NEWELL RUBBERMAID INC
Form 10-K
March 01, 2011
Table of Contents

UNITED STATES

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	COMMISSION FILE NUMBER
DECEMBER 31, 2010	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.)
Three Glenlake Parkway Atlanta, Georgia (Address of principal executive offices)	30328 (Zip Code)

Registrant s telephone number, including area code: (770) 418-7000

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	New York Stock Exchange
	Chicago Stock Exchange

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ¨ No þ

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 þ No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) 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. þ

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer þ	Accelerated Filer ¨
Non-Accelerated Filer ¨ (Do not check if a smaller reporting company)	Smaller Reporting Company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ¨ No þ

There were 290.6 million shares of the Registrant s Common Stock outstanding (net of treasury shares) as of January 31, 2011. The aggregate market value of the shares of Common Stock (based upon the closing price on the New York Stock Exchange on June 30, 2010) beneficially owned by non-affiliates of the Registrant was approximately $4.1 billion. 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 10, 2011.

Table of Contents

TABLE OF CONTENTS

PART I

ITEM 1. BUSINESS

Newell Rubbermaid or the Company refers to Newell Rubbermaid Inc. alone or with its wholly owned subsidiaries, as the context requires. When this report uses the words we or our, it refers to the Company and its subsidiaries unless the context otherwise 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.

GENERAL

Newell Rubbermaid is a global marketer of consumer and commercial products that touch the lives of people where they work, live and play. The Company s products are marketed under a strong portfolio of brands, including Rubbermaid®, Graco®, Aprica®, Levolor®, Calphalon®, Goody®, Sharpie®, Paper Mate®, Dymo®, Parker®, Waterman®, Irwin®, Lenox® and Technical Concepts . The Company s multi-product offering consists of well-known name-brand consumer and commercial products in three business segments: Home & Family; Office Products; and Tools, Hardware & Commercial Products.

Newell Rubbermaid s vision is to become a global company of Brands That Matter and great people, known for best-in-class results. The Company is committed to building consumer-meaningful brands through understanding the needs of consumers and using those insights to create innovative, highly differentiated product solutions that offer performance and value. Over the past five years, the Company has been focused on transforming its business model and operations to align with its long-term strategy. The Company has largely completed the transformation and has transitioned from a manufacturer of products to a marketer of Brands That Matter to consumers, improved the product portfolio by investing in brands and products that respond to innovation and product differentiation while reducing exposures to commoditized product categories, and expanded geographically with a growing global footprint. With the transformation largely complete, the Company s strategy is to leverage the portfolio for faster growth, continue building Brands That Matter to drive demand, and fuel growth through margin expansion and scale synergies. The Company s strategy is designed to achieve simultaneous net sales growth, gross margin expansion and increased earnings per share.

Refer to the forward-looking statements section of Management s Discussion and Analysis of Financial Condition and Results of Operations for a discussion of the Company s forward-looking statements included in this report.

STRATEGIC INITIATIVES

Leverage the Portfolio for Faster Growth

The Company s strategy is to leverage its brand and product portfolio for faster growth by targeting further investment in higher growth businesses and categories to accelerate geographic and category expansion. In 2010, the Company completed Project Acceleration through which the Company substantially exited commoditized businesses and product lines that the Company deemed as not responsive to innovation and where input costs were a significant portion of the overall product cost. As a result, the Company s current portfolio of brands and products generally are more responsive to innovation and product differentiation, have strong margin and growth potential, and participate in global categories.

Each of the Company s global business units (GBUs) supports one or more of the Company s key brands worldwide, with a focus on developing and marketing differentiated products designed to meet consumers needs. The GBU structure gives the Company s key businesses the ability to leverage research and development, branding, marketing and innovation on a global basis. The Company is able to maximize the benefits of its targeted investments in geographic and category expansion because the GBU structure allows the GBUs to take advantage of favorable customer and channel dynamics, optimize valued intellectual property and realize synergies with the Company s core product categories and competencies.

Build Brands that Matter to Drive Demand

The Company is committed to building consumer-meaningful brands by leveraging a consumer-driven innovation process, utilizing and further developing best-in-class marketing and branding capabilities across the organization, and investing in strategic brand-building activities to support long-term sales growth. As part of the consumer-driven innovation process, the Company invests in consumer insight programs to better understand its target consumers and their needs. The insights gained from this investment are used to develop focused brand strategies and to create products that deliver meaningful solutions.

The Company also continues to employ resources to further develop best-in-class branding and marketing capabilities across the organization. Each business unit is tasked with evaluating its brands against best-in-class metrics, using a common framework and methodology, and developing a comprehensive plan to achieve the targeted goals. The Company s continued investment in strategic brand-building activities such as research and development, marketing, and advertising and promotion supports the consumer-driven innovation process, creates a more effective marketing organization and increases consumer awareness and demand for its products.

In 2010, the Company continued to support its brands and products with more than $125 million invested in product development, an increase of approximately 9% over 2009. This continued focus on consumer-driven innovation and product development resulted in the launch and support of several new products in 2010, including the following:

- Rubbermaid Reveal Microfiber Spray Mop that helps consumers clean floors better, while reducing waste and saving money;
- Goody s Simple Styles collection of hair accessories that make it easy to achieve salon-quality hair styles with only a few simple steps;
- Sharpie® Liquid Pencil with cutting-edge liquid graphite technology that writes smooth like a pen but erases like a pencil;
- Expo Washable markers formulated to easily wash off of skin and most washable fabrics;
- Lenox ® s Q88 bimetal bandsaw blade with a design that maximizes blade life while delivering superior cutting performance; and
- Irwin® Vise-Grip® Curved Jaw Locking Pliers that feature a unique self-energizing lower jaw that delivers three times more gripping power than traditional locking pliers.

Fuel Growth Through Margin Expansion and Scale

The Company s objective is to achieve best cost and improve productivity through the adoption of best-in-class practices, including leveraging scale, continuing to optimize the supply chain to improve capacity utilization and to deliver productivity savings, reducing costs in nonmarket-facing activities, designing products to reduce input costs, and utilizing strategic sourcing partners when it is cost effective. Achieving best cost allows the Company to improve its competitive position, generate funds for increased investment in strategic brand-building initiatives, and preserve cash and liquidity.

