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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

July 9, 2008

Newell Rubbermaid Inc.

(Exact name of registrant as specified in its charter)

Delaware

001-09608

363514169

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

10B Glenlake Parkway, Suite 300, Atlanta, Georgia

30328

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

770-407-3800

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### **Item 2.05 Costs Associated with Exit or Disposal Activities.**

In the third quarter of 2005, Newell Rubbermaid Inc. (the "Company") announced a global initiative referred to as Project Acceleration aimed at strengthening and transforming the Company's portfolio. Project Acceleration was designed to reduce manufacturing overhead, better align the Company's distribution and transportation processes to achieve logistical excellence, and reorganize the Company's overall business structure to align with the Company's core organizing concept, the Global Business Unit (the "Plan").

On July 9, 2008, management of the Company committed to an expansion of Project Acceleration so that, in addition to the Plan's original objectives, it will also now provide for divesting, downsizing or exiting certain product categories (the "Plan Expansion"). The Plan Expansion is expected to impact product categories that had combined annual sales in 2007 of approximately \$500 million. A significant portion of the product categories that are the subject of the Plan Expansion are highly resin-intensive. The cost of resin has increased dramatically in 2008, which has impacted the viability of categories where resin is a high percentage of cost of goods sold and the consumer's willingness to pay for innovation is low. The Plan Expansion is intended to reduce the Company's exposure to volatile commodity markets, particularly resin, and to protect margins and profitability.

The Plan Expansion is expected to be complete within 12 months, and is expected to result in cumulative restructuring charges (including asset impairments described under Item 2.06 of this Current Report on Form 8-K) totaling between \$80 and \$100 million (\$68-\$85 million after tax). Specifically, in connection with the Plan Expansion, the Company expects to incur approximately \$45 to \$55 million in non-cash asset related costs; approximately \$25 to \$30 million in employee-related costs, including severance, pension and other termination benefits; and approximately \$10 to \$15 million in other associated costs, including contract termination fees. Approximately 45% of the restructuring costs incurred in connection with the Plan Expansion are expected to be cash charges.

The Plan, as expanded to include the Plan Expansion and other Plan-related initiatives, is expected to result in cumulative restructuring costs over the life of the initiative totaling between \$475 and \$500 million (\$405-\$425 million after tax). Specifically, in connection with the Plan, the Company now expects to incur approximately \$250 to \$270 million in employee-related costs, including severance, pension and other termination benefits; approximately \$155 to \$175 million in non-cash asset related costs, and approximately \$50 to \$70 million in other associated costs, including contract termination fees. Approximately 67% of the restructuring costs in connection with the Plan are expected to be cash charges. Annual savings from the Plan are now projected at between \$175 and \$200 million once fully implemented in 2010.

### **Item 2.06 Material Impairments.**

The disclosures above under Item 2.05 of this Current Report on Form 8-K relating to the Plan are also responsive to Item 2.06 of this Current Report on Form 8-K and are hereby incorporated by reference into this Item 2.06.

As a result of the Plan Expansion, on July 9, 2008, management of the Company concluded that a charge for impairment is required under generally accepted accounting principles with respect to fixed assets associated with the product categories that the Company plans to divest, downsize or exit in connection with the Plan Expansion. The Plan Expansion is expected to result in incremental impairment charges of approximately \$45 million to \$55 million and related future cash expenditures of approximately \$35 million to \$45 million.

### **Item 7.01 Regulation FD Disclosure.**

Attached as Exhibit 99.1 is a copy of the Company's press release, dated July 15, 2008, discussing the expansion of Project Acceleration. The press release also reaffirms the Company's guidance for the second quarter of 2008 and provides an updated outlook with respect to the Company's guidance for the full year results of 2008. Such information is furnished pursuant to Item 7.01 of Form 8-K. Consequently, it is not deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Exchange Act or Securities Act of 1933 if such subsequent filing specifically references this Current Report on Form 8-K.

