FIRST QUARTER 1996

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
for the Quarterly Period Ended March 31, 1996

Commission File Number 1-9608

NEWELL CO.

(Exact name of registrant as specified in its charter)

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

Newell Center
29 East Stephenson Street
Freeport, Illinois 61032-0943
(Address of principal executive offices)
(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (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 ______

Number of shares of Common Stock outstanding as of April 22, 1996: 158,731,906

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

NEWELL CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended March 31, 1996	Three Months Ended March 31, 1995
	Unaudited (In thousands, except per share data)	
Net sales	$ 618,157	$ 556,579
Cost of products sold	436,907	389,764
GROSS INCOME	181,250	166,815
Selling, general and administrative expenses	111,754	93,420
OPERATING INCOME	69,496	73,395
Nonoperating expenses (income):		
Interest expense	14,442	11,838
Other	(262)	1,392
Net nonoperating expenses (income)	14,180	13,230
INCOME BEFORE INCOME TAXES	55,316	60,165

Income taxes	22,126	24,066
NET INCOME	$ 33,190	$ 36,099
Earnings per share	$ 0.21	$ 0.23
Dividends per share	$ 0.14	$ 0.10
Weighted average shares outstanding	158,675	157,903

See notes to consolidated financial statements.

NEWELL CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31, 1996	December 31, 1995
	Unaudited	
	(In thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 46,186	$ 58,771
Accounts receivable, net	369,770	390,296
Inventories, net	547,720	509,245
Deferred income taxes	95,993	107,499
Prepaid expenses and other	73,649	67,063
TOTAL CURRENT ASSETS	1,133,318	1,132,874
MARKETABLE EQUITY SECURITIES	57,278	53,309
OTHER LONG-TERM INVESTMENTS	205,920	203,857
OTHER ASSETS	117,076	122,702
PROPERTY, PLANT AND EQUIPMENT, NET	558,307	530,285
TRADE NAMES AND GOODWILL	878,447	888,215
TOTAL ASSETS	$2,950,346	$2,931,242

See notes to consolidated financial statements.

NEWELL CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONT.)

	March 31, 1996	December 31, 1995
	Unaudited	
	(In thousands except per share amounts)	
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable	$ 110,820	$ 104,017
Accounts payable	102,694	113,927
Accrued compensation	60,679	73,057
Other accrued liabilities	283,420	317,184
Income taxes	31,455	13,043
Current portion of long-term debt	58,052	59,031
TOTAL CURRENT LIABILITIES	647,120	680,259
LONG-TERM DEBT	805,319	761,578
OTHER NONCURRENT LIABILITIES	160,059	158,321
DEFERRED INCOME TAXES	29,790	30,987
STOCKHOLDERS' EQUITY		
Par value of common stock issued ($1 par)	158,732	158,626
Additional paid-in capital	192,519	190,860
Retained earnings	949,543	938,567
Net unrealized gain on securities available for sale	18,293	15,912
Cumulative translation adjustment	(11,029)	(3,868)
TOTAL STOCKHOLDERS' EQUITY	1,308,058	1,300,097
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$2,950,346	$2,931,242

See notes to consolidated financial statements.

NEWELL CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three Months Ended March 31,	
	1996	1995
	Unaudited (In thousands)	
OPERATING ACTIVITIES:		
Net Income	$ 33,190	$ 36,099
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	29,895	23,100
Deferred income taxes	13,079	(5,865)
Other	(2,107)	95
Changes in Current Accounts:		
Accounts receivable	36,487	22,333
Inventories	(4,195)	(44,560)
Other current assets	(5,500)	8,657
Accounts payable	(21,165)	(806)
Accrued liabilities and other	(23,000)	(8,442)
NET CASH PROVIDED BY OPERATING ACTIVITIES	56,684	30,611
INVESTING ACTIVITIES:		
Acquisitions, net	(35,287)	-
Expenditures for property, plant and equipment	(14,847)	(18,211)
Disposals of noncurrent assets and other	(3,809)	(7,293)
NET CASH USED IN INVESTING ACTIVITIES	(53,943)	(25,504)
FINANCING ACTIVITIES:		
Proceeds from issuance of debt	63,439	9,691
Proceeds from exercised stock options and other	1,765	1,304
Payments on notes payable and long-term debt	(58,316)	(5,184)
Cash dividends	(22,214)	(15,791)
NET CASH USED IN FINANCING ACTIVITIES	(15,326)	(9,980)
DECREASE IN CASH AND CASH EQUIVALENTS	(12,585)	(4,873)
Cash and cash equivalents at beginning of year	58,771	14,892
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 46,186	$ 10,019
Supplemental cash flow disclosures:		
Cash paid during the year for -		
Interest	$ 16,146	$ 13,722
Income taxes	8,513	2,137