In 2010, the Company completed the implementation of its Project Acceleration restructuring initiative, which is expected to result in the realization of annual savings in excess of $220 million by the end of 2011. Through Project Acceleration and other initiatives, the Company made significant progress in improving capacity utilization rates to deliver productivity savings and in increasing the use of strategic sourcing partners. Since the inception of Project Acceleration, the Company reduced its manufacturing footprint by more than 60%. Additionally, the Company restructured its supply chain to realize efficiencies in purchasing, sourcing, distribution and transportation, both domestically and internationally.

In June 2010, the Company announced a program to simplify and centralize its European business (the European Transformation Plan), which includes initiatives designed to transform the European organizational structure and processes to centralize certain operating activities, improve performance, leverage the benefits of scale and to contribute to a more efficient and cost-effective implementation of an enterprise resource planning program in Europe, all with the aim of increasing operating margins in the European region to at least ten percent. The European Transformation Plan is expected to result in aggregate restructuring and other plan-related costs of $110 to $115 million, to be substantially incurred by the end of 2011. The Company expects to realize annualized after-tax savings of $55 to $65 million upon completion of the implementation of the European Transformation Plan.

The Company continues to evaluate and optimize nonstrategic SG&A expenditures throughout the organization. By establishing regional shared service centers, the Company has started to realize savings due to reduced costs in nonmarket-facing functional capabilities. In addition, the Company has consolidated the leadership and strategic operations of five of the Company s GBUs into the Company s headquarters facilities and consolidated five additional GBUs into the Company s other primary North American campuses to facilitate the sharing of knowledge and better leverage best practices.

BUSINESS SEGMENTS

The Company s reportable segments reflect the Company s focus on building large consumer brands, promoting organizational integration, achieving operating efficiencies in sourcing and distribution and leveraging its understanding of similar consumer segments and distribution channels. The Company s business segments for 2010 were as follows:

Segment	Key Brands	Description of Products
Home & Family	Rubbermaid®, Graco®, Aprica®, Levolor®, Calphalon®, Goody®	Infant and juvenile products such as car seats, strollers, highchairs and playards; gourmet cookware, bakeware, cutlery and small kitchen electrics; hair care accessories; cabinet hardware, drapery hardware and window treatments; and indoor/outdoor organization, food storage and home storage products
Office Products	Sharpie®, Paper Mate®, Dymo®, Parker®, Waterman®	Writing instruments, including markers, highlighters, pens, pencils and fine writing instruments; office technology solutions such as label makers and printers, interactive teaching solutions, card-scanning solutions and online postage; and art products
Tools, Hardware & Commercial Products	Lenox®, Irwin®, Rubbermaid® Commercial Products, Technical Concepts	Hand tools, power tool accessories, industrial bandsaw blades, cutting tools, propane torches and manual paint applicators; window hardware; cleaning and refuse products, hygiene systems, material handling solutions, medical and computer carts, and wall-mounted work stations

Home & Family

The Company s Home & Family segment consists of five GBUs. Rubbermaid Consumer designs, manufactures, packages and distributes indoor/outdoor organization products and food and home storage products and primarily sells its products under the trademarks Rubbermaid®, Roughneck® and TakeAlongs®. Baby & Parenting designs, sources, packages and distributes infant and juvenile products such as swings, highchairs, car seats, strollers and playards and primarily sells its products under the trademarks Graco®, Teutonia® and Aprica®. Décor designs, manufactures or sources, packages and distributes window treatments, drapery hardware and cabinet hardware and primarily sells its products under the trademarks Levolor®, Kirsch® and Amerock®. Culinary Lifestyle designs, manufactures or sources, packages and distributes aluminum and stainless steel cookware, bakeware, cutlery, small kitchen electrics, and kitchen gadgets and utensils and primarily sells its products under the trademarks Calphalon®, Kitchen Essentials®, Cooking with Calphalon , Calphalon® Unison and Katana . Beauty & Style designs, sources, packages and distributes hair care accessories and grooming products and markets its products primarily under the trademarks Goody®, Ace® and Solano®.

The Home & Family GBUs primarily market their products directly to mass merchants and specialty, grocery/drug and department stores.

Office Products

The Company s Office Products segment consists of four GBUs. These businesses primarily design, manufacture or source, package and distribute writing instruments and office solutions, primarily for use in the business and home.

Markers, Highlighters, Art & Office Organization products include permanent/waterbase markers, dry erase markers, highlighters and art supplies and are primarily sold under the trademarks Sharpie®, Expo®, Sharpie® Accent®, Vis-à-Vis®, Eberhard Faber®, Berol® and Prismacolor®. Technology products include on-demand labeling products, online postage, card scanning solutions and interactive teaching solutions, and are primarily sold under the trademarks Dymo®, Endicia , CardScan® and Mimio®. Everyday Writing products include ballpoint pens and inks, roller ball pens, mechanical pencils and correction fluids and are primarily sold under the trademarks Paper Mate®, Uni-Ball® (used under exclusive license from Mitsubishi Pencil Co. Ltd. and its subsidiaries in North America), Sharpie®, Eberhard Faber®, Berol®, Reynolds® and Liquid Paper®. Fine Writing & Luxury Accessories products include fine writing instruments and luxury accessories and are primarily sold under the trademarks Parker®, Waterman® and Rotring®.

The Office Products GBUs primarily market their products directly to mass merchants, warehouse clubs, grocery/drug stores, office superstores, office supply stores, contract stationers and other retailers.

Tools, Hardware & Commercial Products

The Company s Tools, Hardware & Commercial Products segment consists of four GBUs. These businesses design, manufacture or source, package and distribute cleaning and refuse products, hygiene systems, hand tools and power tool accessories, industrial bandsaw blades, soldering tools and accessories, propane torches, manual paint applicator products, and window and door hardware.

Industrial Products & Services products include cutting and drilling accessories and industrial bandsaw blades sold under the Lenox® trademark. Rubbermaid Commercial Products primarily sells its cleaning and refuse products and hygiene systems under the trademarks Rubbermaid®, Brute® and Technical Concepts . Construction Tools & Accessories products include hand tools and power tool accessories primarily sold under the trademarks Irwin®, Vise-Grip®, Marathon®, Quick-Grip®, Unibit® and Strait-Line®. Hardware products include paint applicator products, propane torches, soldering tools and accessories, and window and door hardware primarily sold under the trademarks Shur-Line®, BernzOmatic® and Bulldog®.

The Tools, Hardware & Commercial Products GBUs primarily market their products directly and through distributors to mass merchants, home centers, department/specialty stores, hardware and commercial products distributors, industrial/construction outlets, custom shops, select contract customers and other professional customers.

