2 million. Additionally, primarily as a result of an increase from the prior year in the discount rate (risk adjusted rate) used in calculating the enterprises' fair value, an impairment charge of $8.4 million was recorded on goodwill. As of September 30, 2004, there was $23.9 million of goodwill and other indefinite-lived intangible assets relating to this business.

Tools & Hardware / Other

The impairment charge recorded in the Tools & Hardware and Other segments primarily relates to patents that the Company will allow to expire and fixed assets that are currently held for sale, and accordingly, have been written down to fair value.

In the second quarter of 2004, the Company recorded an impairment charge of $25.1 million as follows:

- In the first quarter of 2004, the Company began exploring various options for certain businesses and product lines in the Home Fashions and Tools & Hardware reportable segments, including evaluating those businesses for potential sale. As this process progressed, the Company determined that the businesses had a net book value in excess of their fair value. Due to the apparent decline in value, the Company conducted an impairment test in the second quarter and recorded an impairment loss to write the net assets of these businesses and product lines to fair value.

- In 2004, the Company made the decision to exit certain product lines, which resulted in the impairment of fixed assets, primarily in the Cleaning & Organization segment. The Company determined the fair value of the fixed assets by estimating the future cash flows attributable to these fixed assets, including an estimate of the ultimate sale proceeds. Accordingly, the Company recorded a charge to write the assets to their estimated fair value.

The Company cannot predict whether certain events might occur that would adversely affect the reported value of the remaining goodwill and other identifiable intangible assets. Such events may include, but are not limited to, strategic decisions made in response to economic and competitive conditions, the impact of the economic environment on the Company's customer base, or a material adverse change in its relationship with significant customers. Additionally, increases in the risk adjusted rate could result in additional impairment charges.

Note 3 — Restructuring Costs

In the second quarter of 2004, the Company completed its accounting charges associated with its strategic restructuring plan (the "Plan") announced on May 3, 2001. The specific objectives of the Plan were to streamline the Company's supply chain to become the best-cost global provider throughout the Company's portfolio by reducing worldwide headcount and consolidating duplicative manufacturing facilities. The Company recorded $462 million in restructuring charges under the Plan, including $84.2 million on discontinued operations. The following analysis excludes the restructuring amounts related to discontinued operations.

Pre-tax restructuring costs consisted of the following *(in millions)*:

	Three Months Ended September 30, 2003	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003
Facility and other exit costs	$28.6	$32.8	$ 56.2
Employee severance and termination benefits	3.7	9.9	53.3
Exited contractual commitments and other	—	5.2	—
Recorded as Restructuring Costs	$32.3	$47.9	$109.5

Restructuring provisions were determined based on estimates prepared at the time the restructuring actions were approved by management, and also include amounts recognized as incurred. In the second quarter, the Company reduced its restructuring reserve by approximately $10.0 million, primarily as a result of higher proceeds received from fixed asset disposals. Cash paid for restructuring activities was $28.1 million and $16.3 million for the third quarters of 2004 and 2003, respectively. Cash paid for restructuring activities was $68.6 million and $63.4 million in the first nine months of 2004 and 2003, respectively.

A summary of the Company's restructuring plan reserves is as follows *(in millions)*:

	12/31/02 Balance	Provision	Costs Incurred	09/30/03 Balance
Facility and other exit costs	$31.4	$ 56.2	($ 45.6)	$42.0
Employee severance and termination benefits	36.4	53.3	(36.9)	52.8
	$67.8	$109.5	($ 82.5)	$94.8

	12/31/03 Balance	Provision	Costs Incurred	09/30/04 Balance
Facility and other exit costs	$ 77.5	$32.8	($ 90.4)	$19.9
Employee severance and termination benefits	61.8	9.9	(56.8)	14.9
Exited contractual commitments and other	6.5	5.2	(7.5)	4.2
	$145.8	$47.9	($154.7)	$39.0

The facility and other exit cost reserves are primarily related to future minimum lease payments on vacated facilities and other closure costs. The remaining restructuring reserve will require cash payments to settle the liabilities.

Under the Plan, the Company exited 84 facilities and reduced headcount by approximately 12,000. The Company expects total annual savings of between $125 and $150 million ($105 to $115 million related to the reduced headcount, $10 to $20 million related to reduced depreciation, and $10 to $15 million related to other cash savings). The following table depicts the changes in accrued restructuring reserves for the nine months ended September 30, aggregated by reportable business segment *(in millions)*:

Segment	12/31/02 Balance	Provision	Costs Incurred	09/30/03 Balance
Cleaning & Organization	$ 3.8	$ 29.4	($ 19.2)	$14.0
Office Products	27.2	24.9	(28.3)	23.8
Home Fashions	12.4	35.2	(22.7)	24.9
Tools & Hardware	0.5	8.9	(2.2)	7.2
Other	3.6	8.2	(0.5)	11.3
Corporate	20.3	2.9	(9.6)	13.6
	$67.8	$109.5	($ 82.5)	$94.8

Segment	12/31/03 Balance	Provision	Costs Incurred	09/30/04 Balance
Cleaning & Organization	$ 56.2	$21.5	($ 69.8)	$ 7.9
Office Products	29.9	7.4	(20.9)	16.4
Home Fashions	17.7	7.3	(23.3)	1.7
Tools & Hardware	17.9	4.5	(19.1)	3.3
Other	9.6	7.0	(12.9)	3.7
Corporate	14.5	0.2	(8.7)	6.0
	$145.8	$47.9	($154.7)	$39.0

Note 4 – Discontinued Operations

On January 31, 2004, the Company completed the sale of its Panex Brazilian low-end cookware division (previously reported in the Other operating segment) and European picture frames businesses (previously reported in the Home Fashions operating segment).

On April 13, 2004, the Company sold substantially all of its U.S. picture frame business (Burnes), its Anchor Hocking glassware business and its Mirro cookware business. Under the terms of the agreement and final adjustments relating to the transaction, the Company retained the accounts receivable of the businesses, and total proceeds, including the retained receivables, as a result of the transaction were $304 million. The Burnes picture frame business was previously reported in the Home Fashions operating segment, while the Anchor Hocking and Mirro businesses were previously reported in the Other operating segment. In September 2004, as part of the final adjustments relating to the transaction, the Company recorded an additional loss of approximately $1.0 million on this sale.

On July 1, 2004, the Company completed the sale of Little Tikes Commercial Playground Systems Inc. (“LTCPS”) to PlayPower, Inc. for approximately $41 million. LTCPS was previously reported in the Other operating segment, as a unit of the Company’s Little Tikes division. LTCPS is a manufacturer of commercial playground systems and contained playground environments. The Company will retain the consumer portion of its Little Tikes division. The Company recognized a gain on the sale of LTCPS of $14.3 million ($9.6 million, net of tax) in the third quarter of 2004. For the year ended December 31, 2003, LTCPS contributed approximately $60 million of sales to the Company.