See notes to consolidated financial statements.

NEWELL CO. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - The condensed financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission, and reflect all adjustments necessary to present a fair statement of the results for the periods reported, subject to normal recurring year-end audit adjustments, none of which is material. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these condensed financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's latest Annual Report on Form 10-K.

Note 2 - On September 29, 1995, the Company acquired Decorel Incorporated ("Decorel"), a manufacturer and marketer of ready-made picture frames. On November 2, 1995, the Company acquired Berol Corporation ("Berol"), a designer, manufacturer and marketer of markers and writing instruments. For these 1995 acquisitions, the Company paid $152.6 million in cash and assumed $102.2 million of debt. On January 22, 1996, the Company acquired The Holson Burnes Group, Inc. ("Holson Burnes"), a manufacturer and marketer of photo albums and picture frames. For this acquisition, the Company paid $35.3 million in cash and assumed $44.4 million of debt. These transactions were accounted for as purchases; therefore results of operations are included in the accompanying consolidated financial statements since their dates of acquisition. The acquisition costs were allocated on a preliminary basis to the fair market value of the assets acquired and liabilities assumed and resulted in goodwill of approximately $125.9 million. The total adjustments to the purchase price allocations are not expected to be material to the financial statements.

The unaudited consolidated results of operations for the three months ended March 31, 1996 and 1995 on a pro forma basis, as though Decorel, Berol and Holson Burnes had been acquired on January 1, 1995, are as follows:

	Three Months Ended March 31,	
	1996	1995
	(In millions, except per share amounts)	
Net sales	$622.6	$639.2
Net income	32.0	31.1
Earnings per share	0.20	0.20

Note 3 - The components of inventories at the end of each period, net of the LIFO reserve, were as follows:

	March 31, 1996	December 31, 1995
	(In millions)	
Materials and supplies	$136.2	$147.7
Work in process	93.7	87.5
Finished products	317.8	274.0
	$547.7	$509.2

Note 4 - Long-term marketable equity securities at the end of each period are summarized as follows:

	March 31, 1996	December 31, 1995
	(In millions)	
Aggregate market value	$57.3	$53.3
Aggregate cost	26.8	26.8
Unrealized gain	$30.5	$26.5

Long-term marketable equity securities are carried at fair value with adjustments for fair value reported separately as a component of stockholders' equity and are excluded from earnings.

Note 5 - Property, plant and equipment at the end of each period consisted of the following:

	March 31, 1996	December 31, 1995
	(In millions)	
Land	$ 21.5	$ 16.2
Buildings and improvements	205.5	194.8
Machinery and equipment	650.3	620.2
	877.3	831.2
Allowance for depreciation	(319.0)	(300.9)
	$ 558.3	$ 530.3

Note 6 - Long-term debt at the end of each period consisted of the following:

	March 31, 1996	December 31, 1995
	(In millions)	
Medium-term notes	$345.0	$345.0
Commercial paper	501.6	448.6
Other long-term deb	16.8	27.0
	863.4	820.6
Current portion	(58.1)	(59.0)
	$805.3	$761.6

Commercial paper in the amount of $501.6 million is classified as long-term since it is supported by the revolving credit agreement discussed in the liquidity and capital resources section on page 12.

Note 7 - In 1995, the Financial Accounting Standards Board ("FASB") issued SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of." This statement was adopted by the Company on January 1, 1996. The impact of adopting this statement was not material to the consolidated financial statements.

Also, in 1995, the FASB issued SFAS No. 123, "Accounting for Stock Based Compensation." The Company adopted this statement effective January 1, 1996 and will provide additional disclosures in the footnotes to the annual consolidated financial statements.