NET SALES BY BUSINESS SEGMENT

The following table sets forth the amounts and percentages of the Company s net sales for the years ended December 31, 2010, 2009 and 2008 *(in millions, except percentages)* (including sales of acquired businesses from the time of acquisition), for the Company s three business segments.

	2010	% of Total	2009	% of Total	2008	% of Total
Home & Family	$ 2,378.4	41.3%	$ 2,377.2	42.6%	$ 2,654.8	41.0%
Office Products	1,708.9	29.7	1,674.7	30.0	1,990.8	30.8
Tools, Hardware & Commercial Products	1,671.9	29.0	1,525.7	27.4	1,825.0	28.2
Total Company	$ 5,759.2	100.0%	$ 5,577.6	100.0%	$ 6,470.6	100.0%

Sales to Wal-Mart Stores, Inc. and subsidiaries, which includes Sam s Club, amounted to approximately 12% of consolidated net sales for each of the years ended December 31, 2010 and 2009 and 13% of consolidated net sales for the year ended December 31, 2008, substantially across all segments. For more detailed segment information, including operating income (loss) and identifiable assets by segment, refer to Footnote 19 of the Notes to Consolidated Financial Statements.

OTHER INFORMATION

Multi-Product Offering

The Company s broad product offering in multiple categories permits it to more effectively meet the needs of its customers. With families of leading brand names and profitable and innovative new products, the Company can assist volume purchasers in selling 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 consumers.

Customer Marketing and Service

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

The Company strives to enhance its relationships with customers through exceptional customer service. The Company s ability to provide superior customer service is a result of its supply chain, information technology and marketing and merchandising programs that are designed to enhance the sales and profitability of its customers and provide consistent on-time delivery of its products.

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. Retailers frequently purchase on a just-in-time basis in order to reduce inventory carrying costs and increase returns on investment. As retailers shorten their lead times for orders, manufacturers and suppliers need to more closely anticipate consumer buying patterns. The Company supports its retail customers just-in-time inventory strategies through more responsive sourcing, manufacturing and distribution capabilities and electronic communications.

Table of Contents

Foreign Operations

Information regarding the Company s 2010, 2009 and 2008 foreign operations and financial information by geographic area is included in Footnote 19 of the Notes to Consolidated Financial Statements and is incorporated by reference herein. Information regarding risks relating to the Company s foreign operations is set forth in Part I, Item 1A of this report and is incorporated by reference herein.

The Company s Office Products segment has operations in Venezuela, and the primary currency used by the Venezuelan operations to transact business is the Venezuelan Bolivar. Effective January 1, 2010, Venezuela s economy was characterized as highly inflationary because its three-year cumulative inflation exceeded 100%. The Company began accounting for its Venezuelan operations using highly inflationary accounting in January 2010. Under highly inflationary accounting, the Company remeasures assets, liabilities, sales and expenses denominated in Bolivar Fuertes into U.S. Dollars using the applicable exchange rate, and the resulting translation adjustments are included in earnings. During the year ended December 31, 2010, the Company recognized $5.6 million of foreign exchange gains associated with its operations in Venezuela, and such amount is included in other (income) expense, net, in the Consolidated Statement of Operations. As of December 31, 2010, the Company s Venezuelan subsidiary had approximately $29.5 million of net monetary assets denominated in Bolivar Fuertes, and a 5% increase/(decrease) in the applicable exchange rate would decrease/(increase) the Company s pretax income by $1.5 million.

During substantially all of 2009, the Company used the official rate of 2.15 to 1 U.S. Dollar to report the results of its Venezuelan operations, and during 2010, the Venezuelan operations results were reflected at the parallel exchange rate or the SITME rate (which is a regulated foreign currency exchange system that began in June 2010), both of which were less favorable than the official rate used for substantially all of 2009. As a result of the use of the less favorable rate in 2010, net sales and operating income declined approximately 1% and 3%, respectively, for the year ended December 31, 2010 compared to the year ended December 31, 2009 due solely to the change in exchange rates used to translate the results of the Company s Venezuelan operations. The change in the rate does not impact reported changes in core sales, which exclude the impact of foreign currency.

Raw Materials and Sourced Finished Goods

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. The Company s product offerings require the purchase of resin, corrugate and metals, including steel, stainless steel, zinc, aluminum and gold. The Company s resin purchases are principally comprised of polyethylene and polypropylene in roughly equal quantities. Over the long-term, the Company has experienced inflation in raw material prices, and the Company expects continued inflation pressures in 2011. The Company has reduced the volume of its resin purchases through rationalizing and exiting product lines. On an annualized basis, commodities consumed as raw materials generally represent approximately 10% to 15% of annual cost of products sold, with no single type of commodity representing more than 10% of cost of products sold.

The Company is also placing increasing reliance on third-party manufacturers as a source for finished goods. In a limited number of cases, such manufacturers supply substantially all of the finished goods for a product line. In particular, the Home & Family segment s Baby & Parenting GBU relies on a third-party manufacturer for substantially all of certain of its products.

See Management s Discussion and Analysis of Financial Condition and Results of Operations for further discussion.

Backlog

The dollar value of unshipped factory orders is not material.

Seasonal Variations

Sales of the Company s products tend to be seasonal, with sales and operating income in the first quarter generally lower than any other quarter during the year, driven principally by reduced volume and the mix of products sold in the first quarter. Historically, the Company has earned more than 60% of its annual operating income during the second and third quarters of the year. The seasonality of the Company s sales volume combined with the accounting for fixed costs, such as depreciation, amortization, rent, personnel costs and interest expense, impacts the Company s results on a quarterly basis. In addition, the Company has historically generated more than 65% of its operating cash flow in the second half of the year due to seasonal variations in operating results, the timing of annual performance-based compensation payments, and credit terms provided to customers.

Patents and Trademarks

The Company has many patents, trademarks, brand names and trade names that are, in the aggregate, important to its business. The Company s most significant registered trademarks are Rubbermaid®, Graco®, Aprica®, Levolor®, Calphalon®, Goody®, Sharpie®, Paper Mate®, Dymo®, Parker®, Waterman®, Irwin®, Lenox® and Technical Concepts .

Table of Contents

Customers / Competition

The Company s principal customers are large mass merchandisers, such as discount stores, home centers, warehouse clubs and office superstores, and commercial distributors. 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 dominant multi-category retailers that have strong negotiating power with suppliers. This environment limits the Company s ability to recover cost increases through selling prices.