The following table summarizes the results of the discontinued operations for the three and nine months ended September 30, 2004 *(in millions)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net sales	$ —	$215.7	$171.2	$585.2
Loss from discontinued operations, net of income taxes of ($4.7) million for the three months ended September 30, 2003, and ($3.0) and ($20.9) million for the nine months ended September 30, 2004 and 2003, respectively	—	($ 10.3)	($ 6.5)	($ 43.9)
Gain/(Loss) on disposal of discontinued operations, net of income taxes of $4.7 million for the three months ended September 30, 2004	$8.6	—	($ 90.5)	—

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

The following table presents summarized balance sheet information of the discontinued operations as of December 31, 2003 (*in millions*):

	December 31, 2003
Accounts receivable, net	$ 45.5
Inventories, net	181.4
Prepaid expenses and other current assets	11.2
Total Current Assets	238.1
Property, plant and equipment, net	152.3
Other assets	1.7
Total Assets	$392.1
Accounts payable	$ 82.8
Other accrued liabilities	45.8
Total Current Liabilities	128.6
Long-term liabilities	1.5
Total Liabilities	$130.1

There were no assets or liabilities attributable to discontinued operations as of September 30, 2004.

Note 5 – Income Taxes

During the nine months ended September 30, 2004, the statute of limitations on certain transactions for which the Company had provided tax reserves, in whole or in part, expired resulting in the reversal of the provisions and interest accrued thereon in the amount of $37.4 million. Accordingly, the impact was recorded in income taxes for the nine months ended September 30, 2004.

In addition, due to significant restructuring activity and certain changes in the Company's business model affecting the utilization of net operating loss carryovers, particularly in certain European countries, the valuation allowance on certain net operating losses previously tax-benefited has been increased by $31.0 million. This amount was recorded in income taxes for the nine months ended September 30, 2004.

In the three months ended September 30, 2004, the Company received notification from the Internal Revenue Service that it would receive a refund of $2.9 million relating to amounts previously paid. Accordingly, this amount has been recorded in income taxes for the three and nine months ended September 30, 2004.

Note 6 – 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, 2004	December 31, 2003
Materials and supplies	$ 251.1	$240.4
Work in process	170.1	115.4
Finished products	638.8	529.0
	$1,060.0	$884.8

Note 7 – Long-term Debt

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

	September 30, 2004	December 31, 2003
Medium-term notes	$1,647.0	$1,647.0
Commercial paper	—	217.1
Preferred debt securities	450.0	450.0
Junior convertible subordinated debentures	515.5	515.5
Terminated interest rate swaps	41.8	46.7
Other long-term debt	0.3	5.8
Total debt	2,654.6	2,882.1
Current portion of long-term debt	(215.0)	(13.5)
Long-term Debt	$2,439.6	$2,868.6

Effective March 9, 2004, the Company terminated an interest rate swap agreement prior to the scheduled maturity date and received cash of $9.2 million. Of this amount $5.5 million represents the fair value of the swap that was terminated and the remainder represents net interest receivable on the swap. The cash received relating to the fair value of the swap has been included in Other as an operating activity in the Consolidated Statement of Cash Flows. The unamortized gain on the terminated interest rate swap is accounted for as long-term debt (of which $0.7 million is classified as current). On March 9, 2004, the Company entered into a fixed to floating rate swap that effectively replaced the terminated swap.

Note 8 – Employee Benefit and Retirement Plans

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

	United States		International	
	2004	2003	2004	2003
Service cost-benefits earned during the year	$ 10.2	$ 8.8	$ 1.8	$ 2.2
Interest cost on projected benefit obligation	16.0	12.1	4.9	4.5
Expected return on plan assets	(19.5)	(17.1)	(4.5)	(4.3)
Actuarial loss	1.3	0.1	0.4	0.4
Net pension expense	$ 8.0	$ 3.9	$ 2.6	$ 2.8

The following table presents the components of the Company's pension expense for the nine months ended September 30, (*in millions*):

	United States		International	
	2004	2003	2004	2003
Service cost-benefits earned during the year	$ 31.2	$ 26.3	$ 5.3	$ 6.6
Interest cost on projected benefit obligation	40.4	36.3	14.8	13.5
Expected return on plan assets	(49.2)	(51.3)	(13.6)	(13.0)
Curtailment, settlement cost	(1.8)	—	0.2	—
Actuarial loss	3.4	0.4	1.3	1.2
Net pension expense	$ 24.0	$ 11.7	$ 8.0	$ 8.3

The following table presents the components of the Company's other postretirement benefits expense for the three and nine months ended September 30, (*in millions*):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Service cost-benefits earned during the year	$ 1.0	$1.2	$ 3.5	$ 3.7
Interest cost on projected benefit obligation	3.4	4.0	11.1	12.1
Amortization of prior service cost	(0.2)	0.1	(0.5)	0.2
Actuarial loss	—	—	0.5	—
Net pension expense	$ 4.2	$5.3	$14.6	$16.0

In the third quarter of 2004, the Company made a voluntary $50.0 million cash contribution to fund the Company's pension plan.

Note 9 — Earnings per Share

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

	Basic Method	"In the Money" Options(1)	Convertible Preferred Securities(2)	Diluted Method
Three Months Ended September 30, 2004				
Loss from continuing operations	($235.0)	—	—	($235.0)
Loss per share	($ 0.86)	—	—	($ 0.86)
Income from discontinued operations	$ 8.6	—	—	$ 8.6
Income per share	$ 0.03	—	—	$ 0.03
Net loss	($226.4)	—	—	($226.4)
Loss per share	($ 0.83)	—	—	($ 0.83)
Weighted average shares outstanding	274.4	—	—	274.4
Three Months Ended September 30, 2003				
Income from continuing operations	$ 85.5	—	—	$ 85.5
Earnings per share	$ 0.31	—	—	$ 0.31
Loss from discontinued operations	($ 10.3)	—	—	($ 10.3)
Loss per share	($ 0.04)	—	—	($ 0.04)