PART I. Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Results of Operations

The following table sets forth for the periods indicated the items from the Consolidated Statements of Income as a percentage of net sales.

	Three Months Ended March 31, 1996	Three Months Ended March 31, 1995
Net sales	100.0%	100.0%
Cost of products sold	70.7	70.0
GROSS INCOME	29.3	30.0
Selling, general and administrative expenses	18.1	16.8
OPERATING INCOME	11.2	13.2
Nonoperating expenses (income):		
Interest expense	2.3	2.1
Other	-	0.3
Net nonoperating expenses (income)	2.3	2.4
INCOME BEFORE INCOME TAXES	8.9	10.8
Income taxes	3.5	4.3
NET INCOME	5.4%	6.5%

Three Months Ended March 31, 1996 vs. Three Months Ended March 31, 1995

Net sales for the first quarter of 1996 were $618.2 million, representing an increase of $61.6 million or 11.1% from $556.6 million in the comparable quarter of 1995. The overall increase in net sales was primarily attributable to the acquisitions of Decorel and Berol in September and November 1995, respectively, and the January 1996 acquisition of Holson Burnes. Overall, internal sales growth in the first quarter was affected by a soft retail environment. Internal sales growth is defined as growth from continuing businesses owned more than two years ("core businesses"), including minor acquisitions. Net sales for each of the Company's product groups were as follows, in millions:

	1996	1995	% Change	Primary Reasons for Increases
Home Furnishings	$203.4	$165.9	22.6%	Decorel and Holson Burnes acquisitions
Housewares	175.9	175.9	-	No increase
Office Products	145.7	129.6	12.4%	Berol acquisition, offset partially by internal sales declines of 13%
Hardware & Tools	93.2	85.2	9.4%	Internal sales growth
	$618.2	$556.6	11.1%	

Gross income as a percent of net sales in the first quarter of 1996 decreased slightly to 29.3% from 30.0% in the comparable quarter of 1995. The decrease was due primarily to the soft retail environment which resulted in reduced manufacturing output at certain divisions. Inventory levels at these divisions were adjusted to reflect the lower retail demand.

Selling, general and administrative expenses ("SG&A") as a percent of net sales in the first quarter of 1996 were 18.1% versus 16.8% in the comparable quarter of 1995. The increase was due primarily to higher levels of SG&A at Decorel, Berol and Holson Burnes.

Operating income in the first quarter of 1996 was 11.2% of net sales or $69.5 million versus $73.4 million in the comparable quarter of 1995. The decrease was primarily attributable to the same factors that affected gross income, along with the increase in SG&A as a percentage of net sales.

Net nonoperating expenses for 1996 were $14.2 million in the first quarter of 1996 versus $13.2 million in the comparable quarter of 1995 and are summarized as follows:

	Three Months Ended March 31, 1996	1995	Change
	(In Millions)		
Interest expense (1)	$ 14.4	$ 11.8	$ 2.6
Interest income	(0.9)	(0.3)	(0.6)
Goodwill amortization	5.8	4.8	1.0
Dividend income	(3.0)	(3.2)	0.2
Equity earnings in American Tool Companies, Inc. (the Company has a 49% ownership interest)	(2.1)	(2.1)	-
Intangible asset write-off	-	2.2	(2.2)
	$ 14.2	$ 13.2	$ 1.0

(1) The increase in interest expense was due to additional borrowings for the 1995 and 1996 acquisitions.

For the first quarter in both 1996 and 1995, the effective tax rate was 40.0%.

Net income for the first quarter of 1996 was $33.2 million, representing a decrease of $2.9 million or (8.1)% from the comparable quarter of 1995. Earnings per share for the first quarter of 1996 were down 8.7% to $0.21 versus $0.23 in the comparable quarter of 1995. The decreases in net income and earnings per share were primarily attributable to the same factors that affected operating income.

LIQUIDITY AND CAPITAL RESOURCES

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

Operating activities provided net cash of $56.7 million during the first three months of 1996, an increase of $26.1 million from $30.6 million in the comparable period of 1995. This change was primarily due to a soft retail environment which resulted in a greater reduction of trade receivables, a smaller increase in inventory required to service customers and a decline in trade payables.