Current trends among retailers include fostering high levels of competition among suppliers, demanding innovative new products and requiring suppliers to maintain or reduce product prices and deliver products with shorter lead times. Other trends, in the absence of a strong new product development effort or strong end-user brands, are for the retailer to import generic products directly from foreign sources and to source and sell products, under their own private label brands, that compete with products of the Company. 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 category management and customer service. The Company competes with numerous manufacturers and distributors of consumer products, many of which are large and well- established.

The Company s principal methods of meeting its competitive challenges are creating and maintaining consumer-meaningful brands and differentiated products; delivering superior customer service and consistent on-time delivery; outsourcing certain production to low-cost suppliers and lower-cost countries where appropriate; and experienced management.

The Company has also positioned itself to respond to the competitive challenges in the 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; and contract stationers. The Company s largest customer, Wal-Mart (which includes Sam s Club), accounted for approximately 12% of net sales in 2010, across substantially all GBUs. The Company s top ten customers in 2010 included (*in alphabetical order*): Bed Bath & Beyond, Lowe s, Office Depot, OfficeMax, Staples, Target, The Home Depot, Toys R Us, United Stationers and Wal-Mart.

Environmental Matters

Information regarding the Company s environmental matters is included in the Management s Discussion and Analysis of Financial Condition and Results of Operations section of this report and in Footnote 20 of the Notes to Consolidated Financial Statements and is incorporated by reference herein.

Research and Development

Information regarding the Company s research and development costs for each of the past three years is included in Footnote 1 of the Notes to Consolidated Financial Statements and is incorporated by reference herein. The Company s research and development costs are incurred to develop new, differentiated and innovative products to meet consumers needs.

Employees

As of December 31, 2010, the Company had approximately 19,400 employees worldwide, of whom approximately 2,400 are covered by collective bargaining agreements or are located in countries which have collective arrangements decreed by statute.

Table of Contents

ITEM 1A. RISK FACTORS

The factors that are discussed below, as well as the matters that are generally set forth in this report on Form 10-K and the documents incorporated by reference herein, could materially and adversely affect the Company s business, results of operations and financial condition.

The Company is subject to risks related to its dependence on the strength of retail, commercial and industrial sectors of the economy in various parts of the world.

The Company s business depends on the strength of the retail, commercial and industrial sectors of the economy in various parts of the world, primarily in North America, and to a lesser extent Europe, Central and South America, and Asia. These sectors of the economy are affected primarily by factors such as consumer demand and the condition of the retail industry, which, in turn, are affected by general economic conditions. With continuing challenging economic conditions in the U.S. and elsewhere, there has been considerable pressure on consumer demand, and the resulting impact on consumer spending has had and may continue to have a material adverse effect on demand for the Company s products as well as its financial condition and results of operations. Consumer demand and the condition of these sectors of the economy may also be impacted by other external factors such as war, terrorism, geopolitical uncertainties, public health issues, natural disasters and other business interruptions. The impact of these external factors is difficult to predict, and one or more of the factors could adversely impact the Company s business.

In recent years, the retail industry in the U.S. and, increasingly, elsewhere has been characterized by intense competition among 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 profitability, creditworthiness and pricing policies of its customers. A failure by one of the Company s large retail customers would adversely impact the Company s sales and operating cash flows.

The Company is subject to intense competition in a marketplace dominated by large retailers.

The Company competes with numerous other manufacturers and distributors of consumer and commercial 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, and commercial distributors. 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 that have strong negotiating power with suppliers. Current trends among retailers include fostering high levels of competition among suppliers, demanding innovative new products and requiring suppliers to maintain or reduce product prices, and delivering products with shorter lead times. Other trends are for retailers to import products directly from foreign sources and to source and sell products, under their own private label brands, that compete with the Company s products.

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 downward pricing pressures and the need for big, consumer-meaningful brands, the ongoing introduction and commercialization of innovative new products, continuing improvements in customer service, and the maintenance of strong relationships with large, high-volume purchasers. The Company also faces the risk of changes in the strategy or structure of its major retailer customers, such as overall store and inventory reductions and retailer consolidation. The intense competition in the retail sector combined with the overall economic environment may result in a number of retailers experiencing financial difficulty or failing in the future. As a result of these factors, the Company may experience a loss of sales, reduced profitability and a limited ability to recover cost increases through price increases.

If the Company is unable to commercialize a continuing stream of new products that create demand, the Company s ability to compete in the marketplace may be adversely impacted.

The Company s long-term success in the competitive retail environment and the industrial and commercial markets depends on its ability to develop and commercialize a continuing stream of innovative new products that create demand. The Company also faces the risk that its competitors will introduce innovative new products that compete with the Company s products. The Company s strategy includes investment in new product development and a focus on innovation. There are, nevertheless, numerous uncertainties inherent in successfully developing and commercializing innovative new products on a continuing basis, and new product launches may not deliver expected growth in sales or operating income.

If the Company does not continue to develop and maintain consumer-meaningful brands, its operating results may suffer.

The Company s ability to compete successfully also depends increasingly on its ability to develop and maintain consumer-meaningful brands so that the Company s retailer and other customers will need the Company s products to meet consumer demand. Consumer-meaningful brands allow the Company to realize economies of scale in its operations. The development and maintenance of such brands requires significant investment in brand-building and marketing initiatives. While the Company plans to continue to increase

Table of Contents

its expenditures for advertising and other brand-building and marketing initiatives over the long term, the increased investment may not deliver the anticipated results.

Price increases in raw materials and sourced products could harm the Company s financial results.

The Company purchases raw materials, including resin, principally polyethylene and polypropylene, corrugate, steel, gold, zinc, brass and aluminum, which are subject to price volatility and inflationary pressures. The Company attempts to reduce its exposure to increases in those costs through a variety of programs, including periodic purchases, future delivery purchases, long-term contracts and sales price adjustments. Where practical, the Company uses derivatives as part of its risk management process. Also, as part of its strategy to achieve best total cost, the Company increasingly relies on third-party manufacturers as a source for its products. These manufacturers are also subject to price volatility and labor cost and other inflationary pressures, which may, in turn, result in an increase in the amount the Company pays for sourced products. Raw material and sourced product price increases may more than offset the Company s productivity gains and price increases and could materially impact the Company s financial results.

The Company s plans to continue to improve productivity and streamline operations may not be successful, which would adversely affect its ability to compete.

