SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002	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.)
Newell Center 29 East Stephenson Street Freeport, Illinois (Address of principal executive offices)	61032-0943 (Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, $1 par value per share, and associated Common Stock Purchase Rights	New York Stock Exchange Chicago Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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 (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes [X] No [ ]

There were 274.1 million shares of the Registrant's Common Stock outstanding (exclusive of treasury shares) as of February 28, 2003. The aggregate market value of the shares of Common Stock (based upon the closing price on the New York Stock Exchange on June 28, 2002) beneficially owned by non-affiliates of the Registrant was approximately $9,333.8 million. For purposes of the foregoing calculation only, which is required by Form 10-K, the Registrant has included in the shares owned by affiliates those shares owned by directors and officers of the Registrant, and such inclusion shall not be construed as an admission that any such person is an affiliate for any purpose.

* * *

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Definitive Proxy Statement for its Annual Meeting of Stockholders to be held May 7, 2003.

ITEM 1. BUSINESS

"Newell" or the "Company" refers to Newell Rubbermaid Inc. alone or with its wholly-owned subsidiaries, as the context requires.

WEBSITE ACCESS TO SECURITIES AND EXCHANGE COMMISSION REPORTS

The Company's Internet website can be found at WWW.NEWELLRUBBERMAID.COM. The Company makes available free of charge on or through its website its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as practicable after the Company files them with, or furnishes them to, the Securities and Exchange Commission (except that the Company did not make available on its website one Current Report on Form 8-K, which reported the filing of a legal opinion with respect to a Registration Statement on Form S-3, as soon as practicable after the Company filed the report with the Securities and Exchange Commission).

GENERAL

The Company is a global manufacturer and full-service marketer of name-brand consumer products serving the needs of volume purchasers, including department/specialty stores and warehouse clubs, home centers and hardware stores, and office superstores and contract stationers. The Company's basic business strategy is to merchandise a multi-product offering of everyday consumer products, backed by an obsession with customer service excellence and new product development, in order to achieve maximum results for its stockholders. The Company's multi-product offering consists of name-brand consumer products in four business segments: Rubbermaid; Sharpie; Irwin and Calphalon Home. The Company's financial objectives are to achieve above-average sales and earnings per share growth, maintain a superior return on investment and maintain a conservative level of debt. To accomplish these objectives, the Company established five key measures to measure financial performance: internal sales growth, operating income as a percent of sales, working capital as a percent of sales, free cash flow and return on invested capital. The Company defines free cash flow as cash provided from operating activities less capital expenditures and dividends.

In an effort to achieve superior performance in the five key financial measures, the Company introduced six transformational strategic initiatives in 2001 as follows: Productivity, Streamlining, New Product Development, Marketing, Strategic Account Management, and Collaboration.

Productivity is the initiative to reduce the cost of manufacturing a product by at least five percent per year, every year in order to become the best cost supplier. Streamlining is the commitment to reduce non-value added costs and cut out excess layers. New Product Development represents the commitment to develop and introduce cutting-edge, innovative new products to the market and develop best-cost products to meet end-user needs. The Marketing initiative represents the Company's commitment to transform from a "push" to "pull" marketing organization, focusing on the end-user. The Strategic Account Management initiative represents the Company's program to allocate resources to those strategic retailers the Company believes will continue to grow in the future. Collaboration is the Company's initiative for the divisional operating units to work together and maximize economies of scale and the use of best practices.

Forward-looking statements in this Report are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may relate to, but are not limited to, information or assumptions about sales, income, earnings per share, return on equity, return on invested capital, capital expenditures, working capital, dividends, capital structure, free cash flow, debt to capitalization ratios, interest rates, internal growth rates, 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 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.

BUSINESS SEGMENTS

RUBBERMAID

The Company's Rubbermaid business is conducted by the Rubbermaid Home Products, Rubbermaid Commercial Products, Rubbermaid Europe, Little Tikes, and Graco divisions. Rubbermaid Home Products and Rubbermaid Europe design, manufacture or source, package and distribute indoor and outdoor organization, storage, and cleaning products. Rubbermaid Commercial Products designs, manufactures or sources, packages and distributes industrial and commercial waste and recycling containers, cleaning equipment, food storage and serving and transport containers. The Little Tikes and Graco businesses design, manufacture or source, package and distribute infant and juvenile products such as toys, high

chairs, car seats, strollers, play yards, ride-ons and outdoor activity play equipment.

Rubbermaid Home Products, Rubbermaid Commercial Products, and Rubbermaid Europe sell their products under the Rubbermaid{R}, Curver{R}, Blue Ice{R}, Roughneck{R}, TakeAlongs{R}, Stain Shield{TM}, Wilhold{R}, Dorfile{R}, Lee Rowan{R}, and System Works{R} trademarks. Little Tikes and Graco primarily sell their products under the Little Tikes{R}, Graco{R} and Century{R} trademarks.

Rubbermaid Home Products, Rubbermaid Europe, Little Tikes, and Graco market their products directly and through distributors to mass merchants, warehouse clubs, grocery/drug stores and hardware distributors, as well as regional direct sales representatives and market-specific sales managers. Rubbermaid Commercial Products markets its products directly and through distributors to commercial channels and home centers using a direct sales force.

SHARPIE

The Company's Sharpie business is conducted by the divisions of Sanford North America, Sanford International, Eldon Office Products, Goody, and Cosmolab. Sanford North America primarily designs, manufactures or sources, packages and distributes permanent/waterbase markers, dry erase markers, overhead projector pens, highlighters, wood-cased pencils, ballpoint pens and inks, and other art supplies. It also distributes other writing instruments including roller ball pens and mechanical pencils for the retail marketplace. Sanford International primarily designs and manufactures, packages and distributes ballpoint pens, wood-cased pencils, roller ball pens and art supplies for the retail and distributor markets. Eldon Office Products primarily designs, manufactures or sources, packages and distributes desktop accessories, computer accessories, storage products, card files and chair mats. Goody designs, sources, manufactures, packages and distributes hair care accessories. Cosmolab primarily designs and manufactures, packages and distributes private label cosmetic pencils for commercial customers.

Sharpie primarily sells its products under the trademarks Sanford{R}, Sharpie{R}, Paper Mate{R}, Parker{R}, Waterman{R}, Colorific{R}, Eberhard Faber{R}, Berol{R}, Grumbacher{R}, Reynolds{R}, rotring{R}, uni-Ball{R} (used under exclusive license from Mitsubishi Pencil Co. Ltd. and its subsidiaries in North America), Expo{R}, Accent{R}, Vis-a-Vis{R}, Expresso{R}, Liquid Paper{R}, and Mongol{R}. Eldon Office Products markets its products under the Rolodex{R}, Eldon{R}, Rogers{R} and Rubbermaid{R} trademarks. Goody markets its products primarily under the Ace{R}, and Goody{R} trademarks.

Sanford North America markets its products directly and through distributors to mass merchants, warehouse clubs, grocery/drug stores,

office superstores, office supply stores, contract stationers, and hardware distributors, using a network of company sales representatives, regional sales managers, key account managers and selected manufacturers' representatives. Sanford International markets its products directly to retailers and distributors using a direct sales force. Eldon Office Products markets its products directly and through distributors to mass merchants, warehouse clubs, grocery/drug stores, office superstores, office supply stores and contract stationers, using a network of manufacturers' representatives, as well as regional zone and market-specific key account representatives and sales managers. Goody markets its products directly and through distributors to mass merchants, warehouse clubs, grocery/drug stores and hardware distributors, using a network of manufacturers' representatives, as well as regional direct sales representatives and market-specific sales managers.

IRWIN

The Company's Irwin business is conducted by the Levolor/Kirsch, Home Decor Europe, Amerock, Shur-Line, Swish UK, American Tool Hand Tools, American Tool Power Tool Accessories, American Tool Europe and

American Tool Latin America divisions. Levolor/Kirsch primarily designs, manufactures or sources, packages and distributes drapery hardware, made-to-order and stock horizontal and vertical blinds, as well as pleated, cellular and roller shades for the retail marketplace. Levolor/Kirsch also produces window treatment components for custom window treatment fabricators. Home Decor Europe primarily designs, manufactures, packages and distributes drapery hardware and made-to-order window treatments for the European retail marketplace. Amerock manufactures or sources, packages and distributes cabinet hardware for the retail and O.E.M. marketplace and window and door hardware for window and door manufacturers. Shur-Line manufactures and distributes manual paint applicator products. Swish UK is a manufacturer and marketer of shelving and storage products, cabinet hardware and functional trims. The American Tool divisions manufacture and source, package and distribute hand tools and power tool accessories.

Levolor/Kirsch primarily sells its products under the trademarks Levolor{R}, Newell{R}, and Kirsch{R}. Home Decor Europe and Swish UK primarily sell their products under the trademarks Swish{R}, Douglas Kane{R}, Nenplas{R}, Homelux{R}, Gardinia{R}, Caroline{R} and Kirsch{R}. Amerock primarily sells its products under the trademarks Amerock{R}, Allison{R}, and Ashland{R}. Shur-Line primarily sells its products under the trademarks Shur-Line{R} and Rubbermaid{R}. American Tool divisions primarily sell their products under the trademarks Irwin{R}, Vise-Grip{R}, Marathon{R}, Twill{R}, Hanson{R}, Speedbor{R}, Jack{R}, Quick-Grip{R}, Chesco{R}, Unibit{R}, Record{R}, Marples{R}, and Strait-Line{R}.

Levolor/Kirsch, Amerock, Shur-Line and the American Tool divisions market their products directly and through distributors to mass merchants, home centers, department/specialty stores, hardware distributors, industrial/construction outlets, custom shops, select contract customers and other professional customers, using a network of manufacturers' representatives, as well as regional account and market-specific sales managers. Home Decor Europe and Swish UK market their products to mass merchants and buying groups using a direct sales force.

As discussed in Footnote 16 to the Consolidated Financial Statements, effective January 1, 2003, the Company completed its acquisition of American Saw & Mfg. Co. ("American Saw"), a leading manufacturer of power tool accessories and hand tools marketed under the Lenox{R} brand.

CALPHALON HOME

The Company's Calphalon Home business is conducted by the following divisions: Calphalon and Panex cookware and bakeware, Anchor Hocking and Newell Europe glassware, Connoisseur/Burnes and Newell Photo Fashion Europe.

Calphalon and Panex primarily design, manufacture, package and distribute aluminum and steel cookware and bakeware and hard anodized aluminum and stainless steel cookware and bakeware for the department/specialty store marketplace for the U.S. and Central and South America retail marketplace. In addition, Calphalon designs, manufactures, packages and distributes various specialized aluminum cookware and bakeware items for the food service industry and produces aluminum contract stampings and components for other manufacturers and makes aluminum and plastic kitchen tools and utensils. Calphalon's manufacturing operations are highly integrated, rolling sheet stock from aluminum ingot, and producing phenolic handles and knobs at its own plastics molding facility. Anchor Hocking and Newell Europe glassware primarily design, manufacture, package and distribute glass products. These products include glass ovenware, servingware, cookware and dinnerware products. Anchor Hocking also produces foodservice products, glass lamp parts, lighting components, meter covers and appliance covers for the foodservice and specialty markets.

Newell Europe also produces glass components for appliance manufacturers, and its products are marketed primarily in Europe, the Middle East and Africa. Connoisseur/Burnes and Newell Photo Fashion Europe primarily design, manufacture or source, package and distribute wood, wood composite, plasitic and metal ready-made picture frames and photo albums.

Calphalon primarily sells its products under the trademarks Calphalon{R}, Mirro{R}, WearEver{R}, Regal{R}, Panex{R}, Penedo{TM}, Rochedo{TM}, Clock{TM}, AirBake{R}, Cushionaire{R}, Concentric Air{R}, Channelon{R}, WearEver Air{R}, Club{R}, Royal Diamond{R} and Kitchen

Essentials{R}. Anchor Hocking products are sold primarily under the trademarks Anchor{TM}, Anchor Hocking{R} and Oven Basics{R}. Newell Europe's products are sold primarily under the trademarks Pyrex{R}, (used under exclusive license from Corning Incorporated and its subsidiaries in Europe, the Middle East and Africa only), Pyroflam{R} and Vitri{R}. Connoisseur/Burnes ready-made picture frames are sold primarily under the trademarks Intercraft{R}, Decorel{R}, Burnes of Boston{R}, Carr{R}, Rare Woods{R}, Terragrafics{R} and Connoisseur{R}, while photo albums are sold primarily under the Holson{R} trademark. Newell Photo Fashion Europe primarily sells its products under the trademarks Albadecor{R} and Panodia{R}.

Calphalon markets its products directly to mass merchants, department/specialty stores, warehouse clubs, grocery/drug stores, hardware distributors, cable TV networks and select contract customers, using a network of manufacturers' representatives, as well as regional zone and market-specific sales managers. Anchor Hocking markets its products directly to mass merchants, warehouse clubs, grocery/drug stores, department/specialty stores, hardware distributors and select contract customers, using a network of manufacturers' representatives, as well as regional zone and market-specific sales managers. Anchor Hocking also markets its products to manufacturers that supply the mass merchant and home party channels of trade. Newell Europe markets its products to mass merchants, industrial manufacturers and buying groups using a direct sales force and manufacturers' representatives in some markets. Connoisseur/Burnes markets its products directly to mass merchants, warehouse clubs, grocery/drug stores and department/specialty stores, using a network of manufacturers' representatives, as well as regional zone and market-specific sales managers. Intercraft{R}, Decorel{R} and Holson{R} products are sold primarily to mass merchants, while the remaining U.S. brands are sold primarily to department/specialty stores. Newell Photo Fashion Europe markets its products to mass merchants, buying groups and the do-it-yourself market using a direct sales force.

NET SALES BY BUSINESS SEGMENT

The following table sets forth the amounts and percentages of the Company's net sales for the three years ended December 31, (IN MILLIONS, EXCEPT PERCENTAGES) (including sales of acquired businesses from the time of acquisition and sales of divested businesses through date of sale), for the Company's four business segments. Sales to Wal*Mart Stores, Inc. and subsidiaries amounted to approximately 15% of consolidated net sales in each of the years ended December 31, 2002, 2001 and 2000. Sales to no other customer exceeded 10% of consolidated net sales.

	2002	% of total	2001	% of total	2000	% of total

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Rubbermaid	$2,592.4	34.8%	$2,565.6	37.1%	$2,809.3	40.5%
Sharpie	1,908.7	25.6	1,799.4	26.1	1,423.5	20.5
Irwin	1,727.3	23.2	1,382.6	20.0	1,455.0	21.0
Calphalon Home	1,225.5	16.4	1,161.7	16.8	1,246.9	18.0
Total Company	$7,453.9	100.0%	$6,909.3	100.0%	$6,934.7	100.0%

Certain 2001 and 2000 amounts have been reclassified to conform to the 2002 presentation.

GROWTH STRATEGY

The Company's growth strategy emphasizes internal growth and acquisitions.

Internal Growth

The Company has grown internally principally by introducing new products, entering new domestic and international markets, adding new customers, cross-selling existing product lines to current customers and supporting its U.S.-based customers' international expansion. Internal growth is defined by the Company as growth from its "core businesses," which include continuing businesses owned more than one year and minor acquisitions. The Company's goal is to achieve above-average internal growth.

Acquisition Strategy

The Company supplements internal growth by acquiring businesses with prominent consumer-focused, retail brands and improving the profitability of such businesses through the implementation of the Company's Strategic Initiatives. Other strategic criteria for an acquisition include the Company's ability to grow the business, its importance to key customers, its relationship to existing product lines, its function as a low-cost source of supply, its ability to provide the Company with an entrance into a new market, and the extent to which the Company can utilize the Phoenix Program in operating the business. In addition, the Company will consider the business' actual and potential impact on the Key Financial Measures, as well as the operating performance of the Company's Group at issue. While the Company evaluates alternatives continuously, its priority will be to reduce debt rather than invest in significant acquisitions over the next 12-18 months. See Item 6 and Footnote 2 to the Consolidated Financial Statements for a description of recent transactions.

Selective Globalization

The Company is pursuing selective international opportunities to further its internal growth and acquisition objectives. The rapid growth of consumer goods economies and retail structures in several regions outside the U.S., particularly Europe, Mexico and South America, makes them attractive to the Company by providing selective opportunities to acquire businesses, develop partnerships with new foreign customers and extend relationships with the Company's domestic customers whose businesses are growing internationally. The Company's recent acquisitions, combined with existing sales to foreign customers, increased its sales outside the U.S. to approximately 27% of total sales in 2002 and 2001 from 25% in 2000.

Additional information regarding acquisitions of businesses is included in Item 6 and Footnote 2 to the Consolidated Financial Statements.

Key Financial Measures

The Company established five key measures to evaluate financial performance: internal sales growth, operating income as a percent of sales, working capital as a percent to sales, free cash flow, and return on invested capital.

STRATEGIC INITIATIVES

Productivity

The Company's objective is to reduce the cost of manufacturing a product by at least five percent per year on an ongoing basis in order to become the best-cost supplier to our customers. To achieve productivity, the Company focuses on reducing purchasing costs, materials handling costs, manufacturing inefficiencies, and excess overhead costs to reduce the overall cost of manufacturing products.

Streamlining

The streamlining initiative represents the Company's commitment and focus on reducing non-value added activities and excess layers within the organization. The Company's goal is to use the savings generated from streamlining to fund marketing and other key initiatives, without increasing total expenses. The Company is vigilant in creating a leaner organization that is more flexible in its response time, both internally and externally.

New Product Development

The Company is determined to become the leader in introducing cutting-edge, innovative, and patented new products to the marketplace. The Company seeks to employ the best and brightest new product engineers in order to achieve this goal through the implementation and execution of a world-class product development process. The Company's intention is to become a "new product machine" that will enhance the brand image and help secure additional store listings.

Marketing

The Company's objective is to develop long-term, mutually beneficial partnerships with its customers and become their supplier of choice. To achieve this goal, the Company has a value-added marketing program that offers a family of leading brand name staple products, tailored sales programs, innovative merchandising support, in-store services and responsive top management.

The Company's marketing skills help customers stimulate store traffic and sales through timely advertising and innovative promotions. The Company also assists customers in differentiating their offerings by customizing products and packaging. Through self-selling packaging and displays that emphasize good-better-best value relationships, retail customers are encouraged to trade up to higher-value, best quality products.

The Company is also committed to selective media advertising, including national television advertising where appropriate, in order to increase brand awareness among end-users of the product.

Customer service also involves customer contact with top-level decision makers at the Company's divisions. As part of its decentralized structure, the Company's division presidents are the chief marketing officers of their product lines and communicate directly with customers. This structure permits early recognition of market trends and timely response to customer problems.

Phoenix Program

The marketing effort focuses largely on an extensive grass roots marketing campaign, highlighted by our Phoenix Program, which was introduced in 2001. This initiative is an action-oriented field sales force consisting of approximately 500 recent university graduates. The team works in the field, primarily within our Strategic Account structure, performing in-store product demonstrations, event marketing, on-shelf merchandising, interacting with the end-user, and maintaining an ongoing relationship with store personnel. This initiative allows the Company to enhance product placement and

minimize stock outages and, together with the Strategic Account Management Program, to maximize shelf space potential. This program continues to gain traction throughout several accounts and is expected to translate to the Consolidated Financial Statements through the impact of shelf space gains going forward.

Strategic Account Management

In 2001, the Company introduced the Strategic Account Management Program. The Strategic Account Management Program is the Company's sales and marketing approach that focuses growth efforts on strategic accounts with high long-term growth potential. Separate sales organizations have been established to more effectively manage the relationship at the largest strategic accounts, specifically Wal*Mart, The Home Depot and Lowe's. As part of this program, the Company established President level positions to more effectively manage the relationships with these accounts. The program allows the Company to present these customers with "one face" to enhance the Company's response time, understand the customer's needs and support the best possible customer relationship.

Collaboration

Collaboration represents the Company's focus to benefit from the sharing of best practices and the reduction of costs achieved through economies of scale. For example, functions, such as purchasing and distribution and transportation, have been centralized to increase buying power across the Company.

Additionally, certain administrative functions are centralized at the corporate level including cash management, accounting systems, capital expenditure approvals, order processing, billing, credit, accounts receivable, data processing operations and legal functions. Centralization concentrates technical expertise in one location, making it easier to observe overall business trends and manage the Company's businesses.

OTHER INFORMATION

Multi-Product Offering

The Company's increasingly broad product coverage in multiple product lines permits it to more effectively meet the needs of its customers. With families of leading, brand name products and profitable new products, the Company also can help volume purchasers sell a more profitable product mix. As a potential single source for an entire product line, the Company can use program merchandising to improve

product presentation, optimize display space for both sales and income and encourage impulse buying by retail customers.

Customer Service

The Company believes that one of the primary ways it distinguishes itself from its competitors is through customer service. The Company's ability to provide superior customer service is a result of its information technology, marketing and merchandising programs designed to enhance the sales and profitability of its customers and consistent on-time delivery of its products.

On-Time Delivery

A critical element of the Company's customer service is consistent on-time delivery of products to its customers. Retailers are pursuing a number of strategies to deliver the highest-quality, best-cost products to their customers. A growing trend among retailers is to purchase on a "just-in-time" basis in order to reduce inventory costs and increase returns on investment. As retailers shorten their lead times for orders, manufacturers need to more closely anticipate consumer-buying patterns. The Company supports its retail customers' "just-in-time" inventory strategies through investments in improved forecasting systems, more responsive manufacturing and distribution capabilities and electronic communications. The Company manufactures the vast majority of its products and has extensive experience in high-volume, cost-effective manufacturing. The high-volume nature of its manufacturing processes and the relatively consistent demand for its products enables the Company to ship most products directly from its factories without the need for independent warehousing and distribution centers.

Foreign Operations

Information regarding the Company's 2002, 2001 and 2000 foreign operations is included in Footnote 14 to the Consolidated Financial Statements and is incorporated by reference herein.

Raw Materials

The Company has multiple foreign and domestic sources of supply for substantially all of its material requirements. The raw materials and various purchased components required for its products have generally been available in sufficient quantities.

Backlog

The dollar value of unshipped factory orders is not material.

Seasonal Variations

The Company's product groups are only moderately affected by seasonal trends. The Rubbermaid and Calphalon Home business segments typically have higher sales in the second half of the year due to retail stocking related to the holiday season; the Irwin business segment has 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 Sharpie business segment 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 do not fluctuate significantly, unless a significant acquisition is made.

Patents and Trademarks

The Company has many patents, trademarks, brand names and trade names that are, in the aggregate, increasingly important to its business. The Company believes that no individual patent, trademark, brand name or trade name, other than the United States registered "Rubbermaid" trademark, is material to its consolidated operations.