The Company has short-term foreign and domestic lines of credit with various banks and a commercial paper program which are available for short-term financing. Under the line of credit arrangements, the Company may borrow up to $309.0 million (of which $197.1 million was available at March 31, 1996) based upon such terms as the Company and the respective banks have mutually agreed upon. Committed lines of credit compose $136.9 million of the total line of credit arrangements. Borrowings under the Company s uncommitted lines of credit are subject to the discretion of the lender.

At March 31, 1996, the Company had available and outstanding $345.0 million (principal amount) of medium-term notes with maturities ranging from one to five years at an average rate of interest equal to 6.3%. The Company had outstanding $345.0 million of medium-term notes on December 31, 1995.

In June 1995, the Company entered into a five-year $550.0 million revolving credit agreement and a $200.0 million, 364-day revolving credit agreement (and terminated its existing revolving credit agreements). Under these agreements, the Company may borrow, repay and reborrow funds in an aggregate amount up to $750.0 million, at a floating interest rate. At March 31, 1996, there were no borrowings under the revolving credit agreements.

In lieu of borrowings under the revolving credit agreements, the Company may issue up to $750.0 million of commercial paper. The Company s revolving credit agreements referred to above provide the committed backup liquidity required to issue commercial paper. Accordingly, commercial paper may only be issued up to the amount available under the Company's revolving credit agreements. At March 31, 1996, $501.6 million (face or principal amount) of commercial paper was outstanding, all of which was supported by the five-year revolving credit agreements. The entire amount is classified as long-term debt.

The Company has a universal shelf registration statement under which the Company may issue up to $500.0 million of debt and equity securities, subject to market conditions. At March 31, 1996, no securities had been issued under this registration statement.

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

Capital expenditures were $14.8 million and $18.2 million in the first three months of 1996 and 1995, respectively. The decrease is due primarily to heavy spending during the first quarter of 1995 in connection with the integration of acquired businesses.

The Company has paid regular cash dividends on its common stock since 1947. On February 6, 1996, the quarterly cash dividend was increased to $0.14 per share from the $0.12 per share that had been paid since May 11, 1995. Dividends paid were $22.2 million and $15.8 million in the first three months of 1996 and 1995, respectively. This increase in paid dividends affected retained earnings, which increased by $11.0 million and $20.3 million in the first three months of 1996 and 1995, respectively.

In 1996, the Company acquired Holson Burnes for $35.3 million in cash and the assumption of $44.4 million of debt. This acquisition was accounted for as a purchase and the cash portion of the purchase price was paid for with proceeds obtained from the issuance of commercial paper.

Working capital at March 31, 1996 was $486.2 million compared to $452.6 million at December 31, 1995. The current ratio at March 31, 1996 was 1.75:1 compared to 1.67:1 at December 31, 1995. Total debt to total capitalization (net of cash and cash equivalents) was .42:1 at March 31, 1996 and .40:1 at December 31, 1995.

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

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits:

27 Financial Data Schedule

b) Reports on Form 8-K:

Registrant filed a Report on Form 8-K dated January 29, 1996 reporting the issuance of a press release regarding the results of the quarter and fiscal year ended December 31, 1995.

SIGNATURES

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

NEWELL CO.

Date May 3, 1996 /s/ William T. Alldredge

William T. Alldredge
Vice President - Finance

Date May 3, 1996 /s/ Brett E. Gries

Brett E. Gries
Vice President - Accounting & Tax

5

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

1,000

3-MOS
DEC-31-1996
MAR-31-1996
46,186
0
369,770
(11,618)
547,720
1,133,318
877,271
(318,964)
2,950,346
647,120
805,319
0
0
158,732
1,149,326
2,950,346
618,157
181,250
436,907
548,661
14,180
685
14,442
55,316
22,126
33,190
0
0
0
33,190
0.21
0.21

Allowances for doubtful accounts are reported as contra accounts to accounts receivable. The corporate reserve for bad debts is a percentage of trade receivables based on the bad debts experienced in one or more past years, general economic conditions, the age of the receivables and other factors that indicate the element of uncollectibility in the receivables outstanding at the end of the period.

See notes to consolidated financial statements.