The Company s success depends on its ability to continuously improve its manufacturing operations to gain efficiencies, reduce supply chain costs and streamline nonstrategic selling, general and administrative expenses in order to produce products at a best-cost position and allow the Company to invest in innovation and brand building. The Company completed Project Acceleration in 2010, and the primary objective of Project Acceleration was to reduce manufacturing overhead and streamline the supply chain to achieve best cost. In addition, the Company continuously explores ways and initiates projects, such as the European Transformation Plan, to best leverage its functional capabilities such as Human Resources, Information Technology, Customer Service, Supply Chain Management and Finance in order to improve efficiency and reduce costs. The Company runs the risk that the European Transformation Plan and other corporate initiatives aimed at streamlining operations and processes, cost reduction and improving overall financial results may not be completed substantially as planned or may be more costly to implement than expected. In addition, these initiatives as well as Project Acceleration may not have the positive effects anticipated. It is also possible that other major productivity and streamlining programs may be required in the future. In addition, disruptions in the Company s ability to supply products on a timely basis, which may be incidental to any problems in the Company s implementation of SAP or other programs, could adversely affect the Company s future results.

If the Company is unable to make strategic acquisitions and to integrate its acquired businesses, the Company s future growth could be adversely impacted.

Although the Company has, in recent years, increasingly emphasized internal growth rather than growth by acquisition, the Company s ability to continue to make strategic acquisitions and to integrate the acquired businesses successfully, including obtaining anticipated cost savings and operating income improvements within a reasonable period of time, remain important factors in the Company s future growth. Furthermore, the Company s ability to finance major acquisitions may be adversely affected by the Company s financial position and access to credit markets. In addition, significant additional borrowings would increase the Company s borrowing costs and could adversely affect its credit rating and could constrain the Company s future access to capital.

Circumstances associated with divestitures could adversely affect the Company s results of operations and financial condition.

The Company continues to evaluate the performance and strategic fit of its businesses and products and may decide to sell or discontinue a business based on such an evaluation. A decision to divest or discontinue a business may result in asset impairments, including those related to goodwill and other intangible assets, and losses upon disposition, both of which could have an adverse effect on the Company s results of operations and financial condition. In addition, the Company may encounter difficulty in finding buyers (or prospective buyers may have difficulty obtaining financing) or executing alternative exit strategies at acceptable prices and terms and in a timely manner. Divestitures and business discontinuations could involve additional risks, including the following:

- difficulties in the separation of operations, services, products and personnel;
- the diversion of management s attention from other business concerns;
- the retention of certain current or future liabilities in order to induce a buyer to complete a divestiture;
- the disruption of the Company s business; and

- the potential loss of key employees.

The Company may not be successful in managing these or any other significant risks that it may encounter in divesting or discontinuing a business.

The Company is subject to risks related to its international operations and sourcing model.

International operations, especially in Europe, but also in Asia, Central and South America and Canada, are important to the Company s business, and the Company s strategy emphasizes international growth. In addition, as the Company increasingly sources products in low-cost countries, particularly in Asia, it is exposed to additional risks and uncertainties. Foreign operations can be affected by factors such as currency devaluation; other currency fluctuations; tariffs; nationalization; exchange controls; labor inflation; interest rates; limitations on foreign investment in local business; and other political, economic and regulatory risks and difficulties. The Company also faces risks due to the transportation and logistical complexities inherent in increased reliance on foreign sourcing.

Venezuela was designated as a highly inflationary economy effective January 1, 2010, and, accordingly, gains and losses resulting from the translation of the net assets (excluding non-monetary assets) of subsidiaries operating in Venezuela into U.S. Dollars are recorded in earnings. See Footnote 1 of the Notes to Consolidated Financial Statements for further information.

The inability to obtain raw materials and finished goods in a timely manner from suppliers would adversely affect the Company s ability to manufacture and market its products.

The Company purchases raw materials to be used in manufacturing its products. In addition, the Company is placing increasing reliance on third-party manufacturers as a source for finished goods. The Company typically does not enter into long-term contracts with its suppliers or sourcing partners. Most raw materials and sourced goods are obtained on a purchase order basis; however, in limited cases where the Company has supply contracts with fixed prices, the Company may be required to purchase raw materials at above-market prices, which could adversely impact gross margins. In addition, in some instances the Company maintains single-source or limited-source sourcing relationships, either because multiple sources are not available or the relationship is advantageous due to performance, quality, support, delivery, capacity or price considerations. Financial, operating or other difficulties encountered by the Company s suppliers and/or sourcing partners or changes in the Company s relationships with them could result in manufacturing or sourcing interruptions, delays and inefficiencies, and prevent the Company from manufacturing or obtaining the finished goods necessary to meet customer demand.

Complications in connection with the Company s current information system initiative may adversely impact its results of operations, financial condition and cash flows.

The Company is in the process of replacing various business information systems worldwide with an enterprise resource planning system from SAP. To date, the North American operations of 12 of the Company s 13 GBUs have successfully gone live with their SAP implementation efforts. These go-lives are the first major milestones in a multi-year implementation that will occur in several phases, primarily based on geographic region and segment. This activity involves the migration of multiple legacy systems and users to a common SAP information platform. Throughout this process, the Company is changing the way it conducts business and employees roles in processing and utilizing information. In addition, this conversion will impact certain interfaces with the Company s customers and suppliers, resulting in changes to the manner in which the Company takes orders, procures materials, schedules production, remits billings, makes payments and performs other business functions. Based upon the complexity of this initiative, there is risk that the Company will be unable to complete the implementation in accordance with its timeline and will incur additional costs. The implementation could result in operating inefficiencies, and the implementation could impact the Company s ability to perform necessary business transactions. All of these risks could adversely impact the Company s results of operations, financial condition and cash flows.

Impairment charges could have a material adverse effect on the Company s financial results.

Future events may occur that would adversely affect the reported value of the Company s assets and require impairment charges. Such events may include, but are not limited to, strategic decisions made in response to changes in economic and competitive conditions, the impact of the economic environment on the Company s sales and customer base, the unfavorable resolution of litigation, including patent infringement litigation involving Endicia, a material adverse change in the Company s relationship with significant customers or business partners, or a sustained decline in the Company s stock price. The Company continues to evaluate the impact of economic and other developments on the Company and its business units to assess whether impairment indicators are present. Accordingly, the Company may be required to perform impairment tests based on changes in the economic environment and other factors, and these tests could result in impairment charges in the future.

The Company s businesses are subject to regulation in the U.S. and abroad.