Competition

The Company competes with numerous other manufacturers and distributors of consumer products, many of which are large and well-established. The Company's 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 a significant consolidation of the consumer products retail industry and the formation of dominant multi-category retailers, many of which have strong bargaining power with suppliers. This environment significantly limits the Company's ability to recover cost increases through selling prices. Other trends among retailers are to foster high levels of competition among suppliers, to demand that manufacturers supply innovative new products and to require suppliers to maintain or reduce product prices and deliver products with shorter lead times. Another trend, in the absence of a strong new product development effort or strong end-user brands, is for the retailer to import generic products directly from foreign sources. The combination of these market influences has created an intensely competitive environment in which the Company's principal customers continuously evaluate which product suppliers to use, resulting in pricing pressures and the need for strong end-user brands, the ongoing

introduction of innovative new products and continuing improvements in customer service.

For more than 30 years, the Company has positioned itself to respond to the challenges of this retail environment by developing strong relationships with large, high-volume purchasers. The Company markets its strong multi-product offering through virtually every category of high-volume retailer, including discount, drug, grocery and variety chains, warehouse clubs, department, hardware and specialty stores, home centers, office superstores, contract stationers and military exchanges. The Company's largest customer, Wal*Mart (which includes Sam's Club), accounted for approximately 15% of net sales in 2002. Other top ten customers included (IN ALPHABETICAL ORDER): JC Penney, Kmart, Lowe's, Staples, Target, The Home Depot, The Office Depot, Toys 'R Us and United Stationers.

The Company's other principal methods of meeting its competitive challenges are high brand name recognition, superior customer service (including industry leading information technology, innovative "good-better-best" marketing and merchandising programs), consistent on-time delivery, decentralized manufacturing and marketing, centralized administration, and experienced management.

Environment

Information regarding the Company's environmental matters is included in Management's Discussion and Analysis section of this report and in Footnote 15 to the Consolidated Financial Statements and is incorporated by reference herein.

Employees

As of December 31, 2002, the Company had approximately 47,000 employees worldwide, of whom approximately 9,000 are covered by collective bargaining agreements or, in certain countries, other collective arrangements decreed by statute.

ITEM 2. REAL PROPERTIES

The following table shows the location and general character of the principal operating facilities owned or leased by the Company. The properties are listed within their designated business segment: Rubbermaid; Sharpie; Irwin; and Calphalon Home. These are the primary manufacturing locations and in many instances also contain administrative offices and warehouses used for distribution of our products. The Company also maintains sales offices throughout the United States and the world. The corporate offices are located in Illinois in owned facilities at Freeport (approximately 91,000 square feet) and in owned and leased space in Rockford (approximately 8,700 square feet). Most of the idle facilities, which are excluded from the following list, are subleased while being held pending sale or lease expiration. The Company's properties are generally in good condition, well maintained, and are suitable and adequate to carry on the Company's business.

BUSINESS SEGMENT	LOCATION	CITY	OWNED OR LEASED	GENERAL CHARACTER
RUBBERMAID				
	AZ	Phoenix	L	Commercial Products
	Mexico	Cadereyta	O	Commercial Products
	TN	Cleveland	O	Commercial Products 2 facilities
	Mexico	Monterrey	L	Commercial Products
	VA	Winchester	O/L	Commercial Products 2 facilities
	AZ	Phoenix	O	Home Products
	France	Amiens	O	Home Products
	France	Grossiat	O	Home Products
	France	Lomme	L	Home Products
	Germany	Dreieich	O	Home Products
	Hungary	Debrecen	L	Home Products
	IA	Centerville	O/L	Home Products 2 facilities
	Mexico	Cartagena	O	Home Products
	Mexico	Tultitlan	O	Home Products
	NC	Greenville	O	Home Products
	Netherlands	Brunssum	O	Home Products
	OH	Mogadore	O	Home Products
	OH	Wooster	O	Home Products
	Canada	Mississauga	O	Home Products
	Poland	Seupsk	O	Home Products
	Spain	Zaragoza	O	Home Products
	TX	Cleburne	O	Home Products
	TX	Greenville	O	Home Products
	TX	Wills Point	L	Home Products
	UK	Corby	O	Home Products
	Netherlands	Goirle	O	Home Products
	KS	Winfield	O	Home Products 2 facilities

	MO	Farmington	O	Outdoor Play Systems
	Canada	Paris	L	Outdoor Play Systems
	CA	San Bernadino	O	Infant Products
	OH	Canton	O	Infant Products
	OH	Macedonia	O	Infant Products
	PA	Elverson	O	Infant Products
	PA	Exton	L	Infant Products
	SC	Greer	L	Infant Products
	Mexico	Piedras Negras	L	Infant Products
	CA	City of Industry	L	Juvenile Products
	OH	Hudson	O	Juvenile Products
	OH	Sebring	O	Juvenile Products
	Luxembourg	Niedercorn	O	Juvenile Products
	CA	Vista	O	Home Storage Systems
	MO	Jackson	O	Home Storage Systems
	Canada	Watford	O	Home Storage Systems

TN	Maryville	O	Office & Storage Organizers
WI	Madison	O/L	Office & Storage 2 facilities
Puerto Rico	Moca	O	Office & Storage Organizers
IL	Elk Grove	O	Office & Storage 2 facilities

SHARPIE

TN	Lewisburg	O	Cosmetic Pencils
CA	Santa Monica	L	Writing Instruments
IL	Bellwood	O	Writing Instruments 3 facilities
IL	Bolingbrook	L	Writing Instruments
TN	Lewisburg	O	Writing Instruments
TN	Shelbyville	O	Writing Instruments 2 facilities
WI	Janesville	L	Writing Instruments
Canada	Oakville	L	Writing Instruments
Colombia	Bogota	O	Writing Instruments
France	St. Herblain	O	Writing Instruments
France	Valence	O	Writing Instruments
Germany	Hamburg	O	Writing Instruments
Germany	Baden-Baden	L	Writing Instruments
Mexico	Pasteje	L	Writing Instruments
Mexico	Tijuana	L	Writing Instruments
Mexico	Tlalnepantla	O	Writing Instruments
UK	Newhaven	O	Writing Instruments
UK	Kings Lynn	O	Writing Instruments
China	Shanghai	L	Writing Instruments
Venezuela	Maracay	O	Writing Instruments
GA	Manchester	O	Hair Accessories
GA	Columbus	O/L	Hair Accessories 2 facilities

IRWIN

Mexico	Ciudad Juarez	L	Window Treatments
Mexico	Naco	L	Window Treatments
AZ	Douglas	L	Window Treatments
Canada	Calgary	L	Window Treatments

Canada	Toronto	L	Window Treatments
Denmark	Hornum	O	Window Treatments
France	Feuquieres-en-Vimeu	O	Window Treatments
France	Tremblay-les-Villages	O	Window Treatments
GA	Athens	O	Window Treatments
Germany	Borken	L	Window Treatments
Germany	Isny	O	Window Treatments
IL	Freeport	O/L	Window Treatments
Italy	Como	O	Window Treatments
Italy	Frosinone	O	Window Treatments
NC	High Point	O	Window Treatments
Spain	Vitoria	O	Window Treatments
Sweden	Anderstorp	O	Window Treatments
Sweden	Malmo	O	Window Treatments
UK	Ashbourne	O	Window Treatments
UK	Birmingham	O/L	Window Treatments
UK	Tamworth	O	Window Treatments
UK	Watford Herts	L	Window Treatments
UT	Ogden	O	Window Treatments
UT	Salt Lake City	L	Window Treatments
CA	Westminster	L	Window Treatments
TN	Johnson City	O	Paint Applicators
WI	Milwaukee	O	Paint Applicators
NY	Medina	O	Propane/Oxygen Hand Torches
NY	Ogdensburg	O	Small Hardware
IL	Rockford	O	Hardware
TN	Memphis	L	Small Hardware
IN	Lowell	O	Window Hardware
AR	Lexa	O	Tools
NE	Beatrice	O	Tools
NE	DeWitt	O	Tools
NY	Buffalo	O	Tools
ME	Gorham	O	Tools
OH	Wilmington	O	Tools 3 facilities
WI	Cumberland	O	Tools
IL	Vernon Hills	L	Tools
NE	Lincoln	L	Tools
NC	Huntersville	L	Tools
Australia	Auburn	L	Tools
Australia	Scoresby	L	Tools
Canada	Cambridge	L	Tools
New Zealand	Auckland	L	Tools
New Zealand	Rotorua	L	Tools
New Zealand	Wellsford	O	Tools
Portugal	Velha	L	Tools
Poland	Brodnica	O	Tools
Brazil	San Paulo	O	Tools 2 facilities
Brazil	Carlos Bobos	O	Tools
Denmark	Asnaes	O	Tools
Denmark	Copenhagen	O	Tools

Denmark	Thisted	O	Tools
Holland	Ijlst	O	Tools
UK	Sheffield	O	Tools
UK	Wigan	O	Tools

CALPHALON HOME

OH	Perrysburg	O	Cookware
WI	Manitowoc	O	Cookware & Bakeware
Brazil	Sao Paulo	L	Cookware
Germany	Muhltal	O	Plastic Storage Ware
UK	Sunderland	O	Glassware & Bakeware
France	Chateauroux	O	Glassware & Bakeware
OH	Lancaster	O	Glassware & Bakeware
PA	Monaca	O	Glassware & Food Service
France	La Ferte Milon	O	Picture Frames
France	Neunge Sur Beuvron	O/L	Picture Frames
France	St. Laurent Sur Gorre	O	Picture Frames
Mexico	Durango	O	Picture Frames
NC	Statesville	O/L	Picture Frames
TX	Laredo	L	Picture Frames
TX	Taylor	O	Picture Frames
TX	Austin	L	Picture Frames
NH	Claremont	O/L	Picture Frames & Photo Albums

ITEM 3. LEGAL PROCEEDINGS

Information regarding legal proceedings is included in Footnote 15 to the Consolidated Financial Statements and is incorporated by reference herein.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of the Company's shareholders during the fourth quarter of fiscal year 2002.

SUPPLEMENTARY ITEM - EXECUTIVE OFFICERS OF THE REGISTRANT

Name	Age	Present Position With The Company
Joseph Galli, Jr.	44	President and Chief Executive Officer
William T. Alldredge	63	President-Corporate Development and Chief Financial Officer
Jeffery E. Cooley	50	Group President, Calphalon Home Group
David A. Klatt	38	Group President, Rubbermaid Group

Robert S. Parker	57	Group President, Sharpie Group
James J. Roberts	44	Group President, Irwin Group
J. Patrick Robinson	47	Vice President - Controller and Chief Accounting Officer
Timothy J. Jahnke	43	Vice President - Human Resources
Dale L. Matschullat	57	Vice President - General Counsel

Joseph Galli, Jr. has been President and Chief Executive Officer of the Company since January 8, 2001. Prior thereto, he was President and Chief Executive Officer of VerticalNet, Inc. (an internet business-to-business company) from May 2000 until January 2001. From June 1999 until May 2000, he was President and Chief Operating Officer of Amazon.com (an internet business-to-consumer company). From 1980 until June 1999, he held a variety of positions with The Black and Decker Corporation (a manufacturer and marketer of power tools and accessories), culminating as President of Black and Decker's Worldwide Power Tools and Accessories Group.

William T. Alldredge has been President - Corporate Development and Chief Financial Officer since January 2001. Prior thereto, he was

President - International Business Development from December 1999 until January 2001. From August 1983 until December 1999, he was Vice President - Finance.

Jeffery E. Cooley has been Group President of the Company's Calphalon Home business segment since November 2000. Prior thereto, he was President of the Company's Calphalon division from 1990 through October 2000.

David A. Klatt has been Group President of the Company's Rubbermaid business segment since July 2001. From April 2001 to July 2001, he was Division President of Rubbermaid Home Products. Prior thereto, he was Chief Operating Officer of AirClic Inc. (a web-based software and services platform company for the mobile information market) from March 2000 until March 2001. From September 1986 until March 2000, he held a variety of positions with The Black and Decker Corporation (a manufacturer and marketer of power tools and accessories), where he most recently served as Vice President/ General Manager of the U.S. Consumer Division.

Robert S. Parker has been Group President of the Company's Sharpie business segment since August 1998. Prior thereto, he was President of Sanford Corporation, both before and after the Company acquired it in 1992, from October 1990 to August 1998.

James J. Roberts has been Group President of the Company's Irwin business segment since April 2001. Prior thereto, he served as President - Worldwide Hand Tools and Hardware at the Stanley Works (a supplier of tools, door systems and related hardware) from September 2000 until March 2001. From July 1981 until September 2000, he held a variety of positions with The Black and Decker Corporation (a manufacturer and marketer of power tools and accessories), most recently as President Worldwide Accessories.

J. Patrick Robinson has been Vice President - Controller and Chief Accounting Officer since May 2001. Prior thereto, he was Chief Financial Officer of AirClic Inc. (a web-based software and services platform company for the mobile information market) from March 2000 until May 2001. From 1983 until March 2000, he held a variety of financial positions with The Black and Decker Corporation (a manufacturer and marketer of power tools and accessories), most recently as Vice President of Finance, Worldwide Power Tools.

Timothy J. Jahnke has been Vice President - Human Resources since February 2001. Prior thereto, he was President of the Anchor Hocking Specialty Glass division from June 1999 until February 2001. From

1995 until June 1999, he led the human resources department of the Company's Sanford division's worldwide operations.

Dale L. Matschullat has been Vice President - General Counsel since January 2001. Prior thereto, he was Vice President-Finance, Chief Financial Officer and General Counsel from January 2000 until January

2001. From 1989 until January 2000, he was Vice President - General Counsel.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is listed on the New York and Chicago Stock Exchanges (symbol: NWL). As of December 31, 2002, there were 23,629 stockholders of record. The following table sets forth the high and low sales prices of the common stock on the New York Stock Exchange Composite Tape (as published in The Wall Street Journal) for the calendar periods indicated:

	2002		2001		2000	
Quarters	High	Low	High	Low	High	Low
First	$33.52	$25.26	$29.21	$23.38	$31.25	$21.50
Second	35.76	29.33	27.34	24.00	27.56	23.81
Third	35.50	26.23	25.40	21.20	28.50	21.94
Fourth	34.32	28.08	28.13	22.87	22.88	18.69

The Company has paid regular cash dividends on its common stock since 1947. The quarterly cash dividend has been $0.21 per share since February 1, 2000, when it was increased from the $0.20 per share that had been paid since February 8, 1999.

Information regarding the 5.25% convertible quarterly income preferred securities issued by a wholly owned subsidiary trust of the Company, which are reflected as outstanding in the Company's Consolidated Financial Statements as Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust, is included in Footnote 6 to the Consolidated Financial Statements.

ITEM 6. SELECTED FINANCIAL DATA

The following is a summary of certain consolidated financial information relating to the Company at December 31, (IN MILLIONS, EXCEPT PER SHARE DATA). The summary has been derived in part from, and should be read in conjunction with, the Consolidated Financial Statements of the Company included elsewhere in this report and the schedules thereto.

	2002 (1)	2001 (1)	2000 (1)	1999	1998
INCOME STATEMENT DATA					
Net sales	$7,453.9	$6,909.3	$6,934.7	$6,711.8	$6,493.2
Cost of products sold	5,394.2	5,046.6	5,108.7	4,975.4	4,670.4
Gross income	2,059.7	1,862.7	1,826.0	1,736.4	1,822.8
Selling, general and administrative expenses	1,307.3	1,168.2	899.4	1,104.5	967.9
Restructuring costs	122.7	66.7	43.0	241.6 (2)	115.1 (3)
Goodwill amortization	-	56.9	51.9	46.7	59.5
Operating income	629.7	570.9	831.7	343.6	680.3
Nonoperating expenses (income):					
Interest expense	110.6	137.5	130.0	100.0	100.5
Other, net	50.6	17.5	16.2	12.7	(237.1) (4)
Net nonoperating expenses (income)	161.2	155.0	146.2	112.7	(136.6)
Income before income taxes and cumulative effect of accounting change	468.5	415.9	685.5	230.9	816.9
Income taxes	157.0	151.3	263.9	135.5	335.1
Income before cumulative effect of accounting change	311.5	264.6	421.6	95.4	481.8
Cumulative effect of accounting change, net of tax	(514.9)	-	-	-	-
Net (loss)/income	($203.4)	$264.6	$421.6	$95.4	$481.8
Weighted average shares outstanding:					
Basic	267.1	266.7	268.4	281.8	280.7
Diluted	268.0	267.0	268.5	282.0	291.9

Earnings per share before cumulative effect of accounting change:					
Basic	$1.17	$0.99	$1.57	$0.34	$1.72
Diluted	$1.16	$0.99	$1.57	$0.34	$1.70
(Loss)/Earnings per share:					
Basic	($0.76)	$0.99	$1.57	$0.34	$1.72
Diluted	($0.76)	$0.99	$1.57	$0.34	$1.70
Dividends per share	$0.84	$0.84	$0.84	$0.80	$0.76
BALANCE SHEET DATA					
Inventories, net	$1,196.2	$1,113.8	$1,262.6	$1,034.8	$1,033.5
Working capital (5)	465.6	316.8	1,329.5	1,108.7	1,278.8
Total assets	7,388.9	7,266.1	7,261.8	6,724.1	6,289.2
Short-term debt	449.2	826.6	227.2	247.4	102.0
Long-term debt, net of current maturities	1,856.6	1,365.0	2,319.6	1,455.8	1,393.9
Company-obligated mandatorily redeemable convertible preferred securities of a subsidiary trust	500.0	500.0	500.0	500.0	500.0
Stockholders' equity	2,063.5	2,433.4	2,448.6	2,697.0	2,843.7

(1) Supplemental data regarding 2002, 2001 and 2000 is provided in Item 7, Management's Discussion and Analysis of Results of Operations and Financial Condition.

(2) The 1999 restructuring costs included $27.8 million for costs to exit business activities at seven facilities, write-down impaired Rubbermaid centralized software, write-off assets associated with abandoned projects and impaired assets and for costs related to discontinued product lines, $101.9 million relating to employee severance and termination benefits, $72.0 million relating to exited contractual commitments and $39.9 million for transaction costs related primarily to investment banking, legal and accounting costs for the Newell/Rubbermaid merger.

(3) The 1998 restructuring costs included $53.4 million for costs to exit business activities at five facilities, $45.8 million to write down impaired long-lived assets to their fair value and

$16.0 million relating to employee severance and termination benefits.

(4) The 1998 other nonoperating income included a $191.5 million gain on the sale of Black & Decker common stock and $59.8 million of gains on the sale of the Decora, Newell Plastics and Stuart Hall businesses.

(5) Working capital is defined as Current Assets less Current Liabilities.

ACQUISITIONS OF BUSINESSES

2002, 2001 and 2000

Information regarding businesses acquired in the last three years is included in Footnote 2 to the Consolidated Financial Statements.

1999

In 1999, the Company acquired the following:

Business Name	Business Description	Acquisition Date	Industry Segment
Ateliers 28	Drapery Hardware	April 2	Irwin
Reynolds SA	Writing Instruments	October 18	Sharpie
McKechnie plc consumer product division	Drapery Hardware, Window Fashions, Shelving & Hardware	October 29	Irwin
Ceanothe Holding	Picture Frames	December 29	Calphalon Home

For these and for other minor acquisitions made in 1999, the Company paid $397.3 million in cash and assumed $45.1 million of debt.

1998

In 1998, the Company acquired the following:

Business Name	Business Description	Acquisition Date	Industry Segment
Curver Consumer Products	Plastic Housewares	January 21	Rubbermaid
Swish Track and Pole	Window Furnishings	March 27	Irwin
Century Products	Infant Products	May 19	Rubbermaid
Panex S.A. Industria e Comercio	Aluminum Cookware	June 30	Calphalon Home
Gardinia Group	Window Treatments	August 31	Irwin
Rotring Group	Writing and Drawing Instruments, Art Materials and Color	September 30	Sharpie

Cosmetics

For these and for other minor acquisitions made in 1998, the Company paid $615.7 million in cash and assumed $99.5 million of debt. The finalized purchase price allocations for these acquisitions resulted in trade names and goodwill of approximately $387.1 million.

QUARTERLY SUMMARIES

Summarized quarterly data for the last three years is as follows (IN MILLIONS, EXCEPT PER SHARE DATA) (unaudited):

Calendar Year	1st	2nd	3rd	4th	Year
2002					
Net sales	$1,597.0	$1,895.0	$1,948.3	$2,013.6	$7,453.9
Gross income	419.1	520.6	550.3	569.7	2,059.7
Earnings before cumulative effect of accounting change	50.9	88.6	76.2	95.8	311.5
Net (loss)/income	(464.0)	88.6	76.2	95.8	($203.4)
Earnings per share before cumulative effect of accounting change:					
Basic	$0.19	$0.33	$0.29	$0.36	$1.17
Diluted	0.19	0.33	60.29	0.36	1.16
(Loss)/Earnings per share:					
Basic	($1.74)	$0.33	$0.29	$0.36	($0.76)
Diluted	(1.73)	0.33	0.29	0.36	(0.76)
2001					
Net sales	$1,610.7	$1,724.7	$1,767.8	$1,806.1	$6,909.3
Gross income	391.8	453.5	489.6	527.8	1,862.7
Net income	38.4	72.0	83.5	70.7	264.6
Earnings per share:					
Basic	$0.14	$0.27	$0.31	$0.27	$0.99
Diluted	0.14	0.27	0.31	0.27	0.99
2000					
Net sales	$1,628.9	$1,787.0	$1,756.4	$1,762.4	$6,934.7
Gross income (1)	408.4	486.5	468.3	462.8	1,826.0
Net income	76.2	128.0	123.0	94.4	421.6
Earnings per share:					
Basic	$0.28	$0.48	$0.46	$0.35	$1.57
Diluted	0.28	0.48	0.46	0.35	1.57

(1) Quarterly gross income amounts differ from those disclosed in the Form 10-Q for each respective quarter due to the reclassification of restructuring charges related to discontinued product lines to conform with the 2001 presentation. Charges reclassified from Restructuring Costs to Cost of Products Sold in 2001 were (in thousands): $87, $888, $485 and $4,091 for the first, second, third and fourth quarters, respectively; the full year 2000 reclassification totaled $5,551.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of the Company's consolidated results of operations and financial condition. The discussion should be read in conjunction with the

Consolidated Financial Statements and footnotes thereto.

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 for the years ended December 31,:

	2002	2001	2000
Net sales	100.0%	100.0%	100.0%
Cost of products sold	72.4	73.0	73.7
Gross income	27.6	27.0	26.3
Selling, general and administrative expenses	17.5	16.9	13.0
Restructuring costs	1.6	1.0	0.6
Goodwill amortization	-	0.8	0.7
Operating income	8.5	8.3	12.0
Nonoperating expenses:			
Interest expense	1.5	2.0	1.9
Other, net	0.7	0.3	0.2
Net nonoperating expenses	2.2	2.3	2.1
Income before income taxes and cumulative effect of accounting change	6.3	6.0	9.9
Income taxes	2.1	2.2	3.8
Income before cumulative effect of accounting change	4.2	3.8	6.1
Cumulative effect of accounting change, net of tax	(6.9)	-	-
Net (loss)/income	(2.7)%	3.8%	6.1%

2002 VERSUS 2001

Net sales for 2002 were $7,453.9 million, representing an increase of $544.6 million, or 7.9%, from $6,909.3 million in 2001. The increase primarily resulted from internal sales growth of 3.3% and sales contribution from American Tool Companies, Inc. of $318.3 million (acquired April 2002).