	Basic Method	"In the Money" Options(1)	Convertible Preferred Securities(2)	Diluted Method
Net income	$ 75.2	—	—	$ 75.2
Earnings per share	$ 0.27	—	—	$ 0.27
Weighted average shares outstanding	274.4	—	—	274.4
<u>Nine Months Ended September 30, 2004</u>				
Loss from continuing operations	($143.3)	—	—	($143.3)
Loss per share	($ 0.52)	—	—	($ 0.52)
Loss from discontinued operations	($ 97.0)	—	—	($ 97.0)
Loss per share	($ 0.35)	—	—	($ 0.35)
Net loss	($240.3)	—	—	($240.3)
Loss per share	($ 0.88)	—	—	($ 0.88)
Weighted average shares outstanding	274.4	—	—	274.4
<u>Nine Months Ended September 30, 2003</u>				
Income from continuing operations	$208.9	—	—	$208.9
Earnings per share	$ 0.76	—	—	$ 0.76
Loss from discontinued operations	($ 43.9)	—	—	($ 43.9)
Loss per share	($ 0.16)	—	—	($ 0.16)
Net income	$165.0	—	—	$165.0
Earnings per share	$ 0.60	—	—	$ 0.60
Weighted average shares outstanding	274.0	0.3	—	274.3

(1) The weighted average shares outstanding for the three months ended September 30, 2004 and 2003 exclude approximately 11.2 million and 10.0 million stock options, respectively, and approximately 8.8 million and 8.0 million stock options for the nine months ended September 30, 2004 and 2003, respectively, because such options had an exercise price in excess of the average market value of the Company's common stock during the respective periods and would, therefore, be anti-dilutive.

(2) The convertible preferred securities are anti-dilutive for the three and nine months ended September 30, 2004 and 2003, and therefore have been excluded from diluted earnings per share. Had the convertible preferred securities been included in the diluted earnings per share calculation, net income would be increased by $4.2 million for the three months ended September 30, 2004 and 2003, respectively, and by $12.6 million for the nine months ended September 30, 2004 and 2003, respectively, and weighted average shares outstanding would have increased by 9.9 million shares in all periods.

Note 10 – Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss encompasses foreign currency translation adjustments, net losses on derivative instruments and net minimum pension liability adjustments and is recorded within stockholders' equity.

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

	Foreign Currency Translation Gain	After-tax Derivatives Hedging Gain/(Loss)	After-tax Minimum Pension Liability	Accumulated Other Comprehensive Loss
Balance at December 31, 2003	$15.6	$ 6.6	($190.0)	($167.8)
Current year change	38.2	(11.8)	—	26.4
Balance at September 30, 2004	$53.8	($ 5.2)	($190.0)	($141.4)

Total comprehensive (loss) income amounted to the following *(in millions):*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net (loss) income	($226.4)	$ 75.2	($240.3)	$165.0
Foreign currency translation (loss) gain	12.6	(15.5)	38.2	54.0
After-tax derivatives hedging gain (loss)	(3.2)	0.5	(11.8)	4.0
After-tax minimum pension liability	—	(0.2)	—	6.7
Comprehensive (loss) income	($217.0)	$ 60.0	($213.9)	$229.7

Note 11 — Industry Segments

The Company's reporting segments reflect the Company's focus on building large consumer brands, promoting organizational integration, achieving operating efficiencies and aligning the businesses with the Company's strategic account management strategy. The Company reports its results in five reportable segments as follows:

Segment	Description of Products
Cleaning & Organization	Indoor/outdoor organization, storage, food storage, cleaning, refuse
Office Products	Ballpoint/roller ball pens, markers, highlighters, pencils, office products, art supplies
Tools & Hardware	Hand tools, power tool accessories, manual paint applicators, cabinet hardware, propane torches
Home Fashions	Drapery houseware, window treatments
Other	Operating segments that do not meet aggregation criteria, including aluminum and stainless steel cookware, hair care accessory products, infant and juvenile products, including toys, high chairs, car seats, and strollers

The Company's segment results are as follows *(in millions)*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net Sales (1)				
Cleaning & Organization	$ 455.9	$ 514.4	$1,372.0	$1,504.3
Office Products	424.3	428.7	1,246.3	1,258.8
Tools & Hardware	300.6	299.3	875.2	859.5
Home Fashions	228.1	223.5	679.1	670.9
Other	262.9	263.2	767.3	778.5
	$1,671.8	$1,729.1	$4,939.9	$5,072.0
Operating (Loss) Income (2)				
Cleaning & Organization	$ 29.2	$ 31.9	$ 49.9	$ 93.0
Office Products	61.5	69.9	188.7	231.8
Tools & Hardware	45.1	53.4	131.6	136.6
Home Fashions	15.9	17.5	25.0	30.1
Other	24.7	31.2	55.6	74.5
Corporate (3)	(10.2)	(10.9)	(27.4)	(24.5)
Impairment Charges (4)	(348.9)	—	(374.0)	—
Restructuring Costs (5)	—	(32.3)	(47.9)	(109.5)
	($ 182.7)	$ 160.7	$ 1.5	$ 432.0

Identifiable Assets	September 30, 2004	December 31, 2003
Cleaning & Organization	$1,088.4	$1,256.5
Office Products	1,063.0	997.5
Tools & Hardware	818.5	812.1
Home Fashions	575.6	630.2
Other	528.1	577.8
Corporate (6)	2,531.6	2,814.5
Discontinued Operations	—	392.1
	$6,605.2	$7,480.7

Geographic Area Information

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net Sales				
United States	$1,169.6	$1,199.9	$3,379.2	$3,511.3
Canada	87.0	91.5	250.6	253.5
North America	1,256.6	1,291.4	3,629.8	3,764.8
Europe	331.2	344.2	1,050.2	1,045.3
Central and South America	48.2	54.4	149.0	156.5
All other	35.8	39.1	110.9	105.4
	$1,671.8	$1,729.1	$4,939.9	$5,072.0
Operating (Loss) Income (7)				
United States	$ 119.8	$ 145.5	$ 308.1	$ 401.1
Canada	19.7	17.7	52.3	48.9
North America	139.5	163.2	360.4	450.0
Europe	(290.8)	(8.1)	(330.8)	(41.0)
Central and South America	(38.9)	(3.9)	(36.4)	9.4
All other	7.5	9.5	8.3	13.6
	($ 182.7)	$ 160.7	$ 1.5	$ 432.0

Identifiable Assets (8)	September 30, 2004	December 31, 2003
United States	$4,646.0	$5,012.1
Canada	101.0	136.2
North America	4,747.0	5,148.3
Europe	1,545.0	1,628.3
Central and South America	192.7	195.4
All other	120.5	116.6
Discontinued Operations	—	392.1
	$6,605.2	$7,480.7

1) All intercompany transactions have been eliminated. Sales to one customer amounted to approximately 14.3% of consolidated net sales, excluding discontinued operations, in the first nine months of 2004 and 2003, respectively. Sales to no other customer exceeded 10% of consolidated net sales for either period.

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

3) Corporate operating expenses consist primarily of administrative costs that cannot be allocated to a particular segment.

4) Impairment charges have been presented separately in this table; refer to Note 2 to the Consolidated Financial Statements (Unaudited) for a breakout of the charge by reportable segment.