Changes in laws, regulations and related interpretations may alter the environment in which the Company does business. This includes changes in environmental, competitive and product-related laws, as well as changes in accounting standards, taxation and other regulations. Accordingly, the Company s ability to manage regulatory, tax and legal matters (including environmental, human resource, product liability, patent and intellectual property matters), and to resolve pending legal matters without significant liability could require the Company to take significant reserves in excess of amounts accrued to date or pay significant fines during a reporting period, which could materially impact the Company s results. In addition, new regulations may be enacted in the U.S. or abroad that may require the Company to incur additional personnel-related, environmental or other costs on an ongoing basis or incur fines or penalties for noncompliance, any of which could adversely affect the Company s results of operations. Lastly, as a U.S.-based multi-national company, the Company is also subject to tax regulations in the U.S. and multiple foreign jurisdictions, some of which are interdependent. For example, certain income that is earned and taxed in countries outside the U.S. is not taxed in the U.S., provided those earnings are indefinitely reinvested outside the U.S. If these or other tax regulations should change, the Company s financial results could be impacted.

The resolution of the Company s tax contingencies may result in additional tax liabilities, which could adversely impact the Company s cash flows and results of operations.

The Company is subject to income tax in the U.S. and numerous jurisdictions outside the U.S. Significant estimation and judgment is required in determining the Company s worldwide provision for income taxes. In the ordinary course of the Company s business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Company is regularly under audit by tax authorities. Although the Company believes its tax estimates are reasonable, the final outcome of tax audits and related litigation could be materially different than that reflected in its historical income tax provisions and accruals. There can be no assurance that the resolution of any audits or litigation will not have an adverse effect on future operating results.

Actions by the Company s counterparty to the accelerated stock buyback may affect the market for the Company s common stock.

In connection with the Company s accelerated stock buyback, the Company expects that its counterparty will purchase shares (or otherwise acquire long positions in shares) of Company common stock in the open market until it has acquired (or otherwise has long positions in) the number of shares the Company will receive under the accelerated stock buyback contract. We expect that these acquisitions (and other transactions) will include covering purchases to close out stock borrow positions taken on by the counterparty to make its initial deliveries of shares to the Company. In addition, we expect that the counterparty may be purchasing or selling, or both purchasing and selling (and possibly taking on other long and/or short positions in Company common stock), in other hedging transactions related to the accelerated stock buyback. All of these market transactions in the Company s shares (or in derivative or other transactions related to Company shares) would be for the counterparty s own account. Although the magnitude and effect of such activities on the market price of the Company s common stock cannot be determined at this time, such activities may increase, or prevent a decrease in, the market price of the common stock.

Product liability claims or regulatory actions could adversely affect the Company s financial results or harm its reputation or the value of its end-user brands.

Claims for losses or injuries purportedly caused by some of the Company s products arise in the ordinary course of the Company s business. In addition to the risk of substantial monetary judgments, product liability claims or regulatory actions could result in negative publicity that could harm the Company s reputation in the marketplace, adversely impact the value of its end-user brands, or result in an increase in the cost of producing the Company s products. The Company could also be required to recall possibly defective products, which could result in adverse publicity and significant expenses. Although the Company maintains product liability insurance coverage, potential product liability claims are subject to a self-insured retention or could be excluded under the terms of the policy.

If the Company is unable to access the capital markets to refinance its maturing short-term debt, its borrowing costs could increase.

As of December 31, 2010, the Company had $305.0 million of debt that it will be required to refinance or repay within the next 12 months. It is possible that the Company may seek to address its short-term obligations through the capital markets or other arrangements. However, access to the capital markets cannot be assured, and although the Company believes that alternative arrangements will be available to refinance these obligations, such arrangements could result in an increase in the Company s borrowing costs.

A reduction in the Company s credit ratings could materially and adversely affect its business, financial condition and results of operations.

The Company s current senior debt credit ratings from Moody s Investors Service, Standard & Poor s and Fitch Ratings are Baa3, BBB- and BBB, respectively. Its current short-term debt credit ratings from Moody s Investors Service, Standard & Poor s and Fitch Ratings are P-3, A-3 and F-2, respectively. Standard & Poor s has a positive outlook on its rating while Moody s and Fitch have a stable outlook on their ratings. The Company cannot be sure that any of its current ratings will remain in effect for any given period of time or that a rating will not be lowered by a rating agency if, in its judgment, circumstances in the future so warrant. A downgrade by Moody s or Standard & Poor s, which would reduce the Company s senior debt below investment grade, could increase the Company s borrowing costs, which would adversely affect the Company s financial results. The Company would likely be required to pay a higher interest rate in future

financings, and its potential pool of investors and funding sources could decrease. If the Company s short-term ratings were to be lowered, it would further limit, or eliminate entirely, the Company s access to the commercial paper market. The ratings from credit agencies are not recommendations to buy, sell or hold the Company s securities, and each rating should be evaluated independently of any other rating.

The level of returns on pension and postretirement plan assets and the actuarial assumptions used for valuation purposes could affect the Company s earnings and cash flows in future periods. Changes in government regulations could also affect the Company s pension and postretirement plan expenses and funding requirements.

The funding obligations for the Company s pension plans are impacted by the performance of the financial markets, particularly the equity markets, and interest rates. Funding obligations are determined under government regulations and are measured each year based on the value of assets and liabilities on a specific date. If the financial markets do not provide the long-term returns that are expected under the governmental funding calculations, the Company could be required to make larger contributions. The equity markets can be, and recently have been, very volatile, and therefore the Company s estimate of future contribution requirements can change dramatically in relatively short periods of time. Similarly, changes in interest rates and legislation enacted by governmental authorities can impact the timing and amounts of contribution requirements. An adverse change in the funded status of the plans could significantly increase the Company s required contributions in the future and adversely impact its liquidity.