Gross income as a percentage of net sales in 2002 was 27.6%, or $2,059.7 million, versus 27.0%, or $1,862.7 million, in 2001. Gross income includes restructuring related and other charges relating to integration costs of recent acquisitions of $13.8 million ($9.2 million after taxes) and $7.4 million ($4.7 million after taxes) in 2002 and 2001, respectively. The improvement in gross income is primarily related to the implementation of a productivity initiative throughout the Company and higher margins from our new products. The Company's productivity objective is to reduce the cost of manufacturing a product by at least five percent per year on an ongoing basis in order to become the best-cost supplier to our customers. To achieve productivity improvements, the Company is focusing on reducing purchasing costs, materials handling costs, manufacturing inefficiencies, and excess overhead costs to reduce the overall cost of manufacturing products.

Selling, general and administrative expenses ("SG&A") in 2002 were 17.5% of net sales, or $1,307.3 million, versus 16.9%, or $1,168.2 million, in 2001. SG&A includes charges relating to integration costs of recent acquisitions of $7.4 million ($4.9 million after taxes) and $12.0 million ($7.7 million after taxes) in 2002 and 2001, respectively. The increase in SG&A is a result of the American Tool Companies, Inc. acquisition ($75.5 million) and planned investments in marketing initiatives, including the Company's Strategic Account Management Program, television advertising program and Phoenix

Program, supporting the Company's brand portfolio and strategic account management strategy.

The Company continues to invest in several programs launched in 2001. The Strategic Account Management Program is the Company's sales and marketing approach that focuses growth efforts on strategic accounts with high long-term growth potential. Separate sales organizations have been established to more effectively manage the relationship at the largest strategic accounts, specifically Wal*Mart, The Home Depot and Lowe's. As part of this program, the Company established President level positions to more effectively manage the relationships with these accounts. The program allows the Company to present these customers with "one face" to enhance the Company's response time, understand the customer's needs and support the best possible customer relationship.

In addition to the Strategic Account Management Program, the Company also continues to invest in its Phoenix Program. This initiative is an action-oriented field sales force consisting of approximately 500 recent university graduates. The team works in the field, primarily within our Strategic Account structure, performing in-store product demonstrations, event marketing, on-shelf merchandising, interacting with the end-user, and maintaining an ongoing relationship with store personnel. This initiative allows the Company to enhance product placement and minimize stock outages and, together with the Strategic Account Management Program, to maximize shelf space potential. This program continues to gain traction throughout several accounts and is

expected to translate to the Consolidated Financial Statements through the impact of shelf space gains going forward.

During 2002, the Company recorded pre-tax restructuring charges of $122.7 million associated with the Company's strategic restructuring plan. The restructuring plan is intended to streamline the Company's supply chain to ensure its position as the best-cost global provider throughout the Company's product portfolio. The plan consists of reducing worldwide headcount over the three years beginning in 2001, and includes consolidating duplicate manufacturing facilities. As part of this plan, the Company incurred employee severance and termination benefit costs for approximately 3,100 employees. Additionally, the Company incurred facility exit costs related primarily to the closure of 43 facilities (seven at Rubbermaid, eight at Sharpie, fourteen at Irwin, twelve at Calphalon Home and two corporate administrative offices). See Footnote 3 to the Consolidated Financial Statements for a review of these charges.

Operating income in 2002 was 8.5% of net sales, or $629.7 million, versus 8.3% of net sales, or $570.9 million, in 2001. Operating income includes restructuring and other charges of $143.9 million ($95.8 million after taxes) and $86.1 million ($54.8 million after taxes) in 2002 and 2001, respectively. The increase in operating margins was primarily due to improvement in gross margin and the elimination of amortization expense associated with goodwill (see Footnote 1 to the Consolidated Financial Statements for additional discussion) offset by planned investment in marketing initiatives supporting the Company's brand portfolio and strategic account management strategy and restructuring charges to streamline the Company's supply chain.

Net nonoperating expenses in 2002 were 2.2% of net sales, or $161.2 million, versus 2.3%, or $155.0 million, in 2001. Net nonoperating expense includes charges relating to integration costs of recent acquisitions and costs related to the Anchor Hocking withdrawn divestiture of $23.7 million ($15.9 million after tax) in 2002. These costs were partially offset by lower interest rates. See Footnotes 2 and 13 to the Consolidated Financial Statements for additional details.

The effective tax rate was 33.5% for the year ended December 31, 2002 versus 36.4% in the prior year. See Footnote 12 to the Consolidated Financial Statements for an explanation of the effective tax rate.

Net income before cumulative effect of accounting change in 2002 was

$311.5 million, a $46.9 million, or 17.7% increase from $264.6 million in 2001. Diluted earnings per share before cumulative effect of accounting change was $1.16 in 2002 compared to $0.99 in 2001.

During the first quarter of 2002, the Company completed the required impairment tests of goodwill and indefinite life intangible assets, which resulted in an impairment charge of $514.9 million, net of tax. See Footnote 1 to the Consolidated Financial Statements for further

information on the Company's adoption of Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and other Intangible Assets."

Net loss for 2002 was $203.4 million compared to net income of $264.6 million in 2001. Basic and diluted loss/earnings per share in 2002 decreased to a loss of $0.76 versus income of $0.99 in 2001. The decrease in net income and earnings per share in 2002 was primarily due to the cumulative effect of accounting changes related to goodwill, and increased restructuring charges to streamline the Company's supply chain, partially offset by an improvement in gross margins, the elimination of amortization expense associated with goodwill, lower interest rates and a reduction in income tax expense. See Footnote 1 to the Consolidated Financial Statements for additional details related to cumulative effect of accounting change charge for goodwill.

BUSINESS SEGMENT OPERATING RESULTS:

The Company operates in four general segments:

Net Sales by Segment were as follows for the year ended December 31, (IN MILLIONS):

	2002	2001	% Change
Rubbermaid	$2,592.4	$2,565.6	1.0%
Sharpie	1,908.7	1,799.4	6.1
Irwin	1,727.3	1,382.6	24.9
Calphalon Home	1,225.5	1,161.7	5.5
Total Net Sales	$7,453.9	$6,909.3	7.9%

Operating Income by Segment were as follows for the year ended December 31, (IN MILLIONS):

	2002	2001	% Change
Rubbermaid	$214.5	$200.9	6.8%
Sharpie	323.3	278.3	16.2
Irwin	136.4	126.5	7.8
Calphalon Home	119.5	120.1	(0.5)
Segment Operating Income*	$793.7	$725.8	9.4%

* Segment Operating Income excludes corporate costs and Restructuring Expense. See Footnote 14 to the Consolidated Financial Statements for the detail of Operating Income by Segment including Corporate and Restructuring Expense.

RUBBERMAID

Net sales for 2002 were $2,592.4 million, an increase of $26.8 million, or 1.0%, from $2,565.6 million in 2001. The 1.0% sales growth was primarily due to 5.6% sales growth at the Rubbermaid Home Products division, partially offset by an 11.5% sales decline at

Graco. The decline at Graco was primarily due to an increase in competitive pressures. The primary reasons for the overall sales increase were sales gains at strategic accounts and new product introductions, such as the Rubbermaid TakeAlongs{R}, the Slim Cooler{TM}, Stain Shield{TM}, and the Tool Tower{TM} and growth in existing products, partially offset by product price reductions.

Operating income for 2002 was $214.5 million, an increase of $13.6 million, or 6.8%, from $200.9 million in 2001. The increase is primarily related to productivity improvements and increased margin for new products, partially offset by product price reductions and continued investments in divisional growth initiatives, including costs related to new product development and product launches, primarily television advertising for featured items such as the Slim Cooler{TM} and the Tool Tower{TM}.

SHARPIE

Net sales for 2002 were $1,908.7 million, an increase of $109.3 million, or 6.1%, from $1,799.4 million in 2001. The 6.1% sales growth was fueled by 20.4% sales growth at Eldon. The primary reasons for the increase were sales gains at strategic accounts, new product introductions (including the Sharpie{R} Chisel Tip and Liquid Paper{R} Backtracker{TM}), and growth in existing Paper Mate{R} pens, Sharpie{R} permanent markers and Colorific{R} product lines.

Operating income for 2002 was $323.3 million, an increase of $45.0 million, or 16.2%, from $278.3 million in 2001. The increase is primarily related to productivity improvements and increased margin from new products, partially offset by continued investments in divisional growth initiatives, primarily television advertising for the Sharpie{R} and Paper Mate{R} brands.

IRWIN

Net sales for 2002 were $1,727.3 million, an increase of $344.7 million, or 24.9%, from $1,382.6 million in 2001. Excluding $318.3 million in sales from the American Tool acquisition, sales increased $26.4 million, or 1.9%. Sales growth was fueled primarily by 14.0% sales growth at the BernzOmatic division offset by a decline of 1.3% at the Levolor/Kirsch division. The American Tool acquisition integration continues on plan.

Operating income for 2002 was $136.4 million, an increase of $9.9 million, or 7.8%, from $126.5 million in 2001. Excluding $24.6 million in operating income from the American Tool acquisition,

operating income decreased $14.7 million, or 11.6%. The decrease in operating income was primarily due to product price reductions and continued investment in sales and marketing growth initiatives, as well as start-up costs related to the American Tool acquisition, partially offset by cost savings from productivity initiatives.

CALPHALON HOME

Net sales for 2002 were $1,225.5 million, an increase of $63.8 million, or 5.5%, from $1,161.7 million in 2001. Sales growth related primarily to Calphalon and Cookware Europe divisions related to new product introductions and existing product sales at strategic accounts, partially offset by product price reductions.

Operating income for 2002 was $119.5 million, a decrease of $0.6 million, or 0.5%, from $120.1 million in 2001. The slight decrease in operating income was due primarily to product price reductions and costs related to marketing growth initiatives, offset by cost savings from productivity initiatives and new and existing product growth.

2001 VERSUS 2000

Net sales for 2001 were $6,909.3 million, representing a decrease of $25.4 million, or 0.4%, from $6,934.7 million, in 2000. The sales decline was primarily due to shelf space losses at key customers and a significant downturn in the U.S. economy, partially offset by $498.5 million of sales contributions from Paper Mate/Parker (acquired December 2000).

Gross income as a percentage of net sales in 2001 was 27.0%, or $1,862.7 million, versus 26.3%, or $1,826.0 million, in 2000. Gross income includes restructuring related and other charges relating to integration costs of recent acquisitions of $7.4 million ($4.7 million after taxes) and $7.9 million ($4.9 million after taxes) in 2001 and 2000, respectively. The gross income improvement is primarily due to the December 29, 2000 acquisition of the Paper Mate/Parker business. Excluding this acquisition, gross income margins were flat. The implementation of the productivity initiative throughout the Company in 2001 maintained gross income margin percentages at 2000 levels despite significant increased fixed costs as production at the Company's manufacturing facilities was slowed in an effort to reduce inventories (net inventories decreased $148.8 million during 2001).

Selling, general and administrative expenses ("SG&A") in 2001 were 16.9% of net sales, or $1,168.2 million, versus 13.0%, or $899.4 million, in 2000. SG&A includes charges relating to integration costs of recent acquisitions of $12.0 million ($7.7 million after taxes) and $8.8 million ($5.4 million after taxes) in 2001 and 2000, respectively. The increase in SG&A is a result of the Paper Mate/Parker acquisition and planned investments in marketing initiatives, including the

Company's Strategic Account Management and Phoenix Programs, supporting the Company's brand portfolio and strategic account strategy.

During 2001, the Company recorded pre-tax restructuring charges of $66.7 million associated with the Company's strategic restructuring plan. The restructuring plan is intended to streamline the Company's supply chain to ensure its position as the best-cost global provider throughout the Company's product portfolio. The plan consists of reducing worldwide headcount over the three years beginning in 2001, and includes consolidating duplicate manufacturing facilities. As part of this plan, the Company incurred employee severance and termination benefit costs for approximately 1,700 employees. Additionally, the Company incurred facility exit costs related primarily to the closure of 14 facilities (four at Rubbermaid, one at Sharpie, six at Irwin and three at Calphalon Home). See Footnote 3 to the Consolidated Financial Statements for a review of these charges.

During 2000, the Company recorded pre-tax restructuring charges of $43.0 million related primarily to the continued Rubbermaid integration and plant closures at Irwin. The Company incurred employee severance and termination benefit costs related to approximately 700 employees terminated in 2000. Such costs included severance and government mandated settlements for facility closures at Rubbermaid Europe, change in control payments made to former Rubbermaid executives, employee terminations at the domestic Rubbermaid divisions and severance at Irwin. The Company incurred merger transaction costs related primarily to legal settlements for Rubbermaid's 1998 sale of a former division and other merger related contingencies resolved in 2000. Additionally, the Company incurred facility and other exit costs related primarily to the closure of five European Rubbermaid facilities, three window furnishings facilities as well as the exit of various Rubbermaid product lines. See Footnote 3 to the Consolidated Financial Statements for a review of these charges.

For the year ended December 31, 2001, goodwill amortization as a percentage of net sales was 0.8%, or $56.9 million, versus 0.7%, or $51.9 million, for the year ended December 31, 2000. The increase in goodwill amortization is a result of additional goodwill associated with the Paper Mate/Parker acquisition in December 2000.

Operating income in 2001 was 8.3% of net sales, or $570.9 million, versus 12.0% of net sales, or $831.7 million, in 2000. Operating income includes restructuring and other charges of $86.1 million ($54.8 million after taxes) and $59.7 million ($36.7 million after taxes) in 2001 and 2000, respectively. The decrease in operating margins was primarily due to planned investment in marketing initiatives supporting the Company's brand portfolio and strategic account strategy.

Net nonoperating expenses in 2001 were 2.3% of net sales, or $155.0 million, versus 2.1%, or $146.2 million, in 2000. The increased expenses in 2001 are a result of the Company's increased average level of debt, partially offset by lower interest rates.

The effective tax rate was 36.4% for the year ended December 31, 2001 versus 38.5% in the prior year. See Footnote 12 to the Consolidated Financial Statements for an explanation of the effective tax rate.

Net income for 2001 was $264.6 million compared to net income of $421.6 million in 2000. Basic and diluted earnings per share in 2001 decreased 36.9% to $0.99 from $1.57 in 2000. Net income includes pre-tax restructuring and other charges of $86.1 million ($54.8 million after taxes) and $59.7 million ($36.7 million after taxes) in 2001 and 2000, respectively. The decrease in net income and earnings per share for 2001 was primarily due to internal sales declines, planned investment in the Company's marketing initiatives and increased restructuring charges to streamline the Company's manufacturing network.

BUSINESS SEGMENT OPERATING RESULTS:

The Company operates in four general segments:

Net Sales by Segment were as follows for the year ended December 31, (IN MILLIONS):

	2001	2000	% Change
Rubbermaid	$2,565.6	$2,809.3	(8.7)%
Sharpie	1,799.4	1,423.5	26.4
Irwin	1,382.6	1,455.0	(5.0)
Calphalon Home	1,161.7	1,246.9	(6.8)
Total Net Sales	$6,909.3	$6,934.7	(0.4)%

Operating Income by Segment were as follows for the year ended December 31, (IN MILLIONS):

	2001	2000	% Change
Rubbermaid	$200.9	$326.2	(38.4)%
Sharpie	278.3	250.4	11.1
Irwin	126.5	207.2	(38.9)
Calphalon Home	120.1	172.9	(30.5)
Segment Operating Income*	$725.8	$956.7	(24.1)%

* Segment Operating Income excludes Corporate costs and Restructuring Expense. See Footnote 14 to the Consolidated Financial Statements for the detail of Operating Income by Segment including Corporate and Restructuring Expense.

RUBBERMAID

Net sales for 2001 were $2,565.6 million, a decrease of $243.7

million, or 8.7%, from $2,809.3 million in 2000. The 8.7% sales decline was primarily due to the Little Tikes and Graco divisions. The primary reasons for the overall sales decline were losses of shelf space at key customers and a significant downturn in the U.S. economy.

Operating income for 2001 was $200.9 million, a decrease of $125.3 million, or 38.4%, from $326.2 million in 2000. The decrease resulted primarily from reduced margins caused by the sales declines mentioned above and planned investment in marketing initiatives to support the Company's brand portfolio and Strategic Account Management Program.

SHARPIE

Net sales for 2001 were $1,799.4 million, an increase of $375.9 million, or 26.4%, from $1,423.5 million in 2000. Excluding $498.5 million in sales from the Paper Mate/Parker acquisition, sales decreased $122.6 million, or 8.6%. The primary reasons for the overall sales decline was softness in the commercial channel and a significant downturn in the U.S. economy.

Operating income for 2001 was $278.3 million, an increase of $27.9 million, or 11.1%, from $250.4 million in 2000. The increase resulted primarily from increased sales from the Paper Mate/Parker acquisition offset by reduced margins caused by sales declines in our core business and planned investment in marketing initiatives to support the Company's brand portfolio and Strategic Account Management Program.

IRWIN

Net sales for 2001 were $1,382.6 million, a decrease of $72.4 million, or 5.0%, from $1,455.0 million in 2000. The 5.0% sales decline was primarily due to the Levolor/Kirsch and Mainland Europe divisions. The primary reasons for the overall sales decline was losses of shelf space at key customers and a significant downturn in the economy.

Operating income for 2001 was $126.5 million, a decrease of $80.7 million, or 38.9%, from $207.2 million in 2000. The decrease resulted primarily from reduced margins caused by the sales declines mentioned above, product pricing reductions and planned investment in marketing initiatives to support the Company's brand portfolio and Strategic Account Management Program.

CALPHALON HOME

Net sales for 2001 were $1,161.7 million, a decrease of $85.2 million, or 6.8%, from $1,246.9 million in 2000. The 6.8% sales decline was primarily due to the Mirro/Calphalon division. The primary reasons for the overall sales decline was losses of shelf space at key customers and a significant downturn in the economy.

Operating income for 2001 was $120.1 million, a decrease of $52.8 million, or 30.5%, from $172.9 million in 2000. The decrease resulted primarily from reduced margins caused by the sales declines mentioned above and planned investment in marketing initiatives to support the Company's brand portfolio and Strategic Account Management Program.

LIQUIDITY AND CAPITAL RESOURCES

SOURCES

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

Cash provided by operating activities in 2002 was $868.9 million compared to $865.4 million in 2001 and $623.5 million in 2000. The increase in operating cash flows is primarily due to improved earnings before non-cash charges and improved working capital management, principally in the area of accounts payable. In 2002, the Company generated $136.0 million in positive cash flow by better management of accounts payable. As a result, the Company generated free cash flow (defined by the Company as cash provided by operating activities less capital expenditures and dividends) of $392.4 million compared to $391.6 million in 2001 and $81.8 million in 2000.

The Company has short-term foreign and domestic uncommitted lines of credit with various banks that are available for short-term financing. Borrowings under the Company's uncommitted lines of credit are subject to the discretion of the lender. The Company's lines of credit do not have a material impact on the Company's liquidity. Borrowings under the Company's lines of credit at December 31, 2002 totaled $25.2 million.

On March 14, 2002, the Company issued $500.0 million of Senior Notes with five-year and ten-year maturities. The $500.0 million Senior Notes consist of $250.0 million in 6.00% Senior Notes due 2007 and $250.0 million in 6.75% Senior Notes due 2012. On December 20, 2002, the Company issued $250.0 million of Senior Notes. The seven-year Senior Notes were issued at 4.625% and pay interest semi-annually on June 15 and December 15 until final maturity on December 15, 2009. The proceeds of these issuances were used to pay down commercial paper. These issuances are reflected in the outstanding amount of medium-term notes and the entire amount is considered to be long-term debt.

The Company completed a $1,300.0 million Syndicated Revolving Credit Facility (the "Revolver") on June 14, 2002, replacing the existing $1,300.0 million revolving credit agreement, which was scheduled to terminate in August 2002. The Revolver consists of a $650.0 million 364-day credit agreement and a $650.0 million five-year credit agreement. At December 31, 2002, there were no borrowings under the Revolver.

In lieu of borrowings under the Revolver, the Company may issue up to $1,300.0 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 December 31, 2002, $140.0 million (principal amount) of commercial paper was outstanding. Because $650.0 million of the Revolver expires in June 2007, the entire $140.0 million is classified as long-term debt.

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 December 31, 2002, the Company was in compliance with this agreement.

On September 18, 2001, the Company entered into an agreement with a financial institution creating a financing entity that is consolidated in the Company's financial statements. Under the agreement, the Company regularly enters into transactions with the financing entity to sell an undivided interest in substantially all of the Company's United States trade receivables to the financing entity. In the quarter ended September 30, 2001, the financing entity issued $450.0 million in preferred debt securities to the financial institution. Those preferred debt securities must be retired or redeemed before the Company can have access to the financing entity's receivables. The receivables and the corresponding $450.0 million preferred debt issued by the subsidiary to the financial institution are recorded in the consolidated accounts of the Company. The proceeds of this debt were used to pay down commercial paper issued by the Company. Because this debt matures in 2008, the entire amount is considered to be long-term debt. The provisions of the debt agreement allow the entire outstanding debt to be called upon certain events including the Company's debt rating falling below investment grade and certain levels of accounts receivable write-offs. As of December 31, 2002, the Company was in compliance with the agreement. As of December 31, 2002 and 2001, the aggregate amount of outstanding receivables sold under the agreement was $738.2 million and $689.3 million, respectively.

In August 2002, the Company elected to terminate certain interest rate swap agreements prior to their scheduled maturities and received cash of $25.0 million. Of this amount, $20.8 million represents the fair value of the swaps that were terminated and the remainder represents

interest receivable on the swaps. The cash received relating to the fair value of the swaps was included as an operating activity in the Consolidated Statement of Cash Flows. The unamortized fair value gain on the terminated interest rate swaps is accounted for as long-term debt. As of December 31, 2002, the unamortized gain was $18.4 million, of which $5.3 million is classified as current portion of long-term debt. The unamortized gain will be amortized as a reduction to interest expense over the remaining term of the underlying debt.

In August 2002, the Company entered into several new interest rate swap agreements to replace the terminated interest rate swap agreements. These new interest rate swaps convert certain fixed rate debt into floating rate debt based on a notional principal amount of $500.0 million.

A $500.0 million universal shelf registration statement became effective in July 2002 under which debt and equity securities may be issued. As of December 31, 2002, approximately $250.0 million in debt securities had been issued under this shelf registration statement. In January 2003, approximately $200.8 million in equity securities were issued pursuant to the shelf registration. See Footnote 16 to the Consolidated Financial Statements for further details.

USES

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

Cash used for acquisitions was $242.2 million, $107.5 million and $597.8 million for the years ended December 31, 2002, 2001 and 2000, respectively. The Company continues to invest in businesses and product lines that present a strategic fit with the Company's existing businesses. See Footnote 2 to the Consolidated Financial Statements for further details.