5) Restructuring costs have been presented separately in this table; refer to Note 3 to the Consolidated Financial Statements (Unaudited) for a breakout of the charge by reportable segment

6) Corporate assets primarily include trade names, goodwill, equity investments and deferred tax assets. Accordingly, the write-down of goodwill and other intangible assets associated with the impairment charge (see Note 2 to the Consolidated Financial Statements (Unaudited)) have been reflected as reductions in Corporate assets.

7) The restructuring and impairment charges recorded in the nine months ended September 30, 2004 have been reflected in the appropriate geographic regions.

8) Transfers of finished goods between geographic areas are not significant. Corporate assets are primarily reflected in the United States.

Note 12 – Contingencies

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

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

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

Note 13 – Subsequent Event

On October 12, 2004, the Company purchased 825,000 shares of its Preferred Securities from a holder for $43.6875 per share. The Company paid a total of $36 million.

On November 4, 2004, the Company declared a quarterly cash dividend of $0.21 per share on the Company's common stock. The dividend is payable December 3, 2004 to common stockholders of record on November 16, 2004.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The Company made significant progress in the first nine months of 2004 toward achieving its previously announced 2004 key objectives. The Company's key objectives for 2004, and the progress made in the first nine months of 2004 toward achieving such priorities, are highlighted below:

1. Continue to divest non-strategic businesses: The Company has completed its previously announced plan to divest certain under-performing, non-strategic businesses in order to concentrate on leveraging brand strength and product innovation in its core portfolio of businesses. In January 2004, the Company completed the sale of its Panex Brazilian low-end cookware division and European picture frames businesses. In April 2004, the Company sold substantially all of its U.S. picture frames business (Burnes), its Anchor Hocking glassware business and its Mirro cookware business for total proceeds of approximately $304 million (after final negotiations). On July 1, 2004, the Company completed the sale of Little Tikes Commercial Playground Systems Inc. ("LTCPS") to PlayPower, Inc. for approximately $41 million. LTCPS is a manufacturer of commercial playground systems and contained playground environments. The Company will retain the consumer portion of its Little Tikes division.

In connection with these divestitures, the Company recorded an after-tax loss on the sale of these businesses of approximately $91 million in the nine months ending September 30, 2004. Total 2003 sales of the divested businesses were $851.0 million. The divestitures of these businesses are expected to reduce 2004 earnings per share by approximately $0.11 to $0.13, exclusive of the loss to be recognized in 2004. In addition, the divestitures are expected to reduce operating cash flow by $40 to $45 million, annually.

2. Complete the 2001 restructuring plan: In the second quarter of 2004, the Company completed the accounting charges associated with its 2001 restructuring plan. The 2001 restructuring plan resulted in total charges of $462 million, including previously recognized charges on discontinued operations of $84.2 million. In total, the Company exited 84 facilities and reduced headcount by approximately 12,000. The Company expects total annual savings to be approximately $125 to $150 million as a result of this restructuring program.

3. Continue to rationalize low-margin product lines: In the first nine months of 2004, the Company exited approximately $200 million in sales of low-margin product lines. The Company will continue to rationalize low-margin product lines throughout 2004. The completion of this program is expected to reduce annual sales by $275 million.

4. Deploy Newell Operational Excellence (NWL OPEX): The Company is committed to reducing costs by at least 5% annually. In connection with this goal, the Company is committed to deploying and implementing NWL OPEX, which is a methodical process focused on lean manufacturing. It includes installing the right manufacturing and distribution metrics and driving improvement quarter after quarter. In addition to cost reduction, other key components of NWL OPEX are improved quality and service levels and the reduction of inventory and lead times. The Company's program for driving productivity throughout its manufacturing network gained traction in the first nine months of 2004. The Company delivered approximately $86 million of gross productivity savings during the first nine months of 2004.

Results of Operations

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

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2004		2003		2004		2003	
Net sales	$1,671.8	100.0%	$1,729.1	100.0%	$4,939.9	100.0%	$5,072.0	100.0%
Cost of products sold	1,198.5	71.7	1,237.3	71.6	3,571.0	72.3	3,625.0	71.5
Gross margin	473.3	28.3	491.8	28.4	1,368.9	27.7	1,447.0	28.5
Selling, general and administrative expenses	307.1	18.4	298.8	17.3	945.5	19.1	905.5	17.9
Impairment charges	348.9	20.9	—	—	374.0	7.6	—	—
Restructuring costs	—	—	32.3	1.9	47.9	1.0	109.5	2.2
Operating (loss) income	(182.7)	(10.9)	160.7	9.3	1.5	—	432.0	8.5
Nonoperating expenses:								
Interest expense, net	29.5	1.8	33.1	1.9	90.0	1.8	104.5	2.1
Other (income) expense, net	(0.8)	—	1.4	0.1	(3.9)	(0.1)	18.6	0.4
Net nonoperating expenses	28.7	1.7	34.5	2.0	86.1	1.7	123.1	2.4
(Loss) Income before income taxes	(211.4)	(12.6)	126.2	7.3	(84.6)	(1.7)	308.9	6.1
Income taxes	23.6	1.4	40.7	2.4	58.7	1.2	100.0	2.0
Net (loss) income from continuing operations	(235.0)	(14.1)	85.5	4.9	(143.3)	(2.9)	208.9	4.1
Gain/(Loss) from discontinued operations, net of tax	8.6	0.5	(10.3)	(0.6)	(97.0)	(2.0)	(43.9)	(0.9)
Net (loss) income	($ 226.4)	(13.5)%	$ 75.2	4.3%	($ 240.3)	(4.9)%	$ 165.0	3.3%

Three Months Ended September 30, 2004 vs. Three Months Ended September 30, 2003

Consolidated Operating Results:

Net sales for the three months ended September 30, 2004 (third quarter) were $1,671.8 million, representing a decrease of $57.3 million, or 3.3%, from $1,729.1 million in the comparable quarter of 2003. The decrease resulted from product line rationalization of $75 million, or 4.3%, and a decline in core sales of $15 million, or 0.9%. These were partially offset by favorable foreign currency translation of $30 million, or 1.7%, and favorable pricing of $3 million, or 0.2%, for the quarter.

Gross margin as a percentage of net sales in the third quarter of 2004 was 28.3%, or $473.3 million, versus 28.4%, or $491.8 million, in the comparable quarter of 2003. The decline in gross margin is primarily related to raw material inflation of $31 million. This was partially offset by favorable pricing of $3 million, or 0.2%, and a favorable mix driven by the rationalization of unprofitable product lines, primarily in the Rubbermaid Home Products and Eldon Office Products businesses. Gross productivity in the quarter of $29 million was partially offset by restructuring related costs of $15 million.