Assumptions used in determining projected benefit obligations and the fair value of plan assets for the Company s pension and other postretirement benefit plans are determined by the Company in consultation with outside actuaries. In the event that the Company determines that changes are warranted in the assumptions used, such as the discount rate, expected long-term rate of return on assets, or expected health care costs, the Company s future pension and postretirement benefit expenses could increase or decrease. Due to changing market conditions or changes in the participant population, the assumptions that the Company uses may differ from actual results, which could have a significant impact on the Company s pension and postretirement liabilities and related costs and funding requirements.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. 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: Home & Family; Office Products; and Tools, Hardware & Commercial Products. These are the primary manufacturing locations, administrative offices and distribution warehouses of the Company. The Company s headquarters are in Atlanta, Georgia, and the Company also maintains sales offices throughout the U.S. and the world. Most of the Company s idle facilities, which are excluded from the following list, are subleased, pending lease expiration, or are for sale. The Company s properties currently in use 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
HOME & FAMILY				
	OH	Perrysburg	O	Cookware
	OH	Toledo	L	Cookware
	PA	Exton	L	Infant Products
	Japan	Nara	O	Infant Products
	Germany	Hiddenhausen	O	Infant Products
	Poland	Wloclawek	L	Infant Products
	China	Zhongshan	L	Infant Products
	OH	Mogadore	O	Home Products
	KS	Winfield	L/O	Home Products
	OH	Wooster	L	Home Products
	Canada	Calgary	L	Home Products
	TX	Greenville	L/O	Home Products
	MO	Jackson	O	Home Storage Systems

Mexico	Agua Prieta	L	Window Treatments
NC	High Point	L	Window Treatments
UT	Ogden	L	Window Treatments
UT	Salt Lake City	L	Window Treatments
IL	Freeport	L	Window Treatments
Canada	Etobicoke	L	Window Furnishings

Table of Contents

BUSINESS SEGMENT	LOCATION	CITY	OWNED OR LEASED	GENERAL CHARACTER
	Canada	Pickering	L	Beauty & Style
OFFICE PRODUCTS				
	IL	Oakbrook	L	Writing Instruments
	TN	Shelbyville	O	Writing Instruments
	TN	Maryville	O	Writing Instruments
	TN	Manchester	O	Writing Instruments
	Canada	Oakville	L	Writing Instruments
	Thailand	Bangkok	O	Writing Instruments
	India	Chennai	L	Writing Instruments
	China	Shanghai	L	Writing Instruments
	Colombia	Bogota	O	Writing Instruments
	Germany	Hamburg	O	Writing Instruments
	Mexico	Tlalnepantla	L	Writing Instruments
	Mexico	Mexicali	L	Writing Instruments
	Australia	Melbourne	L	Writing Instruments
	France	Nantes	O	Writing Instruments
	Venezuela	Maracay	O	Writing Instruments
	Belgium	Sint Niklaas	O	Technology
	CT	Norwalk	L	Technology
	MA	Cambridge	L	Technology
	CA	Palo Alto	L	Technology
TOOLS, HARDWARE & COMMERCIAL PRODUCTS				
	MA	East Longmeadow	O	Tools
	China	Shanghai	L	Tools
	China	Shenzhen	L	Tools
	ME	Gorham	O	Tools
	Australia	Lyndhurst	L	Tools
	Brazil	Sao Paulo	L	Tools
	Brazil	Carlos Barbosa	O	Tools
	Germany	Hallbergmoos	L	Tools
	WI	Saint Francis	O	Hardware
	NY	Medina	L/O	Hardware
	NC	Winston-Salem	L/O	Hardware
	IN	Lowell	O	Hardware
	Mexico	Monterrey	L	Hardware
	TN	Cleveland	O	Commercial Products
	VA	Winchester	O	Commercial Products
	WV	Martinsburg	L	Commercial Products
	PA	Pottsville	L	Commercial Products
	Brazil	Rio Grande Do Sul	L	Commercial Products
	Brazil	Cachoeirinha	O	Commercial Products
	Netherlands	Bentfield	O	Commercial Products
CORPORATE				
	GA	Atlanta	L	Office
	Canada	Oakville	L	Office
	Switzerland	Geneva	L	Office
	France	Paris	L	Office
	China	Hong Kong	L	Office
	Australia	Dandenong	L	Office
	Italy	Milan	L	Office

Table of Contents

BUSINESS SEGMENT	LOCATION	CITY	OWNED OR LEASED	GENERAL CHARACTER
SHARED FACILITIES				
	CA	Hesperia	L	Shared Services
	CA	Victorville	L	Shared Services
	GA	Union City	L	Shared Services
	IL	Freeport	L/O	Shared Services
	NC	Huntersville	L	Shared Services
	UK	Lichfield	L	Shared Services
	Netherlands	Goirle	O	Shared Services
	AR	Bentonville	L	Shared Services
	France	Malissard	L/O	Shared Services

ITEM 3. LEGAL PROCEEDINGS

Information regarding legal proceedings is included in Footnote 20 of the Notes to Consolidated Financial Statements and is incorporated by reference herein.

ITEM 4. [RESERVED]

SUPPLEMENTARY ITEM - EXECUTIVE OFFICERS OF THE REGISTRANT

Name	Age	Present Position with the Company
Mark D. Ketchum	61	President and Chief Executive Officer
William A. Burke	50	President, Tools, Hardware & Commercial Products
Jay Gould	51	President, Home & Family
G. Penny McIntyre	49	President, Office Products
Juan R. Figuereo	55	Executive Vice President, Chief Financial Officer
James M. Sweet	58	Executive Vice President, Human Resources & Corporate Communications (Chief Human Resources Officer)
Gordon Steele	59	Senior Vice President, Program Management Office and Chief Information Officer
John K. Stipancich	42	Senior Vice President, General Counsel and Corporate Secretary
Theodore W. Woehrle	49	Senior Vice President, Chief Marketing Officer
Hartley D. Blaha	45	President, Corporate Development
Paul G. Boitmann	49	President, Global Sales Operations
J. Eduardo Senf	52	President, Newell Rubbermaid International

Mark D. Ketchum has been President and Chief Executive Officer of the Company since October 2005. Mr. Ketchum joined the Company s Board of Directors in November 2004 and served as a member of the Audit Committee prior to assuming his current role. Prior thereto, he was President of the Global Baby & Family Care business of Procter & Gamble from 1999 through November 2004. From 1971 to 1984, he held a variety of operations positions with Procter & Gamble s paper division. From 1984 to 1999, he transitioned into brand management and general management roles, culminating as President of Global Baby & Family Care.

William A. Burke has been President, Tools, Hardware & Commercial Products since January 2009 and was President, Tools and Hardware from December 2007 to January 2009. Prior thereto, he was President, North American Tools from 2004 through 2006. He served as President of the Company s Lenox division from 2003 through 2004. From 1992 through 2002, he served in a variety of positions with The Black and Decker Corporation (a manufacturer and marketer of power tools and accessories), culminating as Vice President and General Manager of Product Service.

Jay Gould has been President, Home & Family since December 2007. Prior thereto, he served as President of Graco Children s Products from May 2006 through December 2007. From 2003 through 2006, he served as President of Pepperidge Farm, Inc. (a manufacturer of food products), and from 2002 through 2003 he was Chief Marketing Officer of Pepperidge Farm. He held a variety of executive positions with The Coca-Cola Company from 1995 through 2002, including Vice President, Portfolio Development and Innovation from 2000 through 2002.