The Company repaid $901.5 million, $819.0 million and $428.2 million of notes payable and long-term debt for the years ended December 31, 2002, 2001 and 2000, respectively. The Company's ability to pay down debt was due primarily to current year cash earnings and continued focus on working capital management. Cash used for restructuring activities was $58.0 million, $49.7 million and $32.9 million in the years ended December 31, 2002, 2001 and 2000, respectively. Such cash payments primarily represent employee termination benefits and facility exit costs.

Capital expenditures were $252.1 million, $249.8 million and $316.6 million in the years ended December 31, 2002, 2001 and 2000, respectively. The Company continues to invest in new product development and productivity. Aggregate dividends paid were $224.4 million, $224.0 million and $225.1 million in the years ended December 31, 2002, 2001 and 2000, respectively.

Retained earnings decreased $428.1 million in the year ended December 31, 2002. The reduction in retained earnings is due primarily to the $514.9 million, net of tax, non-cash goodwill impairment charge taken in 2002 and the payment of $224.4 million in dividends, partially offset by current year earnings.

Working capital at December 31, 2002 was $465.6 million compared to $316.8 million at December 31, 2001. The current ratio at December

31, 2002 was 1.18:1 compared to 1.13:1 at December 31, 2001. The increase in working capital and the current ratio is due to the American Tool acquisition, and a reduction in the current portion of long-term debt.

Total debt to total capitalization (total debt is net of cash and cash equivalents, and total capitalization includes total debt, company-obligated mandatorily redeemable convertible preferred securities of a subsidiary trust and stockholders' equity) was .47:1 at December 31, 2002 compared to .43:1 at December 31, 2001. The increase in total debt to total capitalization is due to the American Tool acquisition, which was funded by the issuance of commercial paper.

The Company believes that cash provided by operations and available borrowing facilities will continue to provide adequate support for the cash needs of existing businesses; however, certain events, such as significant acquisitions, could require additional external financing. In January 2003, the Company completed its acquisition of the American Saw & Mfg. Co. ("American Saw"). The purchase price of $450.0 million was funded through the issuance of commercial paper. See Footnote 16 to the Consolidated Financial Statement for further details.

MINIMUM PENSION LIABILITY

The recent dramatic decline in U.S. equity markets has reduced the value of the Company's pension plan assets. As a result, the Company's pension plan, which historically has had an over-funded position, currently is under-funded. In accordance with SFAS No. 87, "Employers' Accounting for Pensions," the Company recorded an additional minimum pension liability adjustment at December 31, 2002. Based on plan asset values at the measurement date, the approximate effect of this non-cash adjustment was to increase the pension liability by $114.5 million, with a corresponding charge to equity, net of taxes, of $71.0 million. The direct charge to stockholders' equity did not affect net income, but is included in other comprehensive income. The Company remains confident that its pension plan has the appropriate long-term investment strategy and the Company's liquidity position is expected to remain strong.

CRITICAL ACCOUNTING POLICIES

The Company's accounting policies are more fully described in Footnote 1 to the Consolidated Financial Statements. As disclosed in Footnote 1, the preparation of financial statements in conformity with

generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying footnotes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results inevitably will differ from those estimates, and such differences may be material to the Consolidated Financial Statements. The following sections describe the Company's critical accounting policies.

GOODWILL AND OTHER INDEFINITE LIFE INTANGIBLE ASSETS

Effective January 1, 2002, the Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets." Under SFAS No. 142, goodwill and intangible assets deemed to have indefinite lives are not amortized but remain subject to periodic impairment tests in accordance with the statements.

The Company conducts its annual test of impairment for goodwill and indefinite life intangible assets in the third quarter. In addition, the Company tests for impairment periodically 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. In conducting this impairment test, the Company estimates the future cash flows of its businesses to which the goodwill and other indefinite life intangibles relate. These cash flows are then discounted at rates ranging from 9%

to 13%, reflecting the respective specific industry's cost of capital. The discounted cash flows are then compared to the carrying amount of the reporting unit to determine if an impairment exists. If, upon review, the fair value is less than the carrying value of the reporting unit, the carrying value is written down to estimated fair value. Reporting units are typically operating segments or operations one level below operating segments for which discrete financial information is available and for which segment management regularly reviews the operating results. Because there usually is a lack of quoted market prices for the reporting units, the fair value usually is based on the present values of expected future cash flows using discount rates commensurate with the risks involved in the asset group. The expected future cash flows used for impairment reviews and related fair value calculations are based on judgmental assessments of future production volumes, prices and costs, considering all available information at the date of review.

As a result of this analysis, the Company recorded a pre-tax goodwill impairment charge of $538.0 million in the first quarter of 2002 (with an after-tax charge totaling $514.9 million).

The accounting estimate related to goodwill and other indefinite life intangible assets is highly susceptible to change from period to period because it requires management to make estimates of future cash flows and changes in cost of capital related to each of its business

units. There is potential for economic, regulatory, or other conditions that could adversely affect the ability of each business unit to generate future cash flows. Should these conditions deteriorate, there is the potential for additional impairment losses to be incurred, and such losses could be material to the Company's Consolidated Financial Statements.

LEGAL AND ENVIRONMENTAL RESERVES

As described in Footnote 15 to the Company's Consolidated Financial Statements, 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 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.

In determining the appropriate level of legal reserves, the Company uses outside and internal counsel to evaluate the potential exposure on specific claims. The Company evaluates the range of estimated loss for each specific case and determines the probable exposure based on historical experience and the advice of counsel. While the Company believes it is adequately reserved for legal exposures, management cannot predict with certainty the ultimate outcome of these cases, including any amounts it may be required to pay in excess of amounts reserved. The ultimate outcome of these cases could exceed the amounts recorded and such losses could be material to the Company's Consolidated Financial Statements.

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

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

The Company's estimate of environmental response costs associated with these matters as of December 31, 2002 ranged between $19.4 million and $24.6 million. As of December 31, 2002, the Company had a reserve

equal to $22.0 million for such environmental response costs in the aggregate. No insurance recovery was taken into account in determining the Company's cost estimates or reserve, nor do the Company's cost estimates or reserve reflect any discounting for present value purposes, except with respect to two long-term (30 year) operations and maintenance CERCLA matters which are estimated at present value.

Because of the uncertainties associated with environmental investigations and response activities, the possibility that the Company could be identified as a PRP at sites identified in the future that require the incurrence of environmental response costs and the possibility of additional sites as a result of businesses acquired, actual costs to be incurred by the Company may vary from the Company's estimates. The ultimate outcome of these matters may exceed the amounts recorded by the Company and such additional losses may be material to the Company's Consolidated Financial Statements.

PRODUCT LIABILITY RESERVES

The Company has a self-insurance program for product liability that includes reserves for self-retained losses and certain excess and aggregate risk transfer insurance. The Company uses historical loss experience combined with actuarial evaluation methods, review of significant individual files, application of risk transfer programs, and guidance from internal and external legal counsel in determining required product liability reserves. As a result of the most recent analysis, the Company has estimated these reserves at $27.8 million. While the Company believes that it has adequately reserved for these claims, the ultimate outcome of these matters may exceed the amounts recorded by the Company and such additional losses may be material to the Company's Consolidated Financial Statements.

RECOVERY OF ACCOUNTS RECEIVABLE

The Company evaluates the collectibility of accounts receivable based on a combination of factors. When aware of a specific customer's inability to meet its financial obligations, such as in the case of bankruptcy filings or deterioration in the customer's operating results or financial position, the Company records a specific reserve for bad debt to reduce the related receivable to the amount the Company reasonably believes is collectible. The Company also records reserves for bad debt for all other customers based on a variety of factors, including the length of time the receivables are past due and historical collection experience. If circumstances related to specific customers change, the Company's estimates of the recoverability of receivables could be further adjusted.

INVENTORY RESERVES

The Company reduces its inventory value for estimated obsolete and slow moving inventory in an amount equal to the difference between the cost of inventory and the estimated market value based upon

assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required.

REVENUE RECOGNITION

The Company recognizes revenues and freight billed to customers, net of provisions for cash discounts, returns, volume or trade customer discounts, co-op advertising and other sales discounts, upon shipment to customers when all substantial risks of ownership change. In accordance with Emerging Issues Task Force ("EITF") No. 00-10, "Accounting for Shipping and Handling Fees and Costs," the Company records amounts billed to customers related to shipping and handling as revenue and all expenses related to shipping and handling as a cost of products sold. See Footnote 1 to the Consolidated Financial Statements.

RECENT ACCOUNTING PRONOUNCEMENTS

Refer to Footnote 1 in the Consolidated Financial Statements for further information regarding recent accounting pronouncements.

INTERNATIONAL OPERATIONS

The Company's non-U.S. business continues to grow at a steady pace. This growth outside the U.S. has been fueled by recent international acquisitions, primarily in Europe. For the years ended December 31, 2002, 2001 and 2000, the Company's non-U.S. business accounted for approximately 27%, 27% and 25% of net sales, respectively (see Footnote 14 to the Consolidated Financial Statements). Growth of both U.S. and non-U.S. businesses is shown below for the years ended December 31, (IN MILLIONS):

	2002	2001	2000	2002 vs. 2001 % Change	2001 vs. 2000 % Change
Net sales:					
U.S.	$5,454.2	$5,040.6	$5,191.5	8.2%	(2.9)%
Non-U.S.	1,999.7	1,868.7	1,743.2	7.0	7.2
	$7,453.9	$6,909.3	$6,934.7	7.9%	(0.4)%

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 interest rate exposure, primarily in the United States. The Company manages interest rate exposure through its conservative debt ratio target and its mix of fixed and floating rate debt. Interest rate 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:

* offsetting or netting of like foreign currency cash flows,
* structuring foreign subsidiary balance sheets with appropriate levels of debt to reduce subsidiary net investments and subsidiary cash flows subject to conversion risk,
* converting excess foreign currency deposits into U.S. dollars or the relevant functional currency and
* avoidance of risk by denominating contracts in the appropriate functional currency.

In addition, the Company utilizes short-term forward contracts 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. Derivative instruments are recorded on the Company's Consolidated Balance Sheet at fair value, and any changes in fair value of these instruments are recorded in the Consolidated Statement of Income or other comprehensive income.

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

The amounts shown below represent the estimated potential economic loss that the Company could incur from adverse changes in either interest rates or foreign exchange rates using the value-at-risk estimation model. The value-at-risk model uses historical foreign exchange rates and interest rates to estimate the volatility and correlation of these rates in future periods. It estimates a loss in fair market value using statistical modeling techniques and including substantially all market risk exposures (specifically excluding equity-method investments). The fair value losses shown in the table below do not have an impact on current results of operations or financial condition, but are shown as an illustration of the impact of potential adverse changes in interest rates. The following table

indicates the calculated amounts for each of the years ended December 31, 2002 and 2001 (IN MILLIONS):

Market Risk	2002 Average	December 31, 2002	2001 Average	December 31, 2001	Confidence Level
Interest rates	$18.2	$20.5	$10.7	$14.5	95%
Foreign exchange	$0.3	$0.2	$1.2	$0.5	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.

EURO CURRENCY CONVERSION

On January 1, 1999, the "Euro" became the common legal currency for 11 of the 15 member countries of the European Union. On that date, the participating countries fixed conversion rates between their existing sovereign currencies ("legacy currencies") and the Euro. On January 4, 1999, the Euro began trading on currency exchanges and became available for noncash transactions, if the parties elected to use it. On January 1, 2001, another country (Greece) also adopted the Euro, fixing the conversion rate against their legacy currency. The legacy currencies remained legal tender through December 31, 2001. On January 1, 2002, participating countries introduced Euro-denominated bills and coins, and effective July 1, 2002, legacy currencies were no longer legal tender.

All businesses in participating countries are now required to conduct all transactions in the Euro and must convert their financial records and reports to be Euro-based. The Company has completed this conversion process and has deemed its information systems to be Euro compliant. As a result of the Euro conversion, the Company experienced no adverse impact to its business or financial condition on a consolidated basis.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in this Report are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may relate to, but are not limited to, information or assumptions about sales, income, earnings per share, return on equity, return on invested capital,

capital expenditures, working capital, dividends, capital structure, free cash flow, debt to capitalization ratios, interest rates, internal growth rates, 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 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 7A. 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 II, Item 7).

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Newell Rubbermaid Inc. is responsible for the accuracy and internal consistency of all information contained in this annual report, including the Consolidated Financial Statements. Management has followed those generally accepted accounting principles that it believes to be most appropriate to the circumstances of the Company, and has made what it believes to be reasonable and prudent judgments and estimates where necessary.

Newell Rubbermaid Inc. operates under a system of internal accounting controls designed to provide reasonable assurance that its financial records are accurate, that the assets of the Company are protected and that the financial statements fairly present the financial position and results of operations of the Company. The internal accounting control system is tested, monitored and revised as necessary.

Five directors of the Company, not members of management, serve as the Audit Committee of the Board of Directors and are the principal means through which the Board oversees the performance of the financial reporting duties of management. The Audit Committee meets with management and the Company's independent auditors several times a year to review the results of the external audit of the Company and to discuss plans for future audits. At these meetings, the Audit Committee also meets privately with the independent auditors to assure its free access to them.

The Company's independent auditors, Ernst and Young LLP, audited the financial statements prepared by the management of Newell Rubbermaid Inc. Their opinion on these statements is presented below.

The Company's prior independent accountant, Arthur Andersen LLP, was convicted on June 15, 2002 of one count of obstruction of justice arising from the government's investigation of Enron Corporation. Events arising out of the conviction of Arthur Andersen LLP, as well as the volume of civil lawsuits against it, have adversely affected the ability of Arthur Andersen LLP to satisfy claims, if any, arising from its providing of auditing services to the Company, including claims that may arise out of Arthur Andersen LLP's audit of the Company's consolidated financial statements as of December 31, 2001 and for each of the two years in the period ended December 31, 2001, which are included in this Report. A copy of a report previously issued by Arthur Andersen LLP in connection with the Company's Annual Report on Form 10-K for the year ended December 31, 2001 is presented below. Arthur Andersen LLP has not reissued this opinion.

William T. Alldredge	J. Patrick Robinson
President - Corporate Development	Vice President - Controller
& Chief Financial Officer	& Chief Accounting Officer

REPORT OF INDEPENDENT AUDITORS

Board of Directors and Shareholders
Newell Rubbermaid Inc.

We have audited the accompanying consolidated balance sheet of Newell Rubbermaid Inc. (the "Company") as of December 31, 2002, and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended. Our audit also included the financial statement schedule listed in the index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audit. The financial statements and schedule of Newell Rubbermaid Inc. as of December 31, 2001 and for each of the two years in the period ended December 31, 2001 were audited by other auditors who have ceased operations and whose report dated January 25, 2002 expressed an unqualified opinion on those statements before the disclosure and restatement adjustments described in Notes 1 and 14, respectively.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2002 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Newell Rubbermaid Inc. at December 31, 2002, and the consolidated results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States. Also, in our opinion, the related 2002 financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As described in Note 1 to the consolidated financial statements, effective January 1, 2002, the Company changed its method of accounting for goodwill and other intangible assets to conform with FASB Statement No. 142.

As discussed above, the financial statements of Newell Rubbermaid Inc. as of December 31, 2001, and for each of the two years in the period ended December 31, 2001, were audited by other auditors who have ceased operations. As described in Note 1, these financial statements have been revised to include the transitional disclosures required by Statement of Financial Accounting Standards (Statement) No. 142,

GOODWILL AND OTHER INTANGIBLE ASSETS, which was adopted by the Company as of January 1, 2002. Our audit procedures with respect to the disclosures in Note 1 with respect to 2001 and 2000 included (a) agreeing the previously reported net income to the previously issued financial statements and the adjustments to reported net income representing amortization expense (including any related tax effects) recognized in those periods related to goodwill to the Company's underlying records obtained from management, and (b) testing the mathematical accuracy of the reconciliation of adjusted net income to reported net income, and the related earnings-per-share amounts. Also, as described in Note 14, the Company changed the composition of its reportable segments in 2002, and the amounts in the 2001 and 2000 financial statements relating to reportable segments have been restated to conform to the 2002 composition of reportable segments. We audited the adjustments that were applied to restate the disclosures for reportable segments reflected in the 2001 and 2000 financial statements. Our procedures included (a) agreeing the adjusted amounts of segment revenues, operating income and assets to the Company's underlying records obtained from management, and (b) testing the mathematical accuracy of the reconciliations of segment amounts to the consolidated financial statements. In our opinion, such adjustments are appropriate and have been properly applied. However, we were not engaged to audit, review, or apply any procedures to the 2001 and 2000 financial statements of the Company other than with respect to such disclosures and adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2001 and 2000 financial statements taken as a whole.

/s/ Ernst & Young LLP

Chicago, Illinois
January 27, 2003
Except for Note 16, as to which the date is
March 27, 2003

NOTE: THIS IS A COPY OF THE AUDIT REPORT PREVIOUSLY ISSUED BY ARTHUR ANDERSEN LLP ("ANDERSEN") IN CONNECTION WITH THE NEWELL RUBBERMAID INC. FORM 10-K FILING FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001. THE INCLUSION OF THIS PREVIOUSLY ISSUED ANDERSEN REPORT IS PURSUANT TO THE "TEMPORARY FINAL RULE AND FINAL RULE REQUIREMENTS FOR ARTHUR ANDERSEN LLP AUDITING CLIENTS," ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION IN MARCH 2002. NOTE THAT THIS PREVIOUSLY ISSUED ANDERSEN REPORT INCLUDES REFERENCES TO CERTAIN FISCAL YEARS, WHICH ARE NOT REQUIRED TO BE PRESENTED IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000. THIS AUDIT REPORT HAS NOT BEEN REISSUED BY ARTHUR ANDERSEN LLP IN CONNECTION WITH THIS FILING ON FORM 10-K. SEE ITEM 9 FOR FURTHER DISCUSSION.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders of Newell Rubbermaid Inc.:

We have audited the accompanying consolidated balance sheets of Newell Rubbermaid Inc. (a Delaware corporation) and subsidiaries as of December 31, 2001, 2000 and 1999 and the related consolidated statements of income, stockholders' equity and comprehensive income and cash flows for the years then ended. These consolidated financial statements and the schedule referred to below are the responsibility of Newell Rubbermaid Inc.'s management. Our responsibility is to express an opinion on these Consolidated Financial Statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Newell Rubbermaid Inc. and subsidiaries as of December 31, 2001, 2000 and 1999 and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in Part IV Item 14(a)(2) of this Form 10-K is presented for the purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in our audits of the

basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

Arthur Andersen LLP

Milwaukee, Wisconsin
January 25, 2002

CONSOLIDATED STATEMENTS OF OPERATIONS

Year Ended December 31, (IN MILLIONS, EXCEPT PER SHARE DATA)	2002	2001	2000
NET SALES	$7,453.9	$6,909.3	$6,934.7
Cost of products sold	5,394.2	5,046.6	5,108.7
Gross income	2,059.7	1,862.7	1,826.0
Selling, general and administrative expenses	1,307.3	1,168.2	899.4
Restructuring costs	122.7	66.7	43.0
Goodwill amortization	-	56.9	51.9
OPERATING INCOME	629.7	570.9	831.7
Nonoperating expenses:			
Interest expense	110.6	137.5	130.0
Other, net	50.6	17.5	16.2
Net nonoperating expenses	161.2	155.0	146.2
INCOME BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	468.5	415.9	685.5
Income taxes	157.0	151.3	263.9

INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	311.5	264.6	421.6
Cumulative effect of accounting change, net of tax	(514.9)	-	-
NET (LOSS)/INCOME	($203.4)	$264.6	$421.6
Weighted average shares outstanding:			
Basic	267.1	266.7	268.4
Diluted	268.0	267.0	268.5
Earnings per share:			
Basic			
Before cumulative effect of accounting change	$1.17	$0.99	$1.57
Cumulative effect of accounting change	(1.93)	-	-
Net (loss)/income per common share	($0.76)	$0.99	$1.57

Year Ended December 31, (IN MILLIONS, EXCEPT PER SHARE DATA)	2002	2001	2000
Diluted			
Before cumulative effect of accounting change	$1.16	$0.99	$1.57
Cumulative effect of accounting change	(1.92)	-	-
Net (loss)/income per common share	($0.76)	$0.99	$1.57
Dividends per share	$0.84	$0.84	$0.84

SEE FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED BALANCE SHEETS

December 31, (IN MILLIONS)	2002	2001
ASSETS		
Current Assets:		
Cash and cash equivalents	$55.1	$6.8
Accounts receivable, net	1,377.7	1,298.2
Inventories, net	1,196.2	1,113.8
Deferred income taxes	213.5	238.5
Prepaid expenses and other	237.5	193.4
Total Current Assets	3,080.0	2,850.7
Other Long-term Investments	-	79.5
Other Assets	286.7	293.1
Property, Plant and Equipment, net	1,812.8	1,689.2
Goodwill, net	1,847.3	2,069.7
Other Intangible Assets, net	362.1	283.9
Total Assets	$7,388.9	$7,266.1
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	$25.2	$19.1
Accounts payable	686.6	501.3
Accrued compensation	153.5	124.7
Other accrued liabilities	1,165.4	936.1
Income taxes	159.7	145.2
Current portion of long-term debt	424.0	807.5
Total Current Liabilities	2,614.4	2,533.9
Long-term Debt	1,856.6	1,365.0
Other Noncurrent Liabilities	348.4	359.5
Deferred Income Taxes	4.7	73.6
Minority Interest	1.3	0.7
Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust	500.0	500.0
Stockholders' Equity:		
Common stock, authorized shares, 800.0 million at $1.00 par value;	283.1	282.4
Outstanding shares:		
2002 - 283.1 million		
2001 - 282.4 million		
Treasury stock, at cost;	(409.9)	(408.5)
Shares held:		
2002 - 15.7 million		
2001 - 15.6 million		

December 31, (IN MILLIONS)	2002	2001
Additional paid-in capital	237.3	219.8
Retained earnings	2,143.2	2,571.3
Accumulated other comprehensive loss	(190.2)	(231.6)
Total Stockholders' Equity	2,063.5	2,433.4
Total Liabilities and Stockholders' Equity	$7,388.9	$7,266.1

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SEE FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31, (IN MILLIONS)	2002	2001	2000
OPERATING ACTIVITIES			
Net (loss)/income	($203.4)	$264.6	$421.6
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:			
Depreciation and amortization	280.7	328.8	292.6
Cumulative effect of change in accounting principle	514.9	-	-
Noncash restructuring charges	74.9	36.9	18.5
Deferred income taxes	48.3	25.5	59.8
Income tax savings from employee stock plans	1.1	0.4	1.0
Other	8.7	16.8	1.9
Changes in current accounts excluding the effects of acquisitions:			
Accounts receivable	2.8	(104.8)	36.3
Inventories	12.9	128.6	(100.5)
Other current assets	(42.1)	(6.8)	6.6
Accounts payable	136.0	149.3	(45.6)
Accrued liabilities and other	34.1	26.1	(68.7)
Net Cash Provided by Operating Activities	$868.9	$865.4	$623.5
INVESTING ACTIVITIES			
Acquisitions, net of cash acquired	($242.2)	($107.5)	($597.8)
Expenditures for property, plant and equipment	(252.1)	(249.8)	(316.6)
Sale of business, net of taxes paid	-	15.4	-
Sales of marketable securities, net of taxes paid	-	7.8	-
Disposals of noncurrent assets and other	7.8	30.5	5.1
Net Cash Used in Investing Activities	($486.5)	($303.6)	($909.3)
FINANCING ACTIVITIES			

Proceeds from issuance of debt	$772.0	$464.2	$1,265.1
Payments on notes payable and long-term debt	(901.5)	(819.0)	(428.2)
Common stock repurchases	-	-	(403.0)
Cash dividends	(224.4)	(224.0)	(225.1)
Proceeds from exercised stock options and other	19.0	2.9	1.3
Net Cash (Used in) Provided by Financing Activities	($334.9)	($575.9)	$210.1
Exchange rate effect on cash	0.8	(1.6)	(4.0)
Increase (Decrease) in Cash and Cash Equivalents	48.3	(15.7)	(79.7)
Cash and Cash Equivalents at Beginning of Year	6.8	22.5	102.2
Cash and Cash Equivalents at End of Year	$55.1	$6.8	$22.5

Year Ended December 31, (IN MILLIONS)	2002	2001	2000
Supplemental cash flow disclosures - cash paid during the year for:			
Income taxes, net of refunds	$90.0	$69.8	$152.8
Interest, net of amounts capitalized	91.4	118.3	145.5

SEE FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME/(LOSS)

	Add'l	Accumulated Other	Total

(IN MILLIONS, EXCEPT PER SHARE DATA)	Common Stock	Treasury Stock	Paid-In Capital	Retained Earnings	Comprehensive (Loss)/Income	Stockholders' Equity
Balance at December 31, 1999	$282.0	($2.8)	$213.1	$2,334.6	($130.0)	$2,696.9
Comprehensive income/(loss)						
Net income	-	-	-	421.6	-	421.6
Foreign currency translation	-	-	-	-	(41.7)	(41.7)
Unrealized loss on securities available for sale, net of ($0.7) million tax	-	-	-	-	(1.2)	(1.2)
Total comprehensive income						378.7
Cash dividends on common stock ($0.84 per share)	-	-	-	(225.1)	-	(225.1)
Exercise of stock options	0.2	(0.2)	1.5	-	-	1.5
Common stock repurchases	-	(403.0)	-	-	-	(403.0)
Other	-	(1.5)	1.3	(0.2)	-	(0.4)
Balance at December 31, 2000	$282.2	($407.5)	$215.9	$2,530.9	($172.9)	$2,448.6
Comprehensive income/(loss)						
Net income	-	-	-	264.6	-	264.6
Foreign currency translation	-	-	-	-	(41.3)	(41.3)
Minimum pension liability adjustment, net of ($2.8) million tax	-	-	-	-	(4.5)	(4.5)
Loss on derivative instruments, net of ($7.9) million tax	-	-	-	-	(14.0)	(14.0)
Unrealized loss on securities available for sale, net of ($1.1) million tax	-	-	-	-	(2.1)	(2.1)
Reclassification adjustment for losses realized in net income, net of $1.8 million tax	-	-	-	-	3.2	3.2
Total comprehensive income						205.9

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME/(LOSS), CONT.