The press release contains non-GAAP financial measures. For purposes of Securities and Exchange Commission Regulation G, a "non-GAAP financial measure" is a numerical measure of a registrant's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. Operating and statistical measures and certain ratios and other statistical measures are not non-GAAP financial measures. For purposes of the definition, GAAP refers to generally accepted accounting principles in the United States. Pursuant to the requirements of Regulation G, the Company has provided, as a part of the press release, a reconciliation of each of the non-GAAP financial measures to the most directly comparable GAAP financial measure.

The Company has used certain financial measures that are included in the press release both in presenting its results to stockholders and the investment community and in its internal evaluation and management of its businesses. The Company's management believes that these measures — including those that are "non-GAAP financial measures" — and the information they provide are useful to investors since these measures:

- enable investors and analysts to compare the current non-GAAP measures with the corresponding non-GAAP measures used in the past, and
- permit investors to view the Company's performance using the same tools that Company management uses to evaluate the Company's past performance, reportable business segments and prospects for future performance and to gauge the Company's progress in achieving its stated goals.

The Company's management believes that diluted earnings per share from continuing operations, excluding restructuring charges, is also useful because it provides investors with a meaningful perspective on the current underlying performance of the Company's continuing operations. Another purpose for which the Company uses diluted earnings per share from continuing operations, excluding restructuring charges, is as a performance goal that helps determine the amount, if any, of cash bonuses for corporate management employees under the Company's management cash bonus plan. The Company's management believes that "Normalized" earnings per share, which excludes restructuring charges and other one-time events is useful to investors because it permits investors to better understand year-over-year changes in underlying operating performance.

While the Company believes that these non-GAAP financial measures are useful in evaluating the Company, this information should be considered as supplemental in nature and not as a substitute for or superior to the related financial information prepared in accordance with GAAP. Additionally, these non-GAAP financial measures may differ from similar measures presented by other companies.

#### **Item 9.01 Financial Statements and Exhibits.**

Exhibit 99.1 Press Release, dated July 15, 2008, issued by Newell Rubbermaid Inc.

#### **Caution Concerning Forward-Looking Statements**

The statements in this Current Report on Form 8-K that are not historical in nature constitute forward-looking statements. These forward-looking statements relate to information or assumptions about the effects of Project Acceleration and the above described restructuring plan, sales, income/(loss), earnings per share, operating income or gross margin improvements, capital and other expenditures, cash flow, dividends, restructuring costs, costs and cost savings, debt ratings, and management's plans, projections and objectives for future operations and performance. These statements are accompanied by words such as "anticipate," "expect," "intend," "project," "will," "believes," "estimate" and similar expressions. Actual results could differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, our dependence on the strength of retail economies; competition with other manufacturers and distributors of consumer products; major retailers' strong bargaining power; changes in the prices of raw materials and sourced products; our ability to develop innovative new products and to develop, maintain and strengthen our end-user brands; our ability to expeditiously close facilities and move operations while managing foreign regulations and other impediments; our ability to implement successfully information technology solutions throughout our organization; our ability to improve productivity and streamline operations; the risks inherent in our foreign operations and those factors listed in the company's Quarterly Report on Form 10-Q for the period ending March 31, 2008, filed with the Securities and Exchange Commission. Changes in such assumptions or factors could produce significantly different results. The information contained in this Current Report on Form 8-K is as of the date indicated.

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**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 hereunto duly authorized.

Newell Rubbermaid Inc.

July 15, 2008

By: *John B. Ellis*

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*Name: John B. Ellis  
Title: Vice President - Corporate Controller (Chief Accounting Officer)*

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Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated July 15, 2008, issued by Newell Rubbermaid Inc.

# Newell Rubbermaid Announces Strategic Initiatives to Reduce Commodity Exposure

## *Reaffirms Second Quarter Guidance and Updates Full Year 2008 Outlook*

ATLANTA, July 15, 2008 – Newell Rubbermaid (NYSE: NWL) today announced it is implementing a number of strategic initiatives designed to reduce the company's exposure to volatile commodity markets, including a restructuring of the company's product portfolio and aggressive pricing mechanisms.