Selling, general and administrative expenses (SG&A) in the third quarter of 2004 were 18.4% of net sales, or $307.1 million, versus 17.3%, or $298.8 million, in the comparable quarter of 2003. The increase in SG&A reflects a foreign currency impact of $7 million and pension cost increases of $4 million. All other SG&A was essentially flat with streamlining initiatives offsetting continued investments in the business.

The Company recorded a non-cash pretax impairment charge of $348.9 million (332.8 million, net of tax) in the third quarter of 2004. These charges were required to write-down certain assets to fair value. See Note 2 to the Consolidated Financial Statements (Unaudited) for additional information.

The Company recorded pre-tax strategic restructuring charges of $32.3 million in the third quarter of 2003. The pre-tax charge included $28.6 million of facility and other exit costs and $3.7 million of employee severance and termination benefits. See Note 3 to the Consolidated Financial Statements (Unaudited) for further information on the strategic restructuring plan.

Operating (loss) income in the third quarter of 2004 was ($182.7) million, or (10.9%) of net sales, versus operating income of $160.7 million, or 9.3%, in the comparable quarter of 2003. The decrease in operating margins is the result of the factors described above.

Net nonoperating expenses in the third quarter of 2004 were 1.7% of net sales, or $28.7 million, versus 2.0%, or $34.5 million, in the comparable quarter of 2003. Net interest expense decreased $3.6 million for the third quarter of 2004 compared to the third quarter of 2003 as a result of lower average debt outstanding, partially offset by increased interest rates.

The effective tax rate was (11.2)% in the third quarter of 2004 versus 32.3% in the third quarter of 2003. The change in the effective tax rate is primarily related to the non-deductibility associated with a portion of the Company's $348.9 million impairment charge. See Notes 2 and 5 to the Consolidated Financial Statements (Unaudited) for further information.

Net (loss) income from continuing operations for the third quarter of 2004 was ($235.0) million, compared to $85.5 million in the third quarter of 2003. Diluted (loss) earnings per share from continuing operations were ($0.86) in the third quarter of 2004 compared to $0.31 in the third quarter of 2003.

The net gain recognized from discontinued operations for the third quarter of 2004 was $8.6 million, net of tax, compared to a net loss of $10.3 million, net of tax, in the third quarter of 2003. Diluted earnings (loss) per share from discontinued operations was $0.03 in the third quarter of 2004 compared to ($0.04) in the third quarter of 2003. See Note 4 to the Consolidated Financial Statements (Unaudited) for further information.

Net (loss) income for the third quarter of 2004 was ($226.4) million, compared to $75.2 million in the third quarter of 2003. Diluted (loss) earnings per share was ($0.83) in the third quarter of 2004 compared to $0.27 in the third quarter of 2003.

Business Group Operating Results:

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

	2004	2003	% Change
Cleaning & Organization	$ 455.9	$ 514.4	(11.4)%
Office Products	424.3	428.7	(1.0)
Tools & Hardware	300.6	299.3	0.4
Home Fashions	228.1	223.5	2.1
Other	262.9	263.2	(0.1)
Total Net Sales (1)	$1,671.8	$1,729.1	(3.3)%

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

	2004	2003	% Change
Cleaning & Organization	$ 29.2	$ 31.9	(8.5)%
Office Products	61.5	69.9	(12.0)
Tools & Hardware	45.1	53.4	(15.5)
Home Fashions	15.9	17.5	(9.1)
Other	24.7	31.2	(20.8)
Corporate Costs (2)	(10.2)	(10.9)	
Impairment Charges (3)	(348.9)	—	
Restructuring Costs (4)	—	(32.3)	
Total Operating Income (5)	($ 182.7)	$160.7	(213.7)%

(1) All intercompany transactions have been eliminated. Sales to one customer amounted to approximately 14.8% and 14.6% of consolidated net sales, excluding discontinued operations, in the three months ended September 30, 2004 and 2003, respectively. Sales to no other customer exceeded 10% of consolidated net sales for either period.

(2) Corporate operating expenses consist primarily of administrative costs that cannot be allocated to a particular segment.

(3) Impairment charges have been presented separately in this table; refer to Note 2 to the Consolidated Financial Statements (Unaudited) for a breakout of the charge by reportable segment.

(4) Restructuring costs have been presented separately in this table; refer to Note 3 to the Consolidated Financial Statements (Unaudited) for a breakout of the charge by reportable segment.

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

Cleaning & Organization

Net sales for the third quarter of 2004 were $455.9 million, a decrease of $58.5 million, or 11.4%, from $514.4 million in the third quarter of 2003, driven primarily by a decline in the Rubbermaid Home Products business due to planned product line rationalization in certain low margin product lines.

Operating income for the third quarter of 2004 was $29.2 million, a decrease of $2.7 million, or 8.5%, from $31.9 million in the third quarter of 2003. The decrease in operating income is the result of higher raw material costs and lost absorption in manufacturing facilities, partially offset by favorable pricing, productivity and mix.

Office Products

Net sales for the third quarter of 2004 were $424.3 million, a decrease of $4.4 million, or 1.0%, from $428.7 million in the third quarter of 2003, driven primarily by the exit of certain low margin resin based products in the Eldon office products business, partially offset by a mid single digit sales increase in the writing instruments business.

Operating income for the third quarter of 2004 was $61.5 million, a decrease of $8.4 million, or 12.0%, from $69.9 million in the third quarter of 2003, driven by raw material inflation, the sales decrease at Eldon and an increase in SG&A spending. These were partially offset by a mid single digit sales increase in the writing instruments business.

Tools & Hardware

Net sales for the third quarter of 2004 were $300.6 million, an increase of $1.3 million, or 0.4%, from $299.3 million in the third quarter of 2003, driven by the impact of positive currency translation and a sales increase in the Lenox business.

Operating income for the third quarter of 2004 was $45.1 million, a decrease of $8.3 million, or 15.5%, from $53.4 million in the third quarter of 2003, driven by increases in raw material costs, particularly steel, and restructuring related costs.

Home Fashions

Net sales for the third quarter of 2004 were $228.1 million, an increase of $4.6 million, or 2.1%, from $223.5 million in the third quarter of 2003, driven by favorable currency translation.

Operating income for the third quarter of 2004 was $15.9 million, a decrease of $1.6 million, or 9.1%, from $17.5 million in the third quarter of 2003. The decrease in operating income was due primarily to an increase in raw materials costs, partially offset by productivity.

Other

Net sales for the third quarter of 2004 were $262.9 million, a decrease of $0.3 million, or 0.1%, from $263.2 million in the third quarter of 2003. Sales increases at Little Tikes due to new product introductions were offset by declines in the Graco and European Cookware businesses.

Operating income for the third quarter of 2004 was $24.7 million, a decrease of $6.5 million, or 20.8%, from $31.2 million in the third quarter of 2003, driven primarily by raw material inflation and increased SG&A spending in the Little Tikes business.