(IN MILLIONS, EXCEPT PER SHARE DATA)	Common Stock	Treasury Stock	Add'l Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss)/Income	Total Stockholders' Equity
Cash dividends on common stock ($0.84 per share)	-	-	-	(224.0)	-	(224.0)
Exercise of stock options	0.2	(0.8)	3.7	-	-	3.1
Other	-	(0.2)	0.2	(0.2)	-	(0.2)
Balance at December 31, 2001	$282.4	($408.5)	$219.8	$2,571.3	($231.6)	$2,433.4
Comprehensive income/(loss)						
Net (loss)	-	-	-	(203.4)	-	(203.4)
Foreign currency translation	-	-	-	-	98.0	98.0
Minimum pension liability adjustment, net of ($43.5) million tax	-	-	-	-	(71.0)	(71.0)
Gain on derivative instruments, net of ($8.8) million tax	-	-	-	-	14.4	14.4
Total comprehensive (loss)						(162.0)
Cash dividends on common stock ($0.84 per share)	-	-	-	(224.4)	-	(224.4)
Exercise of stock options	0.7	(1.4)	17.1	-	-	16.4
Other	-	-	0.4	(0.3)	-	0.1
Balance at December 31, 2002	$283.1	($409.9)	$237.3	$2,143.2	($190.2)	$2,063.5

SEE FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

FOOTNOTE 1

DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS: Newell Rubbermaid Inc. (the "Company") is a global manufacturer and full-service marketer of name-brand consumer products serving the needs of volume purchasers, including discount stores and warehouse clubs, home centers and hardware stores, and office superstores and contract stationers. The Company's basic business strategy is to merchandise a multi-product offering of everyday consumer products, backed by an obsession with customer service excellence and new product development, in order to achieve maximum results for its stockholders. The Company's multi-product offering consists of name-brand consumer products in four business segments: Rubbermaid; Sharpie; Irwin and Calphalon Home.

PRINCIPLES OF CONSOLIDATION: The Consolidated Financial Statements include the accounts of the Company and its majority owned subsidiaries after elimination of intercompany accounts and transactions.

USE OF ESTIMATES: The preparation of these financial statements require the use of certain estimates by management in determining the Company's assets, liabilities, revenue and expenses and related disclosures. Actual results could differ from those estimates.

RECLASSIFICATIONS: Certain 2001 and 2000 amounts have been reclassified to conform to the 2002 presentation.

REVENUE RECOGNITION: Sales of merchandise and freight billed to customers, net of provisions for cash discounts, returns, customer discounts (such as volume or trade discounts), co-op advertising and other sales related discounts, are recognized upon shipment to customers and when all substantial risks of ownership change. In accordance with Emerging Issues Task Force ("EITF") No. 00-10, "Accounting for Shipping and Handling Fees and Costs," the Company records amounts billed to customers related to shipping and handling as revenue and all expenses related to shipping and handling as a cost of products sold.

Staff Accounting Bulletin ("SAB") No. 101 clarified the existing accounting rules for revenue recognition and did not impact the Company's net sales for any years presented. In conformity with SAB No. 101, revenue is recognized when all of the following circumstances are satisfied: pervasive evidence of an arrangement exists, the price is fixed or determinable, collection is reasonably assured and delivery has occurred.

In August 2001, the EITF issued EITF No. 01-09, "Accounting for Consideration Given by Vendor to a Customer or a Reseller of Vendor's Product" which codified and reconciled the Task Force's consensus in

EITF No. 00-014, "Accounting for Certain Sales Incentives," EITF No. 00-22, "Accounting for Points and Certain Other Time Based Sales Incentives or Volume Based Sales Incentive Offers, and Offers of Free Products or Services to be Delivered in the Future," and EITF No. 00-25, "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products." These EITF's prescribe guidance regarding the timing of recognition and income statement classification of costs incurred for certain sales incentive programs to resellers and end consumers. EITF No. 01-09 did not impact results of operations because the Company recognizes sales incentives upon recognition of revenue and classifies them as reductions of gross revenue and recognizes free goods as a cost of goods sold when shipped, both in accordance with the prescribed rules.

DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS: The Company's financial instruments include cash and cash equivalents, accounts receivable, notes payable, short and long-term debt and Company-obligated Mandatorily Redeemable Convertible Securities of a Subsidiary Trust. The fair value of these instruments approximates carrying values due to their short-term duration, except as follows:

Derivative Instruments: The fair value of the Company's derivative instruments is recorded in the Consolidated Balance Sheets and is described in more detail in Footnote 7.

Long-term Debt: The fair value of the Company's long-term debt issued under the medium-term note program was $1,490.3 million at December 31, 2002, based on quoted market prices. All other significant long-term debt is pursuant to floating rate instruments whose carrying amounts approximate fair value.

Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust: The fair value of the $500.0 million company-obligated mandatorily redeemable convertible preferred securities of a subsidiary trust was $452.5 million at December 31, 2002, based on quoted market prices.

CASH AND CASH EQUIVALENTS: Cash and highly liquid short-term investments have a maturity of three months or less.

ALLOWANCES FOR DOUBTFUL ACCOUNTS: Allowances for doubtful accounts at December 31 totaled $75.0 million in 2002, 57.9 million in 2001 and $36.1 million in 2000.

On a regular basis, the Company evaluates its accounts receivable and establishes the allowance for doubtful accounts based on a combination of specific customer circumstances as well as credit conditions and based on a history of write-offs and collections. A receivable is considered past due if payments have not been received within the agreed upon invoice terms.

INVENTORIES: Inventories are stated at the lower of cost or market value. Cost of certain domestic inventories (approximately 62%, 63% and 59% of total inventories at December 31, 2002, 2001 and 2000, respectively) was determined by the "last-in, first-out" ("LIFO") method; for the balance, cost was determined using the "first-in, first-out" ("FIFO") method. If the FIFO inventory valuation method had been used exclusively, inventories would have increased by $14.2 million and $20.1 million at December 31, 2002 and 2001, respectively. Inventory reserves (excluding LIFO reserves) at December 31 totaled $130.3 million in 2002 and $117.3 million in 2001. The components of net inventories were as follows as of December 31, (IN MILLIONS):

	2002	2001
Materials and supplies	$308.8	$356.5
Work in process	174.9	150.5
Finished products	712.5	606.8
	$1,196.2	$1,113.8

OTHER LONG-TERM INVESTMENTS: The Company had a 49.5% ownership interest in American Tool Companies, Inc., a manufacturer of hand tools and power tool accessory products marketed primarily under the Irwin{R}, Vise-Grip{R}, Quick-Grip{R} and Marathon{R} trademarks until its acquisition in 2002. See Footnote 2 for further discussion. This investment had been accounted for under the equity method with a net investment of $79.5 million at December 31, 2001. The Company's share of undistributed earnings of the investment included in consolidated retained earnings was $43.9 million at December 31, 2001.

PROPERTY, PLANT AND EQUIPMENT: Replacements and improvements are capitalized. Expenditures for maintenance and repairs are charged to expense. Depreciation expense is calculated to amortize, principally on the straight-line basis, the cost of the depreciable assets over their depreciable lives. Maximum useful lives determined by the Company are: buildings and improvements (20-40 years) and machinery and equipment (3-12 years). Property, plant and equipment consisted of the following as of December 31, (IN MILLIONS):

	2002	2001
Land	$64.7	$59.5
Buildings and improvements	785.4	732.5
Machinery and equipment	2,652.9	2,546.2
	3,503.0	3,338.2
Accumulated depreciation	(1,690.2)	(1,649.0)
	$1,812.8	$1,689.2

As of December 31, 2002, the Company accrued $26.1 million for equipment received but not paid for. This amount has been excluded from the line items: expenditures for property, plant and equipment and the change in accounts payable in the Consolidated Statement of Cash Flows.

TRADE NAMES AND GOODWILL: Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets." Under SFAS No. 142, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized, but will be subject to periodic impairment tests in accordance with the statements. Other intangible assets will continue to be amortized over their useful lives.

Pursuant to the adoption of SFAS No. 142, all amortization expense on trade names and goodwill ceased on January 1, 2002. As of January 1, 2002, the Company performed the required impairment tests of goodwill and indefinite lived intangible assets and recorded a pre-tax goodwill impairment charge of $538.0 million in the first quarter of 2002 (with an after-tax charge totaling $514.9 million). In determining this amount of goodwill impairment, the Company measured the impairment loss as the excess of the carrying amount of goodwill (which included the carrying amount of trademarks) over the implied fair value of goodwill (which excluded the fair value of identifiable trademarks). The Company conducts its annual test of impairment for goodwill and indefinite life intangible assets in the third quarter. In addition, the Company will test again 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. There were no additional impairment charges for 2002.

Goodwill represents the excess of cost over identifiable net assets of businesses acquired. Prior to the adoption of SFAS No. 142, trade names acquired in business combinations were not typically recognized separately from goodwill. Through the year ended December 31, 2001, trade names and goodwill were amortized over 40 years and other identifiable intangible assets were amortized over 5 to 20 years. Upon adoption of SFAS No. 142, certain trade names have not been "carved-out" from goodwill as they had not been identified and measured at fair value in the initial recording of a business combination.

A summary of changes in the Company's goodwill during the year ended December 31, 2002 is as follows (IN MILLIONS):

Balance at December 31, 2001	$2,069.7
Acquisitions and adjustments -	
American Tool Companies, Inc.	256.9
Other (minor acquisitions and foreign exchange)	58.7
	2,385.3
Impairments -	
Irwin segment	(322.0)
Sharpie segment	(126.9)
Calphalon Home segment	(89.1)
	(538.0)
Balance at December 31, 2002	$1,847.3

The results of operations on a pro forma basis for the year ended December 31, restated as though the amortization of trade names and goodwill had been discontinued on January 1, 2000, are as follows for the year ended December 31 (IN MILLIONS, EXCEPT PER SHARE AMOUNTS):

	2002	2001	2000
Reported income before cumulative effect of accounting change	$311.5	$264.6	$421.6
Cumulative effect of accounting change, net of tax	(514.9)	-	-
Reported net (loss)/income	(203.4)	264.6	421.6
Add back: Goodwill and trade name amortization, net of tax	-	53.5	44.9
Adjusted net (loss)/income	($203.4)	$318.1	$466.5
Reported basic net (loss)/income per share	($0.76)	$0.99	$1.57
Add back: Goodwill and trade name amortization, net of tax	-	0.20	0.17
Adjusted basic net (loss)/income per share	($0.76)	$1.19	$1.74
Reported diluted net (loss)/income per share	($0.76)	$0.99	$1.57
Add back: Goodwill and trade name amortization, net of tax	-	0.20	0.17
Adjusted diluted net (loss)/income per share	($0.76)	$1.19	$1.74

LONG-LIVED ASSETS: Subsequent to acquisition, the Company periodically evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance of long-lived assets may not be recoverable. If factors indicate that long-lived assets should be evaluated for possible impairment, the Company uses an estimate of the relevant business' undiscounted net cash flow over the remaining life of the long-lived assets in measuring whether the carrying value is recoverable. An impairment loss would be measured by reducing the carrying value to fair value, based on a discounted cash flow analysis.

In August 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 144, "Accounting for Impairment of Disposal of Long-Lived Assets." This statement established a single accounting model for long-lived assets to be disposed of by sale and provides additional implementation guidance for assets to be held and used and assets to be disposed of other than by sale. The statement supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and amends the accounting and reporting provisions of Accounting Principles Board ("APB") Opinion No. 30 related to the disposal of a segment of a business. The statement was effective for fiscal years beginning after December 15, 2001. The Company adopted SFAS No. 144 on January 1, 2002, and the standard did not have a material impact on its financial position or results of operations.

PRODUCT WARRANTIES: In the normal course of business, the Company offers warranties for a variety of its products. The specific terms and conditions of the warranties vary depending upon the specific product and markets in which it was sold. The Company accrues for the estimated cost of product warranty at the time of sale based on historical experience.

OTHER ACCRUED LIABILITIES: Accrued liabilities included the following as of December 31, (IN MILLIONS):

	2002	2001
Customer accruals	$289.6	$224.9
Accrued purchase accounting (1)	119.0	134.7
Accrued self-insurance liability	91.5	84.3
Accrued restructuring (2)	79.4	28.2
Other	585.9	464.0
Other accrued liabilities	$1,165.4	$936.1

(1) See Footnote 2 for further details.
(2) See Footnote 3 for further details.

Customer accruals are promotional allowances and rebates given to customers in exchange for their selling efforts. The self-insurance accrual is primarily casualty liabilities such as workers' compensation, general and product liability and auto liability and is estimated based upon historical loss experience.

FOREIGN CURRENCY TRANSLATION: Foreign currency balance sheet accounts are translated into U.S. dollars at the rates of exchange in effect at fiscal year end. Income and expenses are translated at the average rates of exchange in effect during the year. The related translation adjustments are made directly to accumulated other comprehensive income. International subsidiaries operating in highly inflationary economies translate nonmonetary assets at historical rates, while net monetary assets are translated at current rates, with the resulting translation adjustment included in net income as other nonoperating (income) expenses. Foreign currency transaction losses were $4.2 million, $1.9 million and $1.9 million in 2002, 2001 and 2000, respectively.

ADVERTISING COSTS: The Company expenses advertising costs as incurred, including cooperative advertising programs with customers. Total cooperative advertising expense was $218.6 million, $196.8 million and $209.2 million for 2002, 2001 and 2000, respectively. Cooperative advertising is recorded in the Consolidated Financial Statements as a reduction of sales because it is viewed as part of the negotiated price of products. All other advertising costs are charged to selling, general and administrative expenses and totaled $140.6 million, $100.3 million and $80.0 million in 2002, 2001 and 2000, respectively.

RESEARCH AND DEVELOPMENT COSTS: Research and development costs relating to both future and present products are charged to selling, general and administrative expenses as incurred. These costs aggregated $87.6 million, $67.2 million and $49.4 million in 2002, 2001 and 2000, respectively.

EARNINGS PER SHARE: The calculation of basic and diluted earnings per share for the years ended December 31, 2002, 2001 and 2000, respectively, is shown below (IN MILLIONS, EXCEPT PER SHARE DATA):

	Basic Method	"In the Money" Stock Options (1)	Convertible Preferred Securities (2)	Diluted Method
2002				
Net loss	($203.4)	-	-	($203.4)
Weighted average shares outstanding	267.1	0.9	-	268.0
Loss per share	($0.76)			($0.76)

	Basic Method	"In the Money" Stock Options (1)	Convertible Preferred Securities (2)	Diluted Method
2001				
Net income	$264.6	-	-	$264.6
Weighted average shares outstanding	266.7	0.3	-	267.0
Earnings per share	$0.99			$0.99
2000				
Net income	$421.6	-	-	$421.6
Weighted average shares outstanding	268.4	0.1	-	268.5
Earnings per share	$1.57			$1.57

(1) The weighted average shares outstanding for 2002, 2001 and 2000 exclude the dilutive effect of approximately 4.5 million, 3.9 million and 7.6 million options, respectively, because such options had an exercise price in excess of the average market value of the Company's common stock during the respective years.

(2) The convertible preferred securities are anti-dilutive in 2002, 2001 and 2000 and, therefore, have been excluded from diluted earnings per share. Had the convertible preferred shares been included in the diluted earnings per share calculation, net income would be increased by $16.6 million, $16.8 million and $16.4 million in 2002, 2001 and 2000, respectively, and weighted average shares outstanding would have increased by 9.9 million shares in all years.

FAIR VALUE OF STOCK OPTIONS: The Company's stock option plans are accounted for under APB 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 SFAS No. 123, the Company's net income and earnings per share would have been reduced to the following pro forma amounts for the year ended December 31, (IN MILLIONS, EXCEPT PER SHARE DATA):

	2002	2001	2000
Net (loss)/income:			
As reported	($203.4)	$264.6	$421.6
Fair value option expense	(16.3)	(15.5)	(11.1)
Pro forma	($219.7)	$249.1	$410.5

	======	======	======
Basic (loss)/earnings per share:			
As reported	($0.76)	$0.99	$1.57
Pro forma	(0.82)	0.93	1.53
Diluted (loss)/earnings per share:			
As reported	($0.76)	$0.99	$1.57
Pro forma	(0.82)	0.93	1.53

Because the SFAS No. 123 method of accounting has not been applied to options granted prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years.

COMPREHENSIVE INCOME: Comprehensive income and accumulated other comprehensive income encompass net income, foreign currency translation adjustments, net losses on derivative instruments and net minimum pension liability adjustments in the Consolidated Statements of Stockholders' Equity and Comprehensive Income. The following table displays the components of accumulated other comprehensive income or loss (IN MILLIONS):

	Foreign Currency Translation Loss	After-tax Minimum Pension Liability	After-tax Derivatives Hedging Gain/(Loss)	Accumulated Other Comprehensive Loss
Balance at 12/31/01	($213.1)	($4.5)	($14.0)	($231.6)
Current year change	98.0	(71.0)	14.4	41.4
Balance at 12/31/02	($115.1)	($75.5)	$0.4	($190.2)

RECENT ACCOUNTING PRONOUNCEMENTS: In June 2001, the FASB issued SFAS No. 141, "Business Combinations." SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting. All acquisitions initiated after June 30, 2001 by the Company have been accounted for as purchases, thus, there was no effect on the Company's Consolidated Financial Statements upon adoption of this standard.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities included in restructurings. This Statement eliminates the definition and requirements for recognition of exit costs as defined in EITF Issue 94-3, and requires that liabilities for exit activities be recognized when incurred instead of at the exit activity commitment date. Additionally, SFAS No. 146 requires recognition of one-time severance benefits that require employees to render future service beyond a minimum retention period over the future service period. The Company will adopt the provisions of SFAS No. 146, effective January 1, 2003. The impact of this accounting standard is not expected to have a material effect on the Company's earnings or financial position. The Company generally has recorded restructuring liabilities for exit costs as incurred, however, under certain operating leases, exit costs were recorded when management committed to the exit plan under the guidance of EITF Issue 94-3. With respect to severance benefits, the Company believes the majority

of its severance agreements require only a minimum or no retention period or are made pursuant to pre-existing plans as defined by SFAS No. 112, "Employers' Accounting for Postemployment Benefits."

In December 2002, the FASB issued SFAS No. 148 "Accounting for Stock-Based Compensation - Transition and Disclosure." SFAS No. 148 provides alternative methods for transition to SFAS No. 123's fair value method of accounting for stock based compensation. It also amends the disclosure provisions of SFAS No. 123 and APB Opinion No. 25 to require disclosure in the summary of significant accounting policies of the effect of the entity's accounting policy with respect to stock-based compensation on reported net income and earnings per share. SFAS No. 148 does not amend SFAS No. 123 to require companies to account for stock options using the fair value method, however, it does require all companies to adopt the disclosure provisions. The Company has adopted the disclosure provisions.

FOOTNOTE 2

ACQUISITIONS OF BUSINESS

2002:
On April 30, 2002, the Company completed the purchase of American Tool Companies, Inc. ("American Tool"), a leading manufacturer of hand tools and power tool accessories. The Company had previously held a 49.5% stake in American Tool, which had been accounted for under the equity method prior to acquisition. This purchase marked a significant expansion and enhancement of the Company's product lines and customer base, launching it squarely in the estimated $10 billion-plus global market for hand tools and power tool accessories. The preliminary purchase price was $467 million, which included $197 million for the majority 50.5% ownership stake, the repayment of $243 million in American Tool debt and $27 million of transaction costs. At the time of acquisition, the Company paid off American Tool's senior debt, senior subordinated debt and debt under their revolving credit agreement. The Company has obtained third party valuations of certain financial positions and allocated the purchase price to the identifiable assets. During the third quarter, the Company recorded nonoperating expenses of $8.7 million for transaction costs associated with the acquisition.