"In recent weeks, input cost inflation has accelerated dramatically, especially in resin, which is the largest single component of our cost of goods," stated Mark Ketchum, president and chief executive officer of Newell Rubbermaid. "Unfortunately we don't see this situation reversing course. In categories where resin is a high percentage of cost of goods sold and the consumer's willingness to pay for innovation is low, the economics are no longer viable. In the face of these radically changed market conditions, we are taking a number of proactive steps to reduce our exposure to volatile commodity markets, protect our margins and profitability, and strengthen our portfolio."

The company expects to rationalize its portfolio by divesting, downsizing or exiting approximately \$500 million in sales of selected consumer product categories. While details of the plans will be made available when finalized, a significant percentage of the rationalization will be focused on the company's most resin-intensive product categories.

Additionally, in the areas of its business most impacted by cost inflation, the company plans to implement more aggressive pricing in the back half of 2008, with increases in some product categories as high as 22 percent. It is also initiating a new quarterly price adjustment mechanism within the company's resin-intensive businesses in North America, effective January 1, 2009. This quarterly adjustment will be based on independent industry raw material indices as well as actual changes in raw material, processing and transportation costs.

Once these initiatives are completed, the company expects the following annual benefits:

- a gross margin increase in excess of 200 basis points; and
- an EPS increase of \$.05 — \$.10.

Ketchum commented, "We have made considerable progress over the past several years in reducing the portion of our portfolio that is commodity-like. However, in light of the raw material hyperinflation we are experiencing, it is imperative we move rapidly to address additional product categories that cannot be differentiated sufficiently through strategic brand building to fit our business model. Our objective is to make resin inflation an ordinary issue to manage rather than the extraordinary issue it has been at various times in our history, especially recently. Put simply, the forecast for dramatically higher ongoing energy costs means that the world has changed, and we must change with it in order to maintain a healthy portfolio."

The company's ongoing Project Acceleration will be significantly expanded to include a number of actions related to the new initiatives. Restructuring costs associated with these actions, including asset impairments, are expected to fall within a range of between \$80 million and \$100 million (\$68 million to \$85 million net of tax). Approximately 45 percent of the restructuring costs are expected to be cash charges. The actions are expected to be completed within twelve months. The cumulative costs of the expanded Project Acceleration are now expected to fall within a range between \$475 million and \$500 million (\$405 million to \$425 million net of tax), with cash costs representing approximately 67 percent of the charges. Annual savings from Project Acceleration are now projected at between \$175 million and \$200 million once fully implemented by 2010.

"The initiatives announced today represent very difficult decisions, particularly since we expect many of the affected product categories to be associated with our iconic Rubbermaid brand," concluded Ketchum. "We are committed to taking a thoughtful, deliberate approach in executing our plans, one that is sensitive to the transition needs of affected employees, customers and suppliers. However, we strongly believe that these steps are critical to Newell Rubbermaid's long-term health and prosperity. Our shareholders have sent us a clear signal that additional change is needed. Today, we are responding with actions that, when completed, will position us as a less volatile and more profitable company, and enable us to focus on the continuing transformation of Newell Rubbermaid into a best-in-class global company of Brands That Matter."

### ***Reaffirmation of Second Quarter Guidance and Update of Full Year Outlook***

Newell Rubbermaid stated that preliminary estimates indicate net sales will be approximately \$1.8 billion, up seven to eight percent compared to the previously provided guidance of six to seven percent, and internal sales are estimated to increase slightly above the high end of the previously provided guidance of two to three percent. Normalized earnings per share are expected to be in line with the previously provided guidance of \$0.47 to \$0.50.

The company also reaffirmed its outlook for full year 2008 net sales growth of six to eight percent. However, it now expects 2008 normalized earnings per share to fall within the range of \$1.40 to \$1.60. The change in outlook is attributable primarily to significantly higher expectations for cost inflation, particularly resin. The guidance range is wider than has been the case historically, reflecting the highly volatile and unpredictable resin, oil and natural gas markets. The low end of the new guidance range anticipates a continuation of difficult trends through the back half of the year, including oil approaching \$200 per barrel and further deterioration of economic conditions.