Nine Months Ended September 30, 2004 vs. Nine Months Ended September 30, 2003

Consolidated Operating Results:

Net sales for the nine months ended September 30, 2004 were $4,939.9 million, representing a decrease of $132.1 million, or 2.6%, from $5,072.0 million in the comparable period of 2003. The decrease resulted from product line rationalization of approximately $200 million, or 3.9%, and unfavorable pricing of $24 million, or 0.5%, partially offset by favorable foreign currency translation of $115 million, or 2.3%, for the period.

Gross margin as a percentage of net sales for the nine months ended September 30, 2004 was 27.7%, or $1,368.9 million, versus 28.5%, or $1,447.0 million, in the comparable period of 2003. The decline in gross margin is primarily related to unfavorable pricing of $24 million, or 0.4 points, and raw material inflation of $70 million, partially offset by favorable mix driven by the rationalization of unprofitable product lines, primarily in the Rubbermaid Home Products business. Gross productivity of $86 million was largely offset by restructuring related costs of $66 million.

Selling, general and administrative expenses (SG&A) for the nine months ended September 30, 2004 were 19.1% of net sales, or $945.5 million, versus 17.9%, or $905.5 million, in the comparable period of 2003. The increase in SG&A reflects a foreign currency impact of $31 million and pension cost increases of $12 million. All other SG&A was essentially flat with streamlining initiatives offsetting continued investments in the business.

The Company recorded total non-cash pretax impairment charges of $374.0 million for the nine months ended September 30, 2004. These charges were required to write certain assets to fair value. See Note 2 to the Consolidated Financial Statements (Unaudited) for additional information.

The Company recorded pre-tax strategic restructuring charges of $47.9 million and $109.5 million for the nine months ended September 30, 2004 and 2003, respectively. The 2004 pre-tax charge included $32.8 million of facility and other exit costs, $9.9 million of employee severance and termination benefits, and $5.2 million in other restructuring costs. The 2003 pre-tax charge included $56.2 million of facility and other exit costs and $53.3 million of employee severance and termination benefits. See Note 3 to the Consolidated Financial Statements (Unaudited) for further information on the strategic restructuring plan.

Operating income for the nine months ended September 30, 2004 was $1.5 million, versus $432.0 million, or 8.5% of net sales in the comparable period of 2003. The decrease in operating margins is the result of the factors described above.

Net nonoperating expenses for the nine months ended September 30, 2004 were 1.7% of net sales, or $86.1 million, versus 2.4%, or $123.1 million, in the comparable period of 2003. In March 2003, the Company recognized a $21.2 million non-cash pre-tax loss on the sale of the Cosmolab business. Net interest expense decreased $14.5 million for the nine months ended September 30, 2004 compared to the nine months ended September 30, 2003 as a result of lower average debt outstanding, partially offset by increased interest rates.

The effective tax rate was (69.4)% for the nine months ended September 30, 2004 versus 32.4% for the nine months ended September 30, 2003. The change in the effective tax rate is primarily related to the non-deductibility associated with a portion of the Company's $374.0 million impairment charge. See Notes 2 and 5 to the Consolidated Financial Statements (Unaudited) for further information.

Net (loss) income from continuing operations for the nine months ended September 30, 2004 was ($143.3) million, compared to $208.9 million for the nine months ended September 30, 2003. Diluted (loss) earnings per share from continuing operations was ($0.52) for the nine months ended September 30, 2004 compared to $0.76 for the nine months ended September 30, 2003.

The net loss recognized from discontinued operations for the nine months ended September 30, 2004 was $97.0 million, net of tax, compared to $43.9 million, net of tax, for the nine months ended September 30, 2003. Diluted loss per share from discontinued operations was ($0.35) for the nine months ended September 30, 2004 compared to ($0.16) for the nine months ended September 30, 2003. See Note 4 to the Consolidated Financial Statements (Unaudited) for further information.

Net (loss) income for the nine months ended September 30, 2004 was ($240.3) million, compared to $165.0 million for the nine months ended September 30, 2003. Diluted (loss) earnings per share was ($0.88) for the nine months ended September 30, 2004 compared to $0.60 for the nine months ended September 30, 2003.

Business Segment Operating Results:

Net sales by reportable segment were as follows for the nine months ended September 30, (*in millions*):

	2004	2003	% Change
Cleaning & Organization	$1,372.0	$1,504.3	(8.8)%
Office Products	1,246.3	1,258.8	(1.0)
Tools & Hardware	875.2	859.5	1.8
Home Fashions	679.1	670.9	1.2
Other	767.3	778.5	(1.4)
Total Net Sales (1)	$4,939.9	$5,072.0	(2.6)%

Operating income by segment was as follows for the nine months ended September 30, (*in millions*):

	2004	2003	% Change
Cleaning & Organization	$ 49.9	$ 93.0	(46.3)%
Office Products	188.7	231.8	(18.6)
Tools & Hardware	131.6	136.6	(3.7)
Home Fashions	25.0	30.1	(16.9)
Other	55.6	74.5	(25.4)
Corporate Costs (2)	(27.4)	(24.5)	
Impairment Charges (3)	(374.0)	—	
Restructuring Costs (4)	(47.9)	(109.5)	
Total Operating Income (5)	$ 1.5	$ 432.0	(99.7)%

(1) All intercompany transactions have been eliminated. Sales to one customer amounted to approximately 14.3% of consolidated net sales, excluding discontinued operations, in the first nine months of 2004 and 2003. Sales to no other customer exceeded 10% of consolidated net sales for either period.

(2) Corporate operating expenses consist primarily of administrative costs that cannot be allocated to a particular segment.

(3) Impairment charges have been presented separately in this table; refer to Note 2 to the Consolidated Financial Statements (Unaudited) for a breakout of the charge by reportable segment.

(4) Restructuring costs have been presented separately in this table; refer to Note 3 to the Consolidated Financial Statements (Unaudited) for a breakout of the charge by reportable segment.

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

Cleaning & Organization

Net sales for the nine months ended September 30, 2004 were $1,372.0 million, a decrease of $132.3 million, or 8.8%, from $1,504.3 million in the comparable period of 2003, driven primarily by a decline in the Rubbermaid Home Products business due to planned product line rationalizations in low-margin products.

Operating income for the nine months ended September 30, 2004 was $49.9 million, a decrease of $43.1 million, or 46.3%, from $93.0 million in the comparable period of 2003. The decrease in operating income is the result of higher raw material costs, lost absorption in manufacturing facilities and restructuring related charges.

Office Products

Net sales for the nine months ended September 30, 2004 were $1,246.3 million, a decrease of $12.5 million, or 1.0%, from $1,258.8 million in the comparable period of 2003, driven primarily by the exit of low margin resin based products in the Eldon office products business.