The following table summarizes the preliminary purchase price allocation of American Tool assets acquired and liabilities assumed at the date of acquisition.

	April 30, 2002
Current assets	$182.9
Property, Plant & Equipment	129.7
Trade names & goodwill	315.1
Total assets	$627.7
Current liabilities	$112.4
Long-term debt	195.9
Other long-term liabilities	15.1
Stockholders' equity	304.3
Total liabilities and stockholders' equity	$627.7

For these and for other minor acquisitions made in 2002, the Company paid $242.2 million in cash and assumed $195.9 million of debt.

2001:

The Company made only minor acquisitions in 2001, for $61.2 million in cash and $0.1 million of assumed debt.

2000:

In 2000, the Company acquired the following:

Business Name	Business Description	Acquisition Date	Industry Segment
Mersch SA	Picture Frames	January 24	Calphalon Home
Brio	Picture Frames	May 24	Calphalon Home
Paper Mate/Parker	Writing Instruments	December 29	Sharpie

For these and for other minor acquisitions made in 2000, the Company paid $635.2 million in cash and assumed $15.0 million of debt.

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

material to the Consolidated Financial Statements. The preliminary purchase price allocations for the 2002 acquisitions and the finalized purchase price allocations for the 2001 and 2000 acquisitions resulted in trade names and goodwill of approximately $321.3 million.

In 2002, the Company began to formulate integration plans for American Tool and other minor acquisitions as of their respective dates of acquisition. The integration plans for these acquisitions resulted in integration plan liabilities of $27.5 million for facility and other exit costs, $17.7 million for employee severance and termination benefits and $33.9 million for other pre-acquisition contingencies. The purchase prices for the 2002 acquisitions have been allocated to the fair market value of the assets acquired and liabilities assumed. The Company's integration plans include exit costs for certain plants and product lines, as well as employee termination costs. The final adjustments to the purchase price allocations are not expected to be material to the Consolidated Financial Statements. As of December 31, 2002, $39.9 million of integration plan reserves remain related to the 2001 and 2000 acquisitions.

None of the 2001 acquisitions were included in the pro forma calculations because their effect was immaterial. The unaudited consolidated results of operations for the years ended December 31, 2002 and 2001 on a pro forma basis, as though the 2002 acquisition of American Tool had occurred on January 1, 2001, are as follows for the year ended December 31, (IN MILLIONS, EXCEPT FOR PER SHARE DATA) (unaudited):

	2002	2001
Net sales	$7,594.1	$7,350.0
Net (loss)/income	($203.5)	$264.5
(Loss)/Earnings per share (basic)	($0.76)	$0.99

WITHDRAWN DIVESTITURE

On June 18, 2001, the Company announced an agreement for the sale of

Anchor Hocking ("Anchor"). On January 14, 2002, the Federal Trade Commission (the "FTC") filed a complaint seeking to enjoin the sale of Anchor. On January 21, 2002, the Company signed an amended agreement with the buyer to divest Anchor, excluding the foodservice business because the FTC alleged the sale of Anchor to the current buyer could reduce competition in the market for glassware in the foodservice industry. On April 22, 2002, the U.S. District Court for the District of Columbia granted the FTC's motion for a preliminary injunction.

On June 10, 2002, the Company announced that it had withdrawn plans to sell its Anchor Hocking glass business and instead will continue to operate the business as part of its broad housewares portfolio. Transaction costs approximating $13.6 million were recorded as nonoperating expenses in 2002.

FOOTNOTE 3

RESTRUCTURING COSTS

Certain expenses incurred in the reorganization of the Company's operations are considered to be restructuring expenses. Pre-tax restructuring costs consisted of the following for the year ended December 31, (IN MILLIONS):

	2002	2001	2000
Facility and other exit costs	$36.6	$34.6	$14.0
Employee severance and termination benefits	76.3	28.5	26.8
Exited contractual commitments	1.8	1.0	-
Other	8.0	2.6	2.2
Recorded as Restructuring Costs	$122.7	$66.7	$43.0
Discontinued Product Lines (in Cost of Sales)	10.2	3.8	5.6
Total Costs Related to Restructuring Plans	$132.9	$70.5	$48.6

Restructuring provisions were determined based on estimates prepared at the time the restructuring actions were approved by management. An analysis of the Company's restructuring plan reserves is as follows (IN MILLIONS):

	12/31/00 Balance	Provision	Costs Incurred*	12/31/01 Balance
Facility and other exit costs	$11.8	$38.4	($30.1)	$20.1
Employee severance and termination benefits	3.3	28.5	(25.6)	6.2
Exited contractual commitments	4.6	1.0	(3.7)	1.9
Other	2.2	2.6	(4.8)	-
	$21.9	$70.5	($64.2)	$28.2

	12/31/01 Balance	Provision	Costs Incurred*	12/31/02 Balance
Facility and other exit costs	$20.1	36.6	($20.6)	$36.1
Employee severance and termination benefits	6.2	76.3	(41.4)	41.1
Exited contractual commitments	1.9	1.8	(1.6)	2.1
Other	-	8.0	(8.0)	-
Recorded as Restructuring Costs	28.2	122.7	(71.6)	79.3

Discontinued Product Lines (in Cost of Product Sold)	-	10.2	(10.2)	-

$28.2	$132.9	($81.8)	$79.3
=====	======	======	=====

* Cash paid for restructuring activities was $58.0 million, $49.7 million and $32.9 million in 2002, 2001 and 2000, respectively.

The facility and other exit cost reserves of $36.1 million at December 31, 2002 are primarily related to future minimum lease payments on vacated facilities and closure costs related to fifty-two facilities and administrative offices. As of December 31, 2002, severance reserves for the employees impacted by the facility closures approximated $41.1 million.

2002

During 2002, the Company recorded pre-tax restructuring charges associated with the Company's strategic restructuring plan. The restructuring plan is intended to streamline the Company's supply chain to ensure its position as the best-cost global provider throughout the Company's product portfolio. The plan consists of reducing worldwide headcount over the three years beginning in 2001, and includes consolidating duplicate manufacturing facilities. As part of this plan, the Company incurred employee severance and termination benefit costs for approximately 3,100 employees, including manufacturing, sales and support personnel. Additionally, the Company incurred facility exit costs related primarily to the closure of 43 facilities (seven at Rubbermaid, eight at Sharpie, fourteen at Irwin, twelve at Calphalon Home and two corporate administrative offices).

2001

During 2001, the Company recorded pre-tax restructuring charges associated with the Company's strategic restructuring plan. As part of this plan, the Company incurred employee severance and termination benefit costs for approximately 1,700 employees. Additionally, the Company incurred facility exit costs related primarily to the closure of 14 facilities (four at Rubbermaid, one at Sharpie, six at Irwin and three at Calphalon Home).

2000

During 2000, the Company recorded pre-tax restructuring charges related primarily to the continued Rubbermaid integration and plant closures at Irwin. The Company incurred employee severance and termination benefit costs related to approximately 700 employees terminated in 2000. Such costs included severance and government mandated settlements for facility closures at Rubbermaid Europe, change in control payments made to former Rubbermaid executives, employee terminations at the domestic Rubbermaid divisions and

severance at Irwin. The Company incurred merger transaction costs related primarily to legal settlements for Rubbermaid's 1998 sale of a former division and other merger related contingencies resolved in 2000. Additionally, the Company incurred facility and other exit costs related primarily to the closure of five European Rubbermaid facilities, three window furnishings facilities as well as the exit of various Rubbermaid product lines.

FOOTNOTE 4

CREDIT ARRANGEMENTS

The Company has short-term foreign and domestic uncommitted lines of credit with various banks that are available for short-term financing. Borrowings under the Company's uncommitted lines of credit are subject to the discretion of the lender. The Company's lines of credit do not have a material impact on the Company's liquidity. The following is a summary of borrowings under foreign and domestic lines of credit as of December 31, (IN MILLIONS):

	2002	2001	2000
Notes payable to banks:			
Outstanding at year-end			
- borrowing	$25.2	$19.1	$23.5
- weighted average interest rate	5.9%	10.0%	8.6%
Average for the year			
- borrowing	$25.0	$24.1	$61.1
- weighted average interest rate	8.4%	12.1%	7.7%
Maximum outstanding during the year	$40.9	$401.5	$178.0

The Company can also issue commercial paper (as described in Footnote 5 to the Consolidated Financial Statements), as summarized below as of December 31, (IN MILLIONS):

	2002	2001	2000
Commercial paper:			
Outstanding at year-end			
- borrowing	$140.0	$707.5	$1,503.7
- average interest rate	1.5%	2.8%	6.6%
Average for the year			
- borrowing	$490.8	$1,240.3	$987.5
- average interest rate	1.9%	4.1%	6.3%
Maximum outstanding during the year	$707.5	$1,603.3	$1,503.7

FOOTNOTE 5

LONG-TERM DEBT

The following is a summary of long-term debt as of December 31, (IN MILLIONS):

	2002	2001
Medium-term notes	$1,680.9	$1,012.5
Commercial paper	140.0	707.5
Preferred debt securities	450.0	450.0
Other long-term debt	9.7	2.5
Total debt	2,280.6	2,172.5
Current portion of long-term debt	(424.0)	(807.5)
Long-term Debt	$1,856.6	$1,365.0

The aggregate maturities of long-term debt outstanding are as follows as of December 31, 2002 (IN MILLIONS):

2003	2004	2005	2006	2007	Thereafter	Total
$424.0	$5.5	$26.4	$154.2	$390.7	$1,279.8	$2,280.6

The medium-term notes, revolving credit agreement (and related commercial paper) and mandatorily redeemable convertible preferred securities are all unsecured.

The Company had outstanding a total of $1,680.9 million in medium-term notes. The original maturities on these notes range from 3 to 30 years at an average interest rate of 5.2%. Of the outstanding principal amounts, $420.8 million is classified as current portion of long-term debt, with the remainder classified as long-term debt.

On March 14, 2002, the Company issued $500.0 million of Senior Notes with five-year and ten-year maturities. The $500.0 million Senior Notes consist of $250.0 million in 6.00% Senior Notes due 2007 and $250.0 million in 6.75% Senior Notes due 2012. On December 20, 2002, the Company issued $250.0 million of Senior Notes. The seven-year Senior Notes were issued at 4.625% and pay interest semi-annually on June 15 and December 15 until final maturity on December 15, 2009. The proceeds of these issuances were used to pay down commercial paper. These issuances are reflected in the outstanding amount of medium-term notes noted above and the entire amount is considered to be long-term debt.

The Company completed a $1,300.0 million Syndicated Revolving Credit Facility (the "Revolver") on June 14, 2002, replacing the existing

$1,300.0 million revolving credit agreement, which was scheduled to terminate in August 2002. The Revolver consists of a $650.0 million 364-day credit agreement and a $650.0 million five-year credit agreement. At December 31, 2002, there were no borrowings under the Revolver.

In lieu of borrowings under the Revolver, the Company may issue 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 December 31, 2002, $140.0 million (principal amount) of commercial paper was outstanding. Because $650.0 million of the Revolver expires in June 2007, the entire $140.0 million is classified as long-term debt.

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 December 31, 2002, the Company was in compliance with this agreement.

On September 18, 2001, the Company entered into an agreement with a financial institution creating a financing entity that is consolidated in the Company's financial statements. Under the agreement, the Company regularly enters into transactions with the financing entity to sell an undivided interest in substantially all of the Company's United States trade receivables to the financing entity. In the quarter ended September 30, 2001, the financing entity issued $450.0 million in preferred debt securities to the financial institution. Those preferred debt securities must be retired or redeemed before the Company can have access to the financing entity's receivables. The receivables and the corresponding $450.0 million preferred debt issued by the subsidiary to the financial institution are recorded in the consolidated accounts of the Company. The proceeds of this debt were used to pay down commercial paper issued by the Company. Because this debt matures in 2008, the entire amount is considered to be long-term debt. The provisions of the debt agreement allow the entire outstanding debt to be called upon certain events including the Company's debt rating falling below investment grade and certain levels of accounts receivable write-offs. As of December 31, 2002, the Company was in compliance with the agreement. As of December 31, 2002 and 2001, the aggregate amount of outstanding receivables sold under the agreement was $738.2 million and $689.3 million, respectively.

In August 2002, the Company elected to terminate certain interest rate swap agreements prior to their scheduled maturities and received cash of $25.0 million. Of this amount, $20.8 million represents the fair value of the swaps that were terminated and the remainder represents interest receivable on the swaps. The cash received relating to the fair value of the swaps was included as an operating activity in the

Consolidated Statement of Cash Flows. The unamortized fair value gain on the terminated interest rate swaps is accounted for as long-term debt. As of December 31, 2002, the unamortized gain was $18.4 million, of which $5.3 million is classified as current portion of long-term debt. The unamortized gain will be amortized as a reduction to interest expense over the remaining term of the underlying debt.

In August 2002, the Company entered into several new interest rate swap agreements to replace the terminated interest rate swap agreements. These new interest rate swaps convert certain fixed rate debt into floating rate debt based on a notional principal amount of $500.0 million.

A $500.0 million universal shelf registration statement became effective in July 2002 under which debt and equity securities may be issued. As of December 31, 2002, $250.0 million in debt securities had been issued under this shelf registration statement. In January 2003, approximately $200.8 million of equity securities were issued pursuant to the shelf registration. See Footnote 16 for further details.

FOOTNOTE 6

COMPANY-OBLIGATED MANDATORILY REDEEMABLE CONVERTIBLE PREFERRED SECURITIES OF A SUBSIDIARY TRUST

The Company fully and unconditionally guarantees 10.0 million shares of 5.25% convertible preferred securities issued by a 100% owned finance subsidiary of the Company, which are callable at 102.625% of the liquidation preference, decreasing over time to 100% by December 2007. Each of these "Preferred Securities" is convertible into 0.9865 of a share of Company common stock, and is entitled to a quarterly cash distribution at the annual rate of $2.625 per share.

The proceeds of the Preferred Securities were invested in $500.0 million of the Company 5.25% Junior Convertible Subordinated Debentures. The Debentures are the sole assets of the subsidiary trust, mature on December 1, 2027, bear interest at an annual rate of 5.25%, are payable quarterly and became redeemable by the Company beginning in December 2001. The Company may defer interest payments on the Debentures for a period of up to 20 consecutive quarters, during which period distribution payments on the Preferred Securities are also deferred. Under this circumstance, the Company may not declare or pay any cash distributions with respect to its common or preferred stock or debt securities that do not rank senior to the Debentures.

As of December 31, 2002, the Company has not elected to defer interest payments. The $500.0 million of the Preferred Securities is classified as Company-Obligated Mandatorily Redeemable Convertible Preferred Securities of a Subsidiary Trust in the Consolidated Balance Sheet.

FOOTNOTE 7

DERIVATIVE FINANCIAL INSTRUMENTS

At the beginning of 2001, the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement requires companies to record derivatives on the balance sheet as assets or liabilities, measured at fair value. Any changes in fair value of these instruments are recorded in the income statement or other comprehensive income. The impact of adopting SFAS No. 133 on January 1, 2001 resulted in a cumulative after-tax gain of approximately $13.0 million, recorded in accumulated other comprehensive income. The cumulative effect of adopting SFAS No. 133

did not materially impact the results of operations.

Derivative financial instruments are used only to manage certain interest rate and foreign currency risks. These instruments include interest rate swaps, long-term cross currency interest rate swaps, and short-term forward exchange contracts.

At December 31, 2002, the Company had interest rate swaps designated as cash flow hedges with an outstanding notional principal amount of $350.0 million, with accrued interest payable of $0.9 million. At December 31, 2002, the Company had these swaps serve as a means to mitigate the risk of rising interest rates in future periods by converting certain floating rate debt instruments into fixed rate debt. Gains and losses on these instruments, to the extent that the hedge relationship has been effective, are deferred in other comprehensive income and recognized in interest expense over the period in which the Company recognizes interest expense on the related debt instrument. Any ineffectiveness on these instruments is immediately recognized in interest expense in the period that the ineffectiveness occurs. During 2002, the ineffectiveness related to these instruments was insignificant. The Company expects approximately $3.3 million of the losses, net of tax, deferred in other comprehensive income to be recognized in earnings in 2003. At December 31, 2002, the Company also had interest rate swaps designated as fair value hedges with an outstanding notional principal amount of $500.0 million, with accrued interest receivable of $2.7 million. These fair value hedges qualify for the "shortcut method" because these hedges are deemed to be perfectly effective. The maximum length of time over which the Company is hedging its interest rate exposure through the use of interest rate swap agreements is seven years.

The Company utilizes forward exchange contracts to manage foreign exchange risk related to both known and anticipated intercompany transactions and third-party commercial transaction exposures of approximately one year in duration or less. The Company also utilizes long-term cross currency interest rate swaps to hedge long-term intercompany transactions. The maturities on these long-term cross currency interest rate swaps range from three to five years. At

December 31, 2002, the Company had long-term cross currency interest rate swaps with an outstanding notional principal amount of $319.5 million, with accrued interest receivable of $0.2 million.

Gains and losses related to qualifying forward exchange contracts, which hedge intercompany transactions or third-party commercial transactions, are deferred in other comprehensive income with a corresponding asset or liability until the underlying transaction occurs and are considered to have a cash flow hedging relationship. The gains and losses reported in accumulated other comprehensive income will be reclassified to earnings upon completion of the underlying transaction being hedged. The net loss recognized in 2002 for matured cash flow forward exchange contracts was $1.5 million, net of tax, which was recognized in the Consolidated Statement of Income. The Company estimates that $0.1 million of gains, net of tax, deferred in accumulated other comprehensive income will be recognized in earnings in 2003.

Derivative instruments used to hedge intercompany loans are marked to market with the corresponding gains or losses included in accumulated other comprehensive income and are considered to have a fair value hedging relationship. Any ineffectiveness associated with the fair value hedges is classified to the income statement. The net gain recognized in 2002 for forward exchange contracts and cross currency interest rate swaps was $0.4 million, net of tax, which was recognized as part of interest income on the Consolidated Statement of Income.

The following table summarizes the Company's forward exchange contracts and long-term cross currency interest rate swaps in U.S. dollars by major currency and contractual amount. The "buy" amounts represent the U.S. equivalent of commitments to purchase foreign currencies, and the "sell" amounts represent the U.S. equivalent of commitments to sell foreign currencies according to the local needs of the subsidiaries. The contractual amounts of significant short-term forward exchange contracts and long-term cross currency interest rate swaps and their fair values as of December 31, were as follows (IN MILLIONS):

	2002		2001	
	Buy	Sell	Buy	Sell
British Pounds	$273.0	$65.6	$174.9	$178.2
Canadian Dollars	0.8	50.6	207.8	31.6
Euro	96.4	343.8	43.7	232.2
Other	35.7	18.3	23.9	9.8
	$405.9	$478.3	$450.3	$451.8
Fair Value recorded in the Consolidated Balance Sheet	$451.5	$537.4	$440.0	$448.2

The Company's short-term forward exchange contracts and long-term cross currency interest rate swaps do not subject the Company to risk due to foreign exchange rate movement, because gains and losses on these instruments generally offset gains and losses on the assets, liabilities, and other transactions being hedged. The Company does not obtain collateral or other security to support derivative financial instruments subject to credit risk, but monitors the credit standing of the counterparties.

FOOTNOTE 8

LEASES

The Company leases manufacturing and warehouse facilities, real estate, transportation, data processing and other equipment under leases that expire at various dates through the year 2011. Rent expense was $123.3 million, $112.0 million and $102.9 million in 2002, 2001 and 2000, respectively.

Future minimum rental payments for operating leases with initial or remaining terms in excess of one year are as follows as of December 31, 2002 (IN MILLIONS):

2003	2004	2005	2006	2007	Thereafter	Total
$68.0	$47.7	$35.7	$31.4	$16.8	$25.2	$224.8

FOOTNOTE 9

EMPLOYEE BENEFIT AND RETIREMENT PLANS

As of December 31, 2002, the Company continued to maintain various deferred compensation plans with varying terms. The total liability associated with these plans was $56.9 million and $52.3 million as of December 31, 2002 and 2001, respectively. These liabilities are included in Other Noncurrent Liabilities in the Consolidated Balance Sheet. These plans are partially funded with asset balances of $42.9 million and $41.9 million as of December 31, 2002 and 2001, respectively. These assets are included in Other Noncurrent Assets in the Consolidated Balance Sheet.

Effective January 1, 2002, the Company adopted a deferred compensation plan pursuant to which certain management and highly compensated employees are eligible to defer up to 50% of their regular compensation and up to 100% of their bonuses, and nonemployee board members are eligible to defer up to 100% of their directors compensation. The compensation deferred under this plan along with earnings is fully vested at all times.

The Company has a Supplemental Executive Retirement Plan ("SERP"), which is a nonqualified defined benefit plan pursuant to which the Company will pay supplemental pension benefits to certain key employees upon retirement based upon the employees' years of service and compensation. The SERP is being funded through a trust agreement with the Northern Trust Company, as trustee, that owns life insurance policies on key employees. At December 31, 2002 and 2001, the life insurance contracts had a cash surrender value of $66.2 million and $56.0 million, respectively. These assets are included in Other Noncurrent Assets in the Consolidated Balance Sheet. The amount of coverage is designed to provide sufficient reserves to cover all costs of the plan. The projected benefit obligation was $68.6 million and $59.8 million at December 31, 2002 and 2001, respectively. The SERP liabilities are included in the pension table below; however, the Company's investment in the life insurance contracts are excluded from the table as they do not qualify as plan assets under SFAS No. 87, "Employers' Accounting for Pensions."

The Company and its subsidiaries have noncontributory pension, profit sharing and contributory 401(k) plans covering substantially all of their foreign and domestic employees. Pension plan benefits are generally based on years of service and/or compensation. The Company's funding policy is to contribute not less than the minimum amounts required by the Employee Retirement Income Security Act of 1974, as amended, the Internal Revenue Code of 1986, as amended or local statutes to assure that plan assets will be adequate to provide retirement benefits. The Company's common stock comprised $67.4 million and $56.6 million of noncontributory pension plan assets at December 31, 2002 and 2001, respectively.

The Company's matching contributions to the profit sharing plans were $21.4 million, $15.4 million and $14.5 million for the years ended December 31, 2002, 2001 and 2000, respectively.

In addition, several of the Company's subsidiaries currently provide retiree health care and life insurance benefits for certain employee groups.