### **A reconciliation of the second quarter and full year 2008 earnings outlook is as follows:**

	<u>Q2 2008</u>	<u>FY 2008</u>
Diluted earnings per share from continuing operations (as reported)	\$0.24 to \$0.27	\$0.68 to \$0.88
Project Acceleration restructuring costs	\$0.22 to \$0.25	\$0.53 to \$0.69
Diluted earnings per share from continuing operations (excluding charges)	\$0.47 to \$0.50	\$1.27 to \$1.47
One-time event	—	\$ 0.13
"Normalized" EPS	\$0.47 to \$0.50	\$1.40 to \$1.60

"One-time event" reflects the net of tax impact of the company's third quarter purchase of a call option with respect to its \$250 million of 6.35% Reset notes due 2028 for approximately \$52 million. The call option holder had the right to remarket these notes in July 2008 and again in July 2018. The company will utilize its commercial paper program to fund the purchase of the call option and the redemption of the notes in order to pursue more favorable financing terms.

### ***Second Quarter Earnings Call on July 31***

Newell Rubbermaid will provide further details regarding today's announcement as well as a discussion of second quarter 2008 earnings on Thursday, July 31. Final financial results will be released prior to the market open and will be followed by a webcast at 9:00 am ET. To listen to the webcast, please visit Events & Presentations in the Investor Relations section of Newell Rubbermaid's Web site at [www.newellrubbermaid.com](http://www.newellrubbermaid.com). The webcast will be available for replay for two weeks.

#### Caution Concerning Forward-Looking Statements

The statements in this press release that are not historical in nature constitute forward-looking statements. These forward-looking statements relate to information or assumptions about the effects of Project Acceleration, sales, income/(loss), earnings per share, operating income or gross margin improvements, capital and other expenditures, cash flow, dividends, restructuring costs, costs and cost savings, debt ratings, and management's plans, projections and objectives for future operations and performance. These statements are accompanied by words such as "anticipate," "expect," "intend," "project," "will," "believes," "estimate" and similar expressions. Actual results could differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, our dependence on the strength of retail economies; competition with other manufacturers and distributors of consumer products; major retailers' strong bargaining power; changes in the prices of raw materials and sourced products; our ability to develop innovative new products and to develop, maintain and strengthen our end-user brands; our ability to expeditiously close facilities and move operations while managing foreign regulations and other impediments; our ability to implement successfully information technology solutions throughout our organization; our ability to improve productivity and streamline operations; the risks inherent in our foreign operations and those factors listed in the company's 2007 Annual Report on Form 10-K and most recent quarterly report on Form 10-Q, filed with the Securities and Exchange Commission. Changes in such assumptions or factors could produce significantly different results. The information contained in this news release is as of the date indicated. The company assumes no obligation to update any forward-looking statements contained in this news release as a result of new information or future events or developments.

#### Non-GAAP Financial Measures

This release contains non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. Included in this release is a reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with GAAP.

#### About Newell Rubbermaid

Newell Rubbermaid Inc., an S&P 500 company, is a global marketer of consumer and commercial products with sales of over \$6 billion and a strong portfolio of brands, including Rubbermaid<sup>®</sup>, Sharpie<sup>®</sup>, Graco<sup>®</sup>, Calphalon<sup>®</sup>, Irwin<sup>®</sup>, Lenox<sup>®</sup>, Levolor<sup>®</sup>, Paper Mate<sup>®</sup>, Dymo<sup>®</sup>, Waterman<sup>®</sup>, Parker<sup>®</sup>, Goody<sup>®</sup>, Bernzomatic<sup>®</sup> and Amerock<sup>®</sup>. The company is headquartered in Atlanta, Ga., and has approximately 22,500 employees worldwide.

This press release and additional information about Newell Rubbermaid are available on the company's Web site, [www.newellrubbermaid.com](http://www.newellrubbermaid.com).

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