Operating income for the nine months ended September 30, 2004 was $188.7 million, a decrease of $43.1 million, or 18.6%, from $231.8 million in the comparable period of 2003, driven by lower sales, restructuring related costs in the European writing instruments business, raw material inflation, primarily in resin costs in the Eldon office products division, and other cost inflation.

Tools & Hardware

Net sales for the nine months ended September 30, 2004 were $875.2 million, an increase of $15.7 million, or 1.8%, from $859.5 million in the comparable period of 2003. The increase in net sales was driven by increases in the Lenox and BernzOmatic businesses.

Operating income for the nine months ended September 30, 2004 was $131.6 million, a decrease of $5.0 million, or 3.7%, from $136.6 million in the comparable period of 2003. The decrease in operating income was related to increases in raw material costs, particularly steel, restructuring related costs and increased SG&A spending, partially offset by the sales increases described above and strong productivity.

Home Fashions

Net sales for the nine months ended September 30, 2004 were $679.1 million, an increase of $8.2 million, or 1.2%, from $670.9 million in the comparable period of 2003. The increase in net sales was driven primarily by favorable foreign currency fluctuation.

Operating income for the nine months ended September 30, 2004 was $25.0 million, a decrease of $5.1 million, or 16.9%, from $30.1 million in the comparable period of 2003. The decrease in operating income was due to increases in raw material costs and lower pricing, partially offset by productivity.

Other

Net sales for the nine months ended September 30, 2004 were $767.3 million, a decrease of $11.2 million, or 1.4%, from $778.5 million in the comparable period of 2003. The decrease in net sales was primarily attributable to the sale of Cosmolab in March 2003, which contributed $10 million in sales in the first quarter of 2003.

Operating income for the nine months ended September 30, 2004 was $55.6 million, a decrease of $18.9 million, or 25.4%, from $74.5 million in the comparable period of 2003. The decrease in operating income was due primarily to raw material inflation and increased SG&A spending in the Little Tikes business.

Liquidity and Capital Resources

Cash and cash equivalents increased by $210.1 million for the nine months ended September 30, 2004. The change in cash and cash equivalents is as follows for the nine months ended September 30, (*in millions*):

	2004	2003
Cash provided by operating activities	$ 421.8	$ 420.5
Cash provided by/(used in) investing activities	191.0	(696.9)
Cash (used in)/provided by financing activities	(402.4)	296.8
Exchange effect on cash and cash equivalents	(0.3)	1.6
Increase in cash and cash equivalents	$ 210.1	$ 22.0

Sources:

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

Cash provided by operating activities for the nine months ended September 30, 2004 was $421.8 million compared to $420.5 million for the comparable period of 2003. The increase in cash provided from operating activities was due to an increase in earnings before non-cash charges of $58.9 million (as shown in the following table), mostly offset by a reduction in the year over year improvement in working capital and other assets in 2004 compared to 2003, which used an additional $22.1 million, and a reduction in cash received from the termination of certain interest rate swap arrangements.

The following table reconciles earnings before non-cash charges to net (loss) income as of September 30, (*in millions*):

	2004	2003	Change
Net (loss)/income	($240.3)	$165.0	
Depreciation and amortization	185.4	186.5	
Impairment charges	374.0	—	
Non-cash restructuring charges	25.3	73.0	
Deferred income taxes	85.1	9.6	
(Gain)/loss on sale of assets/business	(6.5)	20.5	
Loss on discontinued businesses	90.5	—	
Earnings before non-cash charges	$513.5	$454.6	$58.9

The Company did not renew its $650.0 million 364-day Syndicated Revolving Credit Agreement, which expired on its scheduled maturity date of June 11, 2004. The Company's $650.0 million five-year Syndicated Revolving Credit Agreement (the "Revolver") that is scheduled to expire in June 2007 remains in place. At September 30, 2004, there were no borrowings under the Revolver.

In lieu of borrowings under the Revolver, the Company may issue up to $650.0 million of commercial paper. The Revolver provides the committed backup liquidity required to issue commercial paper. Accordingly, commercial paper may only be issued up to the amount available for borrowing under the Revolver. At September 30, 2004, no commercial paper was outstanding.

The Revolver permits the Company to borrow funds on a variety of interest rate terms. The Revolver requires, among other things, that the Company maintain certain Interest Coverage and Total Indebtedness to Total Capital Ratio, as defined in the agreement. The agreement also limits Subsidiary Indebtedness. As of September 30, 2004, the Company was in compliance with this agreement.

In the first nine months of 2004, the Company received proceeds from the issuance of debt of $21.3 million compared to $1,040.5 million in the year ago period.

In the first nine months of 2004, the Company received cash proceeds of $289.2 million related to the sale of businesses and other non-current assets, compared to $10.2 million in the year ago period. The Company used the proceeds from the sale of these businesses to reduce its commercial paper borrowings.

Uses:

The Company's primary uses of liquidity and capital resources include acquisitions, payments on notes payable and long-term debt, dividend payments and capital expenditures.

In the first nine months of 2004, the Company made payments for acquisitions of $3.0 million, compared to $460.0 million used in the first nine months of 2003 relating to the acquisition of Lenox.

In the first nine months of 2004, the Company made payments on notes payable and long-term debt of $251.9 million compared to $776.7 million in the year ago period.

Cash used for restructuring activities was $68.6 million and $63.4 million in the first nine months of 2004 and 2003, respectively. Such cash payments represent primarily employee termination benefits.

Capital expenditures were $95.2 million and $247.1 million in the first nine months of 2004 and 2003, respectively. The reduction in capital expenditures is largely due to the Company's decision to reduce capital investment in the Rubbermaid Home Products business, where capital expenditures decreased from $69.6 million in the first nine months of 2003 to $7.8 million in the first nine months of 2004.

Aggregate dividends paid were $173.2 million and $173.1 million in the first nine months of 2004 and 2003, respectively.

In the third quarter of 2004, the Company made a voluntary $50.0 million cash contribution to fund the Company's pension plan.

Retained earnings decreased in the first nine months of 2004 by $413.5 million. The reduction in retained earnings is due to cash dividends paid on common stock and the current year net loss.

Working capital at September 30, 2004 was $923.4 million compared to $978.2 million at December 31, 2003. The current ratio at September 30, 2004 was 1.47:1 compared to 1.48:1 at December 31, 2003. The reduction in working capital is due to the use of cash to pay down commercial paper and the collection of accounts receivable, partially offset by seasonal inventory build.

Total debt to total capitalization (total debt is net of cash and cash equivalents, and total capitalization includes total debt and stockholders' equity) was .59:1 at September 30, 2004 and .58:1 at December 31, 2003.