The following provides a reconciliation of benefit obligations, plan assets and funded status of the Company's noncontributory pension plans, SERP and postretirement benefit plans as of December 31, (IN MILLIONS):

	Pension Benefits		Other Postretirement Benefits	
	2002	2001	2002	2001
Change in benefit obligation:				
Benefit obligation at January 1	$846.7	$740.9	$212.6	$166.7
Service cost	40.0	38.9	4.2	3.3
Interest cost	64.9	54.9	15.6	12.5
Amendments	5.4	(1.2)	-	-
Actuarial (gain) loss	(17.7)	(15.9)	7.2	50.8
Acquisitions and other	104.3	79.8	-	-
Currency translation	25.8	(4.1)	-	-
Benefits paid from plan assets	(78.3)	(46.6)	(20.6)	(20.7)

Benefit obligation at December 31	$991.1	$846.7	$219.0	$212.6
Change in plan assets:				
Fair value of plan assets at January 1	$756.5	$888.3	$ -	$ -
Actual return on plan assets	(65.8)	(176.0)	-	-
Acquisitions and other	85.5	83.8	-	-
Contributions	14.5	7.6	20.6	20.7
Currency translation	15.9	(0.6)	-	-
Benefits paid from plan assets	(78.3)	(46.6)	(20.6)	(20.7)
Fair value of plan assets at December 31	$728.3	$756.5	$ -	$ -
Funded Status:				
Funded status at December 31	($262.8)	($90.2)	($219.0)	($212.6)
Unrecognized net loss	307.3	142.8	21.0	13.7
Unrecognized prior service cost	5.7	2.7	-	-
Unrecognized net asset	0.5	(1.1)	-	-
Net amount recognized	$50.7	$54.2	($198.0)	($198.9)
Amounts recognized in the Consolidated Balance Sheets:				
Prepaid benefit cost (1)	$113.8	$142.0	$ -	$ -
Accrued benefit cost (2)	(198.9)	(98.6)	(198.0)	(198.9)
Intangible asset (1)	4.1	3.5	-	-
Accumulated other comprehensive loss	131.7	7.3	-	-
Net amount recognized	$50.7	$54.2	($198.0)	($198.9)
Discount rate	6.75%	7.25%	6.75%	7.25%

	Pension Benefits		Other Postretirement Benefits	
	2002	2001	2002	2001
Long-term rate of return on plan assets	8.5%	10.0%	N/A	N/A
Long-term rate of compensation increase	4.5%	5.0%	N/A	N/A
Health care cost trend rate	N/A	N/A	6.0%	6.0%

(1) Recorded in Other Noncurrent Assets
(2) Recorded in Other Noncurrent Liabilities

Net pension expense (income) and other postretirement benefit expense include the following components as of December 31, (IN MILLIONS):

	Pension Benefits			Other Postretirement Benefits		
	2002	2001	2000	2002	2001	2000
Service cost-benefits earned during the year	$40.0	$33.2	$29.2	$4.2	$3.3	$3.6
Interest cost on projected benefit obligation	64.9	53.7	49.5	15.6	12.5	12.9
Expected return on plan assets	(99.2)	(87.1)	(82.8)	-	-	-
Amortization of:						
Transition asset	-	(1.4)	(1.9)	-	(1.5)	(1.1)
Prior service cost recognized	(0.2)	(1.1)	(0.5)	-	-	-
Curtailment, settlement cost	1.4	-	-	-	-	-
Actuarial loss (gain)	0.8	(0.3)	(1.3)	-	-	-
Net pension expense (income)	$7.7	($3.0)	($7.8)	$19.8	$14.3	$15.4

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets are as follows as of December 31, (IN MILLIONS):

	2002	2001
Projected benefit obligation	($712.9)	($443.0)
Accumulated benefit obligation	(678.1)	(404.1)
Fair value of plan assets	418.4	307.0

Assumed health care cost trends have been used in the valuation of postretirement benefits. The trend rate is 10% (for retirees under age 65) and 12% (for retirees over age 65) in 2002, declining to 6% for all retirees in 2009 and thereafter. In 2001, the Company increased the medical care cost trend rate due to significant increases in actual medical costs.

The health care cost trend rate significantly affects the reported postretirement benefit costs and obligations. A one percentage point change in the assumed rate would have the following effects (IN MILLIONS):

	1% Increase	1% Decrease
Effect on total of service and interest cost components	$2.3	($2.0)
Effect on postretirement benefit obligations	18.1	(16.6)

FOOTNOTE 10

STOCKHOLDERS' EQUITY

On February 7, 2000, the Company announced a stock repurchase program of up to $500.0 million of the Company's outstanding common stock. During 2000, the Company repurchased 15.5 million shares of its common stock at an average price of $26.00 per share, for a total cash price of $403.0 million under the program. The repurchase program remained in effect until December 31, 2000 and was financed through the use of working capital and commercial paper.

Each share of common stock includes a stock purchase right (a "Right"). Each Right will entitle the holder, until the earlier of October 31, 2008 or the redemption of the Rights, to buy the number of shares of common stock having a market value of two times the exercise price of $200.00, subject to adjustment under certain circumstances. The Rights will be exercisable only if a person or group acquires 15% or more of voting power of the Company or announces a tender offer after which it would hold 15% or more of the Company's voting power. The Rights held by the 15% stockholder would not be exercisable in this situation.

Furthermore, if, following the acquisition by a person or group of 15% or more of the Company's voting stock, the Company was acquired in a merger or other business combination or 50% or more of its assets were sold, each Right (other than Rights held by the 15% stockholder) would become exercisable for that number of shares of common stock of the Company (or the surviving company in a business combination) having a market value of two times the exercise price of the Right.

The Company may redeem the Rights at $0.001 per Right prior to the occurrence of an event that causes the Rights to become exercisable for common stock.

FOOTNOTE 11

STOCK OPTIONS

The Company's Amended and Restated 1993 Stock Option Plan expired by its terms on December 31, 2002, and no further stock options can be granted under that plan. For options previously granted under that plan, the option exercise price equaled the common stock's closing price on the date of grant, options vest over a five-year period and expire ten years from the date of grant. In February 2003, the

Company's Board of Directors approved, subject to approval of Company stockholders, a 2003 Stock Plan. The 2003 Plan will provide for grants of up to an aggregate of 15.0 million stock options, stock awards and performance shares (except that no more than 3.0 million of those grants may be stock awards and performance shares). Under the 2003 Plan, the option exercise price will equal the common stock's closing price on the date of grant. Options will vest over five years (which may be shortened to no less than three years) and expire ten years from the date of grant. Also under the 2003 Plan, none of the restrictions on stock awards will lapse earlier than the third anniversary of the date of grant.

The following summarizes the changes in the number of shares of common stock under option, including options to acquire common stock resulting from the conversion of options under pre-merger Rubbermaid option plans (IN MILLIONS, EXCEPT EXERCISE PRICES):

	Shares	Weighted Average Exercise Price	Exercisable at end of year	Weighted Average Exercise Price	Weighted average fair value of options granted during the year
Outstanding at December 31, 1999	5.8	$35			
Granted	3.5	28			
Exercised	(0.1)	17			
Canceled	(1.2)	36			
Outstanding at December 31, 2000	8.0	32	3.2	$33	$9
Granted	4.4	25			
Exercised	(0.2)	19			
Canceled	(2.3)	33			
Outstanding at December 31, 2001	9.9	29	2.9	$33	$7
Granted	3.9	32			
Exercised	(0.7)	25			
Canceled	(1.7)	32			
Outstanding at December 31, 2002	11.4	$30	3.4	$32	$9

Options outstanding at December 31, 2002 (IN MILLIONS, EXCEPT EXERCISE PRICES):

Range of Exercise Prices	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
$16.00 - $24.99	2.6	$24	8.0
$25.00 - $34.99	5.9	29	8.1
$35.00 - $44.99	2.8	38	7.8
$45.00 - $50.00	0.1	48	5.7
$16.00 - $50.00	11.4	$30	8.0

Options exercisable at December 31, 2002 (IN MILLIONS, EXCEPT EXERCISE PRICES):

Range of Exercise Prices	Number Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
$16.00 - $24.99	0.6	$23	6.8
$25.00 - $34.99	1.7	30	6.4
$35.00 - $44.99	1.0	40	5.6
$45.00 - $50.00	0.1	48	5.7
$16.00 - $50.00	3.4	$32	6.2

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for grants in 2002, 2001 and 2000, respectively: risk-free interest rate of 4.0%, 5.1% and 6.5%; expected dividend yields of 3.0%, 3.0% and 3.0%; expected lives of 6.9, 9.0 and 9.0 years; and expected volatility of 32%, 28% and 28%.

FOOTNOTE 12

INCOME TAXES

The provision for income taxes consists of the following as of December 31, (IN MILLIONS):

	2002	2001	2000
Current:			
Federal	$55.0	$90.8	$154.8
State	7.7	11.6	14.9
Foreign	46.0	23.3	34.4
	108.7	125.7	204.1
Deferred	48.3	25.5	59.8
	$157.0	$151.2	$263.9

The non-U.S. component of income before income taxes was $7.0 million in 2002, $69.9 million in 2001 and $84.7 million in 2000.

The components of the net deferred tax asset are as follows as of December 31, (IN MILLIONS):

	2002	2001
Deferred tax assets:		
Accruals not currently deductible for tax purposes	$204.2	$173.5
Postretirement liabilities	114.0	76.2
Inventory reserves	24.5	48.3
Self-insurance liability	18.1	36.1
Foreign net operating losses	150.2	109.2
Other	11.4	12.2
	$522.4	$455.5
Deferred tax liabilities:		
Accelerated depreciation	($152.9)	($135.4)
Prepaid pension asset	(37.0)	(42.0)
Amortizable intangibles	(19.7)	(9.2)
Other	-	(18.8)
	($209.6)	($205.4)
Net deferred tax asset	$312.8	$250.1
Valuation allowance	(104.0)	(85.3)
Net deferred tax asset after valuation allowance	$208.8	$164.8

At December 31, 2002, the Company had foreign net operating loss ("NOL") carry forwards of approximately $487.9 million that expire at various times beginning in 2005 and some of which carry forward without expiration. The potential tax benefits associated with those foreign net operating losses are approximately $150.2 million. The valuation allowance increased $18.7 million during 2002 to $104.0 million at December 31, 2002. This increase was primarily the result of an increase of certain foreign net operating losses during the year which management is uncertain of the ability to utilize in the future.

The net deferred tax asset is classified in the Consolidated Balance Sheets as follows as of December 31, (IN MILLIONS):

	2002	2001
Current net deferred income tax asset	$213.5	$238.5
Noncurrent deferred income tax liability	(4.7)	(73.7)
	$208.8	$164.8

A reconciliation of the U.S. statutory rate to the effective income tax rate is as follows as of December 31, (IN PERCENT):

	2002	2001	2000
Statutory rate	35.0%	35.0%	35.0%
Add (deduct) effect of:			
State income taxes, net of federal income tax effect	1.9	2.8	2.2
Nondeductible trade names and goodwill amortization	-	3.4	1.3
Foreign tax credit	(0.7)	(3.3)	(.5)
Foreign rate differential and other	(2.7)	(1.5)	.5
Effective rate	33.5%	36.4%	38.5%

No U.S. deferred taxes have been provided on the undistributed non-U.S. subsidiary earnings that are considered to be permanently invested. At December 31, 2002, the estimated amount of total unremitted non-U.S. subsidiary earnings is $139.1 million.

FOOTNOTE 13

OTHER NONOPERATING EXPENSES (INCOME)

Total other nonoperating expenses (income) consist of the following as of December 31, (IN MILLIONS):

	2002	2001	2000
Minority interest in income of subsidiary trust (1)	$26.7	$26.7	$26.7
Equity earnings (2)	(0.8)	(7.2)	(8.0)
Loss on sales of marketable equity securities	1.2	5.0	-
Gain on sale of business	-	(5.0)	-
Interest income	(4.7)	(3.9)	(5.5)
Currency transaction losses	4.2	1.9	1.9
Dividend income	-	(0.1)	(0.1)
ATC transaction costs (3)	8.7	-	-
Costs associated with withdrawn divestiture (4)	13.6	-	-
Gain on sale of land	(6.8)	-	-
Loss on disposal of fixed assets	4.8	-	-
Other	3.7	0.1	1.2
	$50.6	$17.5	$16.2

(1) Expense from Convertible Preferred Securities (see Footnote 6).
(2) Primarily relates to the Company's investment in American Tool Companies, Inc., in which the Company had a 49.5% interest until April 2002. See Footnote 2 for further information.
(3) Represents costs associated with the acquisition of American Tool Companies, Inc. See Footnote 2 for further information.
(4) Represents transaction costs associated with the Company's withdrawal from the planned divestiture of its Anchor Hocking

glass business. See Footnote 2 for further information.

FOOTNOTE 14

INDUSTRY SEGMENT INFORMATION

In the first quarter of 2002, the Company announced the realignment of its operating segment structure. This realignment reflects the Company's focus on building large consumer brands, promoting organizational integration and operating efficiencies and aligning the businesses with the Company's strategic account management strategy. The four operating segments have been named for leading worldwide brands in the Company's product portfolio. The realignment streamlines what had previously been five operating segments (prior years' segment data has been reclassified to conform to the current segment structure). In 2002, the Company renamed its Parker/Eldon, Calphalon/Wearever and Levolor/Hardware segments as the Sharpie, Calphalon Home and Irwin segments, respectively, for public reporting. The Company's segment results are as follows as of December 31, (IN MILLIONS):

	2002	2001	2000
Net Sales (1) (2)			
Rubbermaid	$2,592.4	$2,565.6	$2,809.3
Sharpie	1,908.7	1,799.4	1,423.5
Irwin	1,727.3	1,382.6	1,455.0
Calphalon Home	1,225.5	1,161.7	1,246.9
	$7,453.9	$6,909.3	$6,934.7
Operating Income (3)			
Rubbermaid	$214.5	$200.9	$326.2

	2002	2001	2000
Sharpie	323.3	278.3	250.4
Irwin	136.4	126.5	207.2
Calphalon Home	119.5	120.1	172.9
Corporate	(31.1)	(84.4)	(76.4)
	762.6	641.4	880.3
Restructuring Costs (4)	(132.9)	(70.5)	(48.6)
	$629.7	$570.9	$831.7
Identifiable Assets			
Rubbermaid	$1,688.9	$1,551.3	
Sharpie	1,124.1	1,216.8	
Irwin	1,226.4	790.8	
Calphalon Home	735.5	787.4	
Corporate (5)	2,614.0	2,919.8	
	$7,388.9	$7,266.1	
Capital Expenditures			
Rubbermaid	$134.5	$110.5	$186.5
Sharpie	41.3	52.8	48.0
Irwin	46.0	26.6	16.0
Calphalon Home	17.2	34.7	43.9
Corporate	13.1	25.2	22.2
	$252.1	$249.8	$316.6
Depreciation and Amortization			
Rubbermaid	$116.0	$120.1	$107.5
Sharpie	54.6	59.1	38.3
Irwin	42.3	29.3	24.3
Calphalon Home	43.8	40.7	44.7
Corporate	24.0	79.6	77.8
	$280.7	$328.8	$292.6

GEOGRAPHIC AREA INFORMATION

	2002	2001	2000
Net Sales			
United States	$5,454.2	$5,040.6	$5,191.5
Canada	312.5	299.5	308.9
North America	5,766.7	5,340.1	5,500.4
Europe	1,331.3	1,215.4	1,112.5
Central and South America	247.3	263.4	289.0
All other	108.6	90.4	32.8
	$7,453.9	$6,909.3	$6,934.7
Operating Income			
United States	$553.1	$455.7	$643.4
Canada	43.3	39.1	54.5
North America	596.4	494.8	697.9
Europe	(8.4)	47.4	77.2
Central and South America	19.5	17.9	53.2
All other	22.2	10.8	3.4
	$629.7	$570.9	$831.7
Identifiable Assets (6)			
United States	$5,151.0	$5,067.8	
Canada	115.7	118.0	
North America	5,266.7	5,185.8	
Europe	1,802.0	1,737.0	
Central and South America	224.4	295.7	
All other	95.8	47.6	
	$7,388.9	$7,266.1	

(1) Sales to Wal*Mart Stores, Inc. and subsidiaries amounted to approximately 15% of consolidated net sales in each of the years ended December 31, 2002, 2001 and 2000. Sales to no other customer exceeded 10% of consolidated net sales for any year.
(2) All intercompany transactions have been eliminated.
(3) Operating income is net sales less cost of products sold and selling, general and administrative expenses. Certain headquarters expenses of an operational nature are allocated to business segments and geographic areas primarily on a net sales

basis. Trade names and goodwill amortization was considered a corporate expense in 2001 and 2000 and not allocated to business segments.
(4) Restructuring costs are recorded as both Restructuring Costs and as part of Cost of Products Sold in the Consolidated Statements of Operations (refer to Footnote 3 for additional detail.)
(5) Corporate assets primarily include trade names and goodwill, equity investments and deferred tax assets.
(6) Transfers of finished goods between geographic areas are not significant.

FOOTNOTE 15

LITIGATION AND 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 matters as well as the environmental matters described below. Some of the legal proceedings include claims for punitive as well as compensatory damages, and a few proceedings purport to be class actions.

As of December 31, 2002, the Company was involved in various matters concerning federal and state environmental laws and regulations, including matters in which the Company has been identified by the U.S. Environmental Protection Agency and certain state environmental agencies as a potentially responsible party ("PRP") at contaminated sites under the Federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and equivalent state laws.

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

The Company's estimate of environmental response costs associated with these matters as of December 31, 2002 ranged between $19.4 million and $24.6 million. As of December 31, 2002, the Company had a reserve equal to $22.0 million for such environmental response costs in the aggregate, which is included in other accrued liabilities and other noncurrent liabilities in the Consolidated Balance Sheets. No insurance recovery was taken into account in determining the Company's cost estimates or reserve, nor do the Company's cost estimates or reserve reflect any discounting for present value purposes, except

with respect to two long-term (30 year) operations and maintenance CERCLA matters which are estimated at present value.

Because of the uncertainties associated with environmental investigations and response activities, the possibility that the Company could be identified as a PRP at sites identified in the future that require the incurrence of environmental response costs and the possibility of additional sites as a result of businesses acquired, actual costs to be incurred by the Company may vary from the Company's estimates.

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 Consolidated Financial Statements.

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" (the Interpretation). The Interpretation requires a guarantor to make significant new disclosures, even when the likelihood of making any payments under the guarantee is remote. The recognition and measurement provisions of the Interpretation are effective for guarantees issued or modified after December 31, 2002. The disclosure provisions of the Interpretation are effective for financial statements with periods ended subsequent to December 15, 2002. In the normal course of business and as part of its acquisition and divestiture strategy, the Company may provide certain representation 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.

As of December 31, 2002, the Company has identified and quantified exposures under these representations and indemnifications of approximately $44 million, which expires in 2006. As of December 31, 2002, no amounts have been recorded on the balance sheet related to these indemnifications, as the risk of loss is considered remote.

FOOTNOTE 16

SUBSEQUENT EVENTS

Effective January 1, 2003, the Company completed its acquisition of American Saw & Mfg. Co. ("American Saw"), a leading manufacturer of power tool accessories and hand tools marketed under the Lenox brand. The purchase price was approximately $450 million paid for through the issuance of commercial paper. The transaction structure permits the deduction of goodwill for tax purposes. We estimate the present value of the future tax benefit to be $85 million, which effectively reduces the purchase price to $365 million. American Saw had 2001 revenues of approximately $185 million and will become part of the Irwin operating segment.

In January 2003, the Company completed the sale of 6.67 million shares of its common stock at a public offering price of $30.10 per share pursuant to an effective shelf registration statement that was previously filed with the Securities and Exchange Commission. The net proceeds of $200.1 million were used to reduce the Company's commercial paper borrowings.

On March 27, 2003, the Company sold its Cosmolab business, a division of the Sharpie segment. In 2002, sales of the division approximated $50 million. The Company expects to record a non-cash pre-tax loss of approximately $20 million in the first quarter of 2003.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING

------- AND FINANCIAL DISCLOSURE

On March 25, 2002, the Company terminated the engagement of Arthur Andersen LLP ("Arthur Andersen") as its independent auditor. The decision to terminate the engagement of Arthur Andersen was recommended by the Company's Audit Committee and approved by its Board of Directors. Arthur Andersen's report on the consolidated financial statements of the Company for each of the years ended December 31, 2001 and 2000, did not contain any adverse opinion or a disclaimer of opinion and was not qualified or modified as to uncertainty, audit scope or accounting principles. During the years ended December 31, 2001 and 2000, and the interim period between December 31, 2001 and March 25, 2002, there were no disagreements between the Company and Arthur Andersen on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Arthur Andersen, would have caused it to make reference to the subject matter of the disagreements in connection with its report. During the years ended December 31, 2001 and 2000, and the interim period between December 31, 2001 and March 25, 2002, there were no reportable events (as defined in Item 304(a)(1)(v) of Regulation S-K promulgated by the Securities and Exchange Commission). A letter from Arthur Andersen was included in the Report on Form 8-K/A filed by the Company on April 3, 2002.

The Company engaged Ernst & Young LLP as its new independent auditor effective March 25, 2002. The engagement of Ernst & Young was recommended by the Company's Audit Committee and approved by its Board of Directors. During the years ended December 31, 2001 and 2000, and the interim period between December 31, 2001 and March 25, 2002, the Company did not consult with Ernst & Young regarding (i) the application of accounting principles to a specified transaction, either completed or proposed, (ii) the type of audit opinion that might be rendered on the Company's consolidated financial statements or (iii) any matter that was either the subject of a disagreement (as described above) or a reportable event.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information required under this Item with respect to Directors is contained in the Company's Proxy Statement for the Annual Meeting of Stockholders to be held May 7, 2003 (the "Proxy Statement") under the caption "Proposal 1 - Election of Directors," "Information Regarding Board of Directors and Committees," and "Certain Beneficial Owners " and is incorporated herein by reference.

Information required under this Item with respect to Executive Officers of the Company is included as a supplemental item at the end of Part I of this report.

Information regarding compliance with Section 16(a) of the Exchange Act is included in the Proxy Statement under the caption "Section 16(a) Beneficial Ownership Compliance Reporting," which information is hereby incorporated by reference herein.

ITEM 11. EXECUTIVE COMPENSATION

Information regarding executive compensation is included in the Proxy Statement under the caption "Proposal 1 - Election of Directors - Compensation of Directors," under the captions "Executive Compensation - Summary Compensation Table; - Option Grants in 2002; - Option Exercises in 2002; - Pension and Retirement Plans; - Employment Security and Other Agreements," and the caption "Organizational Development and Compensation Committee Interlocks and Insider Participation," which information is hereby incorporated by reference herein.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required under this Item is contained in the Proxy Statement under the captions "Certain Beneficial Owners" and "Equity Compensation Plan Information" and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Not applicable.

ITEM 14. CONTROLS AND PROCEDURES

(a) Within 90 days prior to the date of this report, the Company carried out an evaluation - under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer - of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based on that evaluation, the Company's Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective.

(b) There have been no significant changes in the Company's internal controls or in other factors that could affect these controls subsequent to the date of the evaluation described in the preceding paragraph.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 10-K

(a)(1) The following is a list of the financial statements of Newell Rubbermaid Inc. included in this report on Form 10-K, which are filed herewith pursuant to Item 8:

Report of Independent Auditors

Report of Independent Public Accountants

Consolidated Statements of Operations - Years Ended December 31, 2002, 2001 and 2000

Consolidated Balance Sheets - December 31, 2002 and 2001

Consolidated Statements of Cash Flows - Years Ended December 31, 2002, 2001 and 2000

Consolidated Statements of Stockholders' Equity and Comprehensive Income/(Loss) - Years Ended December 31, 2002, 2001 and 2000

Footnotes to Consolidated Financial Statements - December 31, 2002, 2001 and 2000

(2) The following consolidated financial statement schedule of the Company included in this report on Form 10-K is filed herewith pursuant to Item 14(d) and appears immediately following the Exhibit Index:

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

(3) The exhibits filed herewith are listed on the Exhibit Index filed as part of this report on Form 10-K. Each management contract or compensatory plan or arrangement of the Company listed on the Exhibit Index is separately identified by an asterisk.

(b) The following reports on Form 8-K were filed by the Registrant during the quarter ended December 31, 2002:

Report on Form 8-K, dated November 22, 2002, that included a press release announcing that the Company had reached a definitive agreement to acquire American Saw & Mfg. Company.

Report on Form 8-K, dated December 18, 2002, stating that the Company had entered into an Underwriting Agreement with respect to the offering and sale of $250.0 million of unsecured and unsubordinated notes.

Report on Form 8-K, dated December 20, 2002, that included the filing of a legal opinion with respect to the Company's Registration Statement on Form S-3 (No. 333-88050).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

By /s/ William T. Alldredge

William T. Alldredge

Date March 27, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on March 27, 2003 by the following persons on behalf of the Registrant and in the capacities indicated.

Signature	Title
/s/ William P. Sovey William P. Sovey	Chairman of the Board and Director
/s/ Joseph Galli, Jr. Joseph Galli, Jr.	President, Chief Executive Officer and Director
/s/ J. Patrick Robinson J. Patrick Robinson	Vice President - Corporate Controller and Chief Accounting Officer
/s/ William T. Alldredge William T. Alldredge	President - Corporate Development and Chief Financial Officer
/s/ Thomas E. Clarke Thomas E. Clarke	Director
/s/ Scott S. Cowen Scott S. Cowen	Director
/s/ Alton F. Doody Alton F. Doody	Director

Signature	Title
/s/ Robert L. Katz Robert L. Katz	Director
/s/ William D. Marohn William D. Marohn	Director
/s/ Elizabeth Cuthbert Millett Elizabeth Cuthbert Millett	Director
/s/ Cynthia A. Montgomery Cynthia A. Montgomery	Director
/s/ Allan P. Newell Allan P. Newell	Director
/s/ Gordon R. Sullivan Gordon R. Sullivan	Director
/s/ Raymond G. Viault Raymond G. Viault	Director

CERTIFICATION

I, Joseph Galli, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of Newell Rubbermaid Inc.;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

    a) designed such disclosure controls and procedures 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 annual report is being prepared;

    b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

    c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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

    a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 27, 2003

/s/ Joseph Galli, Jr.

Joseph Galli, Jr.
Chief Executive Officer

CERTIFICATION

I, William T. Alldredge, certify that:

1. I have reviewed this annual report on Form 10-K of Newell Rubbermaid Inc.;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   a) designed such disclosure controls and procedures 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 annual report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 27, 2003

/s/ William T. Alldredge

William T. Alldredge
Chief Financial Officer

(C) EXHIBIT INDEX

		Exhibit Number	Description of Exhibit
Item 3.	Articles of Incorporation and By-Laws	3.1	Restated Certificate of Incorporation of Newell Rubbermaid Inc., as amended as of April 5, 2001 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2001).
		3.2	By-Laws of Newell Rubbermaid Inc., as amended through January 5, 2001 (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-3, File No. 333-103773, filed March 12, 2003.
Item 4.	Instruments defining the rights of security holders, including indentures	4.1	Restated Certificate of Incorporation of Newell Rubbermaid Inc., as amended as of April 5, 2001, is included in Item 3.1.
		4.2	By-Laws of Newell Rubbermaid Inc., as amended through January 5, 2001, are included in Item 3.2.
		4.3	Rights Agreement dated as of August 6, 1998, between the Company and First Chicago Trust Company of New York, as Rights Agent (incorporated by reference to Exhibit 4 to the Company's Current Report on Form 8-K dated August 6, 1998).
		4.4	Indenture dated as of April 15, 1992, between the Company and The Chase Manhattan Bank (now known as JPMorgan Chase Bank), as Trustee (incorporated by reference to Exhibit 4.4 to the Company's Report on Form 8 amending the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1992 (File No. 001-09608)).
		4.5	Indenture dated as of November 1, 1995, between the Company and The Chase Manhattan Bank (now known as JPMorgan Chase Bank), as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 3, 1996).
		4.6	Junior Convertible Subordinated Indenture for the 5.25% Convertible Subordinated Debentures, dated as of December 12, 1997, between the Company and The Chase Manhattan Bank (now known as JPMorgan Chase Bank), as Indenture Trustee (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-3, File No. 333-47261, filed March 3, 1998 (the "1998 Form S-3").
		4.7	Specimen Common Stock (incorporated by reference to

Exhibit 4.1 to the Company's Registration Statement on Form S-4, File No. 333-71747, filed February 4, 1999).

Exhibit Number	Description of Exhibit

		4.8	Five-Year Credit Agreement dated as of June 14, 2002 by and among Newell Rubbermaid Inc., JPMorgan Chase Bank, as administrative agent, J.P. Morgan Securities Inc., as sole lead arranger and sole bookrunner, Bank of America, N.A. and Bank One, NA, as co-syndication agents, and Barclays Bank PLC and BNP Paribas, as co-documentation agents (incorporated by reference to Exhibit 10.1 to Amendment No. 2 to the Company's Registration Statement on Form S-3, File No. 333-88050, filed July 10, 2002).
		4.9	364-Day Credit Agreement dated as of June 14, 2002 by and among Newell Rubbermaid Inc., JPMorgan Chase Bank, as administrative agent, J.P. Morgan Securities Inc., as sole lead arranger and sole bookrunner, Bank of America, N.A. and Bank One, NA, as co-syndication agents, and Barclays Bank PLC and BNP Paribas, as co-documentation agents (incorporated by reference to Exhibit 10.2 to Amendment No. 2 to the Company's Registration Statement on Form S-3, File No. 333-88050, filed July 10, 2002).
			Pursuant to item 601(b)(4)(iii)(A) of Regulation S-K, the Company is not filing certain documents. The Company agrees to furnish a copy of each such document upon the request of the Commission.
Item 10.	Material Contracts	*10.1	Newell Co. Deferred Compensation Plan, as amended, effective August 1, 1980, as amended and restated effective January 1, 1997 (incorporated by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998)
		*10.2	Newell Rubbermaid Inc. 2002 Deferred Compensation Plan, effective January 1, 2002 (incorporated by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (the "2001 Form 10-K")).
		*10.3	Newell Rubbermaid Inc. Management Cash Bonus Plan, effective January 1, 2002.
		*10.4	Newell Operating Company's Restated Supplemental Retirement Plan for Key Executives, effective January 1, 1982, as amended effective January 1, 1999 (incorporated by reference to Exhibit 10.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000 (the "2000 Form 10-K").
		*10.5	Form of Employment Security Agreement with nine executive officers (incorporated by reference to Exhibit 10.5 to the Company's 2001 Form 10-K).

Exhibit Number	Description of Exhibit
*10.6	Newell Rubbermaid Inc. 1993 Stock Option Plan, effective February 9, 1993, as amended May 26, 1999 and August 15, 2001 (incorporated by reference to Exhibit 10.12 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1999 and Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2001).
10.7	Amended and Restated Trust Agreement, dated as of December 12, 1997, among the Company, as Depositor, The Chase Manhattan Bank (now known as JPMorgan Chase Bank), as Property Trustee, Chase Manhattan Delaware, as Delaware Trustee, and the Administrative Trustees (incorporated by reference to Exhibit 4.2 to the 1998 Form S-3).
10.8	Junior Convertible Subordinated Indenture for the 5.25% Convertible Subordinated Debentures, dated as of December 12, 1997, between the Company and The Chase Manhattan Bank (now known as JPMorgan Chase Bank), as Indenture Trustee, is included in Item 4.6.
*10.9	Newell Rubbermaid Medical Plan for Executives, as amended and restated effective January 1, 2000 (incorporated by reference to Exhibit 10.13 to the Company's 2000 Form 10-K).
10.10	Five-Year Credit Agreement dated as of June 14, 2002 by and among Newell Rubbermaid Inc., JPMorgan Chase Bank, as administrative agent, J.P. Morgan Securities Inc., as sole lead arranger and sole bookrunner, Bank of America, N.A. and Bank One, NA, as co-syndication agents, and Barclays Bank PLC and BNP Paribas, as co-documentation agents, is included in Item 4.8.
10.11	364-Day Credit Agreement dated as of June 14, 2002 by and

			among Newell Rubbermaid Inc., JPMorgan Chase Bank, as administrative agent, J.P. Morgan Securities Inc., as sole lead arranger and sole bookrunner, Bank of America, N.A. and Bank One, NA, as co-syndication agents, and Barclays Bank PLC and BNP Paribas, as co-documentation agents, is included in Item 4.9.
Item 11.		11	Statement of Computation of Earnings per Share of Common Stock.
Item 12.		12	Statement of Computation of Earnings to Fixed Charges.
Item 16.		16	Letter of Arthur Andersen LLP regarding change in certifying accountant (incorporated by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K/A dated April 3, 2002).

		Exhibit Number	Description of Exhibit
Item 21.	Subsidiaries of the Registrant	21	Significant Subsidiaries of the Company.
Item 23.	Consent of experts and counsel	23.1	Consent of Ernst & Young LLP.
Item 99.	Additional Exhibits	99.1	Safe Harbor Statement.
		99.2	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.
		99.3	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.

* Management contract or compensatory plan or arrangement of the Company.

Newell Rubbermaid Inc. and subsidiaries
Valuation and Qualifying Accounts

(IN MILLIONS)	Balance at Beginning of Period	Provision	Charges to Other Accounts (1)	Write-offs	Balance at End of Period
ALLOWANCE FOR DOUBTFUL ACCOUNTS:					
Year ended December 31, 2002	$57.9	$34.2	$1.9	($19.0)	$75.0
Year ended December 31, 2001	36.1	39.0	1.0	(18.2)	57.9
Year ended December 31, 2000	41.9	4.8	4.9	(15.5)	36.1

(1) Represents recovery of accounts previously written off and net reserves of acquired or divested businesses.

(IN MILLIONS)	Balance at Beginning of Period	Provision	Write-offs	Other (2)	Balance at End of Period
INVENTORY RESERVES:					
Year ended December 31, 2002	$117.3	$71.7	($71.9)	$13.2	$130.3
Year ended December 31, 2001	114.6	64.7	(63.7)	1.7	117.3
Year ended December 31, 2000	119.4	45.3	(52.3)	2.2	114.6

(2) Represents net reserves of acquired and divested businesses, including provisions for product line rationalization.

EXHIBIT 10.3

NEWELL RUBBERMAID INC. MANAGEMENT CASH BONUS PLAN

The following is a description of the Newell Rubbermaid Inc. Management Cash Bonus Plan ("Bonus Plan"), effective January 1, 2002. The Bonus Plan (the principal provisions of which are attached hereto) provides for the payment of annual cash bonuses to employees who are considered to be management level and are selected by the Committee.

The Bonus Plan is administered by the Organizational Development & Compensation Committee or if the Committee is not comprised of "outside directors" as defined in Section 162(m), then by a subset of the Committee comprised of at least two "outside directors" (the "Committee"). The Committee has full authority to select the employees eligible for bonus awards under the Bonus Plan, determine when the employee's participation in the Bonus Plan will begin, and determine the performance goals pursuant to which bonus amounts will be determined.

The Bonus Plan provides that for a calendar year the Committee will establish corporate performance goals and a bonus payment schedule detailing the amount that may be paid to each participant based upon the level of attainment of the performance goals. Bonus payments will be made only upon the Committee's determination that the performance goals for the calendar year were achieved. The performance goals may be based on one or more of the following business criteria: earnings per share; cash flow; operating income; sales growth; common stock price; return on equity; return on assets; return on investment; net income; and expense management. Performance goals may be absolute in their terms or measured against or in relationship to the performance of other companies or indices selected by the Committee. The performance goals may be particular to one or more subsidiaries or divisions or may be based on the performance of the Company and its subsidiaries as a whole.

In 2002, payments to participants were based on a combination of cash flow, operating income and earnings per share. In 2003, payments to participants are based on a combination of sales growth, operating income, cash flow and earnings per share.

The bonus amount payable is a percentage of salary based upon an employee's participation category and the level of attainment of the applicable performance goals, as reflected in the table below. Performance below the target levels will result in lower or no bonus payments. No award will be paid for any calendar year or portion thereof to a participant whose employment with the Company terminates during the year for a reason other than retirement, disability, death or other reason approved by the Committee. In all cases, the Committee must approve final bonus awards and can reduce a bonus payment in its discretion. The Company retains the right to terminate an employee's participation in the Bonus Plan at any time, in which case no bonus may be paid.

Participation Category	Bonus as a Percentage of Salary if Targets Achieved at 100% Level	Maximum Bonus as a Percentage of Salary
A/A*	134.0%	150.0%
A/B**	100.5%	120.6%

A/C**	80.0%	96.0%
A**	67.0%	80.4%
B/C**	50.0%	60.0%
B**	33.5%	40.2%

____

* Applies to the Company's Chief Executive Officer of the Company beginning 2003.

** Applies to participants as determined by the Committee. A/B included all named executive officers in 2002 and all named officers other than the Chief Executive Officer in 2003.

Newell Rubbermaid Management Cash Bonus Plan

1. Name

   Newell Rubbermaid Management Cash Bonus Plan

2. Effective Date of Revisions

   January 1, 2002

3. Purpose

   To provide an incentive for key employees to improve Company performance by making them participants in the financial success of the Company.

4. Definitions

   a. The term "Company" means Newell Rubbermaid and its subsidiaries.

   b. The term "Board" means the Board of Directors of Newell Rubbermaid.

   c. The term "Plan" means the arrangement described by these specifications to be known as Newell Rubbermaid Management Cash Bonus Plan.

d. The term "Plan Year" means a calendar year of the Company.

e. The term "Compensation" means a Participant's base annual salary earned during a Plan Year while a participant, exclusive of commissions and bonuses.

f. The term "Committee" means the Executive Compensation Committee of the Board.

g. The term "Participant" means any active "regular" key employee of the Company or any of its subsidiaries who has been selected by the Committee as eligible to receive incentive compensation under the Plan.

h. The term "Deferred Account" means the bookkeeping reserve account on the books of the Company to which deferred incentive awards under this Plan are credited.

5. Eligibility and Participation

Employees selected by the Committee as eligbile to receive incentive compensation under the Plan shall be Participants.

When the Committee selects an employee to become a Participant under the Plan, it shall designate the date as of which his/her participation shall begin.

6. Annual Incentive Awards

At the end of each Plan Year, the incentive compensation to be awarded to each Participant shall be determined by multiplying their base compensation for the Plan Year by the appropriate Corporate or Divisional financial results percentage based on achievement of pre-determined goals.

7. Bonus Plan Awards

When an employee is selected to become a Participant under the Plan, they will be eligible to receive incentive awards based on the following: A/B (100.5%); A/C (80.0%); A (67.0%); B/C (50.0%); and B (33.5%).

8. Plan Limitations

Notwithstanding anything herein to the contrary, for Plan purposes, no award will be made for a Plan Year to a Participant whose employment terminated during the year unless the terminations was due to retirement, disability, death or any other cause approved by the Committee.

9. Payment of Incentive Awards

A Participant's award for a Plan Year under the Plan shall be paid in cash to the Participant, or his beneficiary or beneficiaries in the event of his death, as soon as practical after the end of the Plan year, unless he elects to have a part or all of the award deferred as provided below.

10. Deferral of Awards

In lieu of receiving an award as provided in Item 9 above, a participant may elect to defer all or part of his bonus in accordance with the 2002 Newell Rubbermaid Deferred Compensation Plan.

11. Management Rights

Corporate Management reserves the right to cancel eligibility of a bonus participant at any time and refuse bonus payment for any reason.

12. Amendments

The board may either modify or eliminate the Plan if in its judgment such modification or elimination does not materially or adversely affect the best interests of the Company or of the shareholders; provided, that such modification or elimination shall not affect the obligation of the company to pay any contingent compensation after it has been awarded.

13. Employment Rights

Nothing contained in the Plan shall be construed as conferring a right upon any employee to be continued in the employment of the Company.

EXHIBIT 11

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE OF COMMON STOCK

(IN MILLIONS, EXCEPT PER SHARE DATA)	YEAR ENDED DECEMBER 31, 2002	2001	2000
BASIC (LOSS) EARNINGS PER SHARE:			
Net (loss) income	($203.4)	$264.6	$421.6
Weighted average shares outstanding	267.1	266.7	268.4
Basic (loss) earnings per share	($0.76)	$0.99	$1.57
DILUTED (LOSS) EARNINGS PER SHARE:			
Net (loss) income	($203.4)	$264.6	$421.6
Minority interest in income of subsidiary trust, net of tax (1)	-	-	-
Net (loss) income, assuming conversion of all applicable securities	($203.4)	$264.6	$421.6
Weighted average shares outstanding	267.1	266.7	268.4
Incremental common shares applicable to common stock options based on the average market price during the period	0.9	0.3	0.1
Weighted average shares outstanding assuming full dilution	268.0	267.0	268.5
Diluted (loss) earnings per share, assuming conversion of all applicable securities	($0.76)	$0.99	$1.57

(1) The convertible preferred securities are anti-dilutive in 2002, 2001 and 2000 and, therefore, have been excluded from diluted (loss) earnings per share. Had the convertible preferred shares been included in the diluted (loss) earnings per share calculation, net (loss)/income would be increased by $16.6 million, $16.8 million and $16.4 million in 2002, 2001 and 2000, respectively, and weighted average shares outstanding would have increased by 9.9 million shares in all years.

EXHIBIT 12

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

	YEAR ENDED DECEMBER 31,				
(IN MILLIONS, EXCEPT PER SHARE DATA)	2002	2001	2000	1999	1998
EARNINGS AVAILABLE TO FIXED CHARGES:					
Income before income taxes	$468.5	$415.9	$685.5	$230.9	$817.0
Fixed charges -					
Interest expense	110.6	137.5	130.0	100.0	100.5
Portion of rent determined to be interest	40.7	36.9	34.0	30.3	26.3
Minority interest in income of subsidiary trust	26.7	26.7	26.7	26.8	26.6
Equity earnings	(0.8)	(7.2)	(8.0)	(8.1)	(7.1)
	$645.7	$609.8	$868.2	$379.9	$963.3
FIXED CHARGES:					
Interest expense	$110.6	$137.5	$130.0	$100.0	$100.5
Portion of rent determined to be interest	40.7	36.9	34.0	30.3	26.3
Minority interest in income of subsidiary trust	26.7	26.7	26.7	26.8	26.6
	$178.0	$201.1	$190.7	$157.1	$153.4
RATIO OF EARNINGS TO FIXED CHARGES	3.63	3.03	4.55	2.42	6.28

(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 21

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
SIGNIFICANT SUBSIDIARIES

NAME	STATE OF ORGANIZATION	OWNERSHIP
Berol Corporation	Delaware	72.65% of stock is owned by Newell Rubbermaid Inc.; 27.35% of stock is owned by Newell Operating Company
Newell Investments, Inc.	Delaware	27.77% of stock is owned by Newell Operating Company; 12.77% of stock is owned by Newell Rubbermaid Inc.; 6.06% of stock is owned by Newell Window Furnishings, Inc.; 5.96% of stock is owned by Intercraft Company; 41.57% of stock is owned by Rubbermaid Incorporated; 5.87% of stock is owned by Sanford L.P.
Newell Operating Company	Delaware	86.08% of stock is owned by Newell Rubbermaid Inc.; 13.92% of stock is owned by Newell Holdings Delaware, Inc.
Rubbermaid Incorporated	Ohio	100% of stock is owned by Newell Rubbermaid Inc.
Rubbermaid Texas Limited	Texas	Rubbermaid Incorporated is a general partner with a 1% ownership interest; Rubfinco Inc. (which is 100% owned by Rubbermaid Incorporated) is a limited partner with a 99% ownership interest
Sanford Investment Company	Delaware	100% of stock is owned by Berol Corporation
Irwin Industrial Tool Company	Delaware	100% of stock is owned by Newell Rubbermaid Inc.
Sanford, L.P.	Illinois	Newell Operating

Company is a general partner with a 1.62%

ownership interest;
Sanford Investment Company (which is 100% owned by Berol Corporation) is a limited partner with a 98.38% ownership interest

EXHIBIT 23.1

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements of Newell Rubbermaid Inc. described in the following table of our report dated January 27, 2003 (except for Note 16, as to which the date is March 27, 2003), with respect to the 2002 consolidated financial statements and schedule of Newell Rubbermaid Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2002.

Registration Statement Form	Number	Purpose
S-8	33-24447	Pertaining to the registration as amended of common stock for the Newell Co. 1984 Stock Option Plan
S-8	33-25196	Pertaining to the registration as amended of common stock for the Newell Long-Term Savings and Investment Plan
S-8	33-40641	Pertaining to the registration of common stock for the Newell Long-Term Savings and Investment Plan
S-8	33-67632	Pertaining to the registration of common stock for the Newell Co. 1993 Stock Option Plan
S-8	33-62047	Pertaining to the registration of common stock for the Newell Long-Term Savings and Investment Plan
S-8	333-38621	Pertaining to the registration of common stock for the Newell Long-Term Savings and Investment Plan
S-8	333-74925	Pertaining to the registration of common stock for the Rubbermaid Retirement Plan and the Rubbermaid Retirement Plan for Collectively Bargained Associates.
S-8	333-71747	Pertaining to the registration as amended of common stock for the Rubbermaid Incorporated Amended and Restated 1989 Stock Incentive and Option Plan.
S-3	333-74927	Pertaining to the registration as amended of common stock for the Rubbermaid Retirement Plan
S-3	333-74929	Pertaining to the registration as amended of common stock for the Rubbermaid Retirement Plan for Collectively Bargained Employees.
S-3	333-88050	Pertaining to the registration as amended of debt securities, preferred stock, common stock, warrants, stock purchase contracts and stock purchase units totaling $500 million

/S/ ERNST & YOUNG LLP

Chicago, Illinois
March 27, 2003

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, 2002 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, free cash flow, 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 2002 Form 10-K 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.

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' best-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 worldwide 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 (which is a focus of our international growth) 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.

EXHIBIT 99.2

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 Annual Report of Newell Rubbermaid Inc. (the "Company") on Form 10-K for the period ending December 31, 2002 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. Section 1350, as adopted pursuant to Section 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
March 27, 2003

EXHIBIT 99.3

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 Annual Report of Newell Rubbermaid Inc. (the "Company") on Form 10-K for the period ending December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William T. Alldredge, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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/ William T. Alldredge

William T. Alldredge
Chief Financial Officer
March 27, 2003