On October 12, 2004, the Company purchased 825,000 shares of its Preferred Securities from a holder for $43.6875 per share. The Company paid a total of $36 million.

On November 4, 2004, the Company declared a quarterly cash dividend of $0.21 per share on the Company's common stock. The dividend is payable December 3, 2004 to common stockholders of record on November 16, 2004.

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

Minimum Pension Liability

In accordance with Financial Accounting Standards Board (FASB) Statement No. 87, Employers' Accounting for Pensions, the Company expects to record an additional minimum pension liability adjustment at December 31, 2004. Based on September 30, 2004 pension values, the approximate effect of this non-cash adjustment would be to increase the pension liability by approximately $0 to $30 million, with a corresponding charge to equity, net of taxes of approximately $0 to $20 million. The direct charge to stockholders' equity would not affect net income, but would be included in other comprehensive income. The Company believes that its pension plan has the appropriate long-term investment strategy and the Company's liquidity position is expected to remain strong.

Market Risk

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

The Company's primary market risk is foreign exchange and interest rate exposure.

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

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

The Company purchases certain raw materials that are subject to price volatility caused by unpredictable factors. While future movements of raw material costs are uncertain, a variety of programs, including periodic raw material purchases, purchases of raw materials for future delivery and customer price adjustments help the Company address this risk. Generally, the Company does not use derivatives to manage the volatility related to this risk.

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. This model estimates a loss in fair market value using statistical modeling techniques that are based on a variance/covariance approach and includes substantially all market risk exposures (specifically excluding equity-method investments). The fair value losses shown in the table below have no impact on results of operations or financial condition at September 30, 2004 as they represent hypothetical, not realized losses. The following table indicates the calculated amounts for the nine months ended September 30, (*in millions*):

	2004 Nine Month Average	September 30, 2004	2003 Nine Month Average	September 30, 2003	Confidence Level
Interest rates	$12.3	$11.3	$22.4	$21.1	95%
Foreign exchange	$ 2.3	$ 1.6	$ 1.2	$ 1.1	95%

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

Forward Looking Statements

Forward-looking statements in this Report are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements 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, debt to capitalization ratios, interest rates, internal growth rates, impacts of changes in accounting standards, 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 because there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. Factors that could cause actual results to differ include, but are not limited to, those matters set forth in this Report and Exhibit 99.1 to this Report.

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).

Item 4. Controls and Procedures

As of September 30, 2004, an evaluation was performed by the Company's management, under the supervision and with the participation of the Company's chief executive officer and chief financial officer, of the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the chief executive officer and the chief financial officer concluded that the Company's disclosure controls and procedures were effective.

There were no changes in the Company's internal control over financial reporting that occurred during the quarter ended September 30, 2004 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 6. Exhibits

11	Statement of Computation of Earnings per Share of Common Stock.
12	Statement of Computation of Ratio of Earnings to Fixed Charges.
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Safe Harbor Statement.

SIGNATURES

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

NEWELL RUBBERMAID INC.
Registrant

Date: November 9, 2004

/s/ J. Patrick Robinson
J. Patrick Robinson
Vice President – Chief Financial Officer

EXHIBIT 12

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

(In millions, except ratio data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Earnings available for fixed charges:				
Income before income taxes	($211.4)	$126.2	($ 84.6)	$308.9
Fixed charges:				
Interest expense	32.3	34.0	95.8	108.0
Portion of rent determined to be interest (1)	11.0	11.0	31.7	31.8
	($168.1)	$171.2	$ 42.9	$448.7
Fixed charges:				
Interest expense	$ 32.3	$ 34.0	$ 95.8	$108.0
Portion of rent determined to be interest (1)	11.0	11.0	31.7	31.8
	$ 43.3	$ 45.0	$127.5	$139.8
Ratio of (loss)/earnings to fixed charges	(3.88)	3.80	0.34	3.21

(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 31.1

CERTIFICATION

I, Joseph Galli, Jr., certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended September 30, 2004 of Newell Rubbermaid Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2004

/s/ Joseph Galli, Jr.
Joseph Galli, Jr.
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, J. Patrick Robinson, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended September 30, 2004 of Newell Rubbermaid Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2004

/s/ J. Patrick Robinson

J. Patrick Robinson
Chief Financial Officer

EXHIBIT 32.1

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

In connection with the Quarterly Report of Newell Rubbermaid Inc. (the "Company") on Form 10-Q for the period ending September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph Galli, Jr., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Joseph Galli, Jr.

Joseph Galli, Jr.
Chief Executive Officer
November 9, 2004

EXHIBIT 32.2

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

In connection with the Quarterly Report of Newell Rubbermaid Inc. (the “Company”) on Form 10-Q for the period ending September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, J. Patrick Robinson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ J. Patrick Robinson

J. Patrick Robinson
Chief Financial Officer
November 9, 2004

EXHIBIT 99.1

NEWELL RUBBERMAID INC. SAFE HARBOR STATEMENT

The Company has made statements in its Annual Report on Form 10-K for the year ended December 31, 2003, as well as in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2004, and the documents incorporated by reference therein that constitute forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties. The statements relate to, and other forward-looking statements that may be made by the Company may relate to, information or assumptions about sales, income, earnings per share, return on equity, return on invested capital, capital expenditures, working capital, dividends, capital structure, debt to capitalization ratios, interest rates, internal growth rates, impact of changes in accounting standards, 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 because there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. The factors that are discussed below, as well as the matters that are set forth generally in the 2003 Form 10-K, the 3rd Quarter 2004 Form 10-Q and the documents incorporated by reference therein could cause actual results to differ. Some of these factors are described as criteria for success. Our failure to achieve, or limited success in achieving, these objectives could result in actual results differing materially from those expressed or implied in the forward-looking statements. In addition, there can be no assurance that we have correctly identified and assessed all of the factors affecting the Company or that the publicly available and other information we receive with respect to these factors is complete or correct.

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 the terrorist attacks 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. Because such competition, particularly in weak retail economies, can cause retailers to struggle or fail, the Company must continuously monitor, and adapt to changes in, the creditworthiness of its customers.

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 price increases. 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 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.

Raw Materials

Our business purchases certain raw materials, including resin, steel and aluminum, that are subject to price volatility caused by unpredictable factors. We attempt to reduce our exposure to increases in such costs through a variety of programs, including periodic raw materials purchases, purchases of raw materials for future delivery and customer price adjustments, but we generally do not use derivatives to manage the volatility related to this risk. Future increases in the prices of these raw materials could materially impact our financial results.

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 continue to devote substantial 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 continuously to improve our manufacturing efficiencies and develop sources of supply on a world-wide basis.

Acquisitions and 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, especially in Europe, but also in 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.