G. Penny McIntyre has been President, Office Products since June 2009. From 1998 through 2009, she served in a variety of managerial positions with The Coca-Cola Company, including Senior Vice President & General Manager, Water, Tea and Coffee, Coca Cola, North America from 2007 to 2009 and Senior Vice President Noncarbonated and New Beverages Business Unit from 2005 to 2007. Prior thereto, from 1982 to 1998 she held several marketing and branding positions with S.C. Johnson Wax (a manufacturer and marketer of consumer products).

Juan R. Figuereo has been Executive Vice President, Chief Financial Officer since December 2009. Prior thereto, from 2007 to September 2009, he served as Executive Vice President and Chief Financial Officer of Cott Corporation, Inc. (a provider of retailer branded soft drinks). From 2003 through 2007, he served as Vice President, Mergers & Acquisitions of Wal-Mart International. Prior thereto, from 1988 through 2003 he held a variety of key international positions with PepsiCo, including Vice President and Chief Financial Officer of Pepsi-Cola, Latin America, Vice President and Chief Financial Officer of Frito Lay Southern Europe and Vice President and Managing Director of Frito Lay Dominicana.

James M. Sweet has been Executive Vice President, Human Resources and Corporate Communications since May 2007. Prior thereto, he served as the Company s Chief Human Resources Officer from May 2004 through May 2007. He was Group Vice President, Human Resources for the Sharpie/Calphalon Group from January 2004 to April 2004. From 2001 to 2004, he was President of Capital H, Inc., a human resource services company that Mr. Sweet co-founded. From 1999 to 2001, he was Vice President of Human Resources for the Industrial Automation Systems and Rexnord divisions of Invensys PLC (an industrial manufacturing company). Prior thereto, he held executive human resource positions at Kohler Co., Keystone International and Brady Corp.

Gordon Steele has been Senior Vice President, Program Management Office and Chief Information Officer since August 2007. Prior thereto, he served as Vice President, Chief Information Officer from August 2005 through August 2007. From 2001 until 2005, he served as Vice President and Chief Information Officer for Global Information Technology at Nike, Inc. (a global marketer of athletic apparel and equipment). Prior to becoming the Chief Information Officer at Nike, he spent four years as the Senior Director responsible for the Nike Supply Chain project, which involved the complete replacement of all business application systems and included the global rollout of various planning and resource systems. From 1989 to 1997, he served as Chief Information Officer and in other leadership capacities with Mentor Graphics Corporation (a provider of electronic software and hardware products and consulting services).

John K. Stipancich has been Senior Vice President, General Counsel and Corporate Secretary since January 2010. From November 2004 through December 2009 he served as Vice President and General Counsel to several of the Company s businesses.

Theodore W. Woehrle has been Senior Vice President, Chief Marketing Officer of the Company since March 2010. From June 2007 to March 2010, he was Senior Vice President, Marketing and Brand Management. Prior thereto, he held a variety of executive positions with Procter & Gamble from 1983 to 2007, culminating as Vice President Marketing, North America.

Hartley D. Blaha has been President, Corporate Development since February 2005. Prior thereto, he was Vice President, Corporate Development from November 2003 to February 2005. Prior thereto, from 1987 to 2003 he held a variety of positions within the Investment Banking Division of Lehman Brothers Inc. (a global investment bank), culminating as Managing Director, Mergers and Acquisitions.

Paul G. Boitmann has been President, Global Sales Operations since February 2007. Mr. Boitmann joined the Company in 2001 as President of its Home Depot Division, serving in that role until January 2005. From January 2005 to February 2007, he was President, Rubbermaid/Irwin North America Sales Operations.

J. Eduardo Senf has been President, Newell Rubbermaid International since January 2010. Prior thereto, he served as President, Latin America from January 2008 through December 2009. From November 2004 through December 2007, he served as President, Latin America for the Company s Rubbermaid/Irwin Group. Prior thereto, he was President, South America for Mars Incorporated (a food products company) from 1996 through 2003.

Table of Contents

PART II

ITEM 5. MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Company s common stock is listed on the New York and Chicago Stock Exchanges (symbol: NWL). As of January 31, 2011, there were 14,218 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 for the calendar periods indicated:

	2010		2009	
Quarters	**High**	**Low**	**High**	**Low**
First	$ 15.88	$ 13.11	$ 10.95	$ 4.51
Second	17.96	14.55	12.15	6.22
Third	18.17	14.14	16.10	9.79
Fourth	18.48	16.71	15.73	13.66

The Company has paid regular cash dividends on its common stock since 1947. The Company paid a quarterly cash dividend of $0.05 per share for the year ended December 31, 2010. For the year ended December 31, 2009, the Company paid a quarterly cash dividend of $0.105 per share in the first quarter and $0.05 per share in each of the second, third and fourth quarters. The payment of dividends to holders of the Company s common stock remains at the discretion of the Board of Directors and will depend upon many factors, including the Company s financial condition, earnings, legal requirements and other factors the Board of Directors deems relevant.

ISSUER PURCHASES OF EQUITY SECURITIES

The following table provides information about the Company s purchases of equity securities during the quarter ended December 31, 2010.

Period	Total Number of Shares Purchased(2)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
10/1/10-10/31/10				(1)
11/1/10-11/30/10	8,016	$17.46		(1)
12/1/10-12/31/10	51,641	$17.51		(1)
Total	59,657	$17.50		(1)

(1) On August 2, 2010, the Company entered into an accelerated stock buyback program (the ASB) with Goldman, Sachs & Co. (Goldman Sachs). Under the ASB, on August 10, 2010, the Company paid Goldman Sachs an initial purchase price of $500.0 million, and Goldman Sachs delivered to the Company 25,806,452 shares of common stock, representing approximately 80% of the shares that would be purchased under the ASB based on an initial per share amount of $15.50. Goldman Sachs delivered the initial amount of shares on August 10, 2010. The number of shares that the Company ultimately purchases under the ASB will be determined based on the average of the daily volume-weighted average share prices of the common stock over the course of a calculation period and is subject to certain adjustments. Upon settlement following the end of the calculation period, Goldman Sachs will deliver additional shares to the Company so that the aggregate value of the shares initially delivered plus such additional shares, based on the final price, is $500.0 million. Alternatively, if the value of the shares initially delivered, based on the final price, exceeds $500.0 million, the Company will deliver cash or shares of common stock (at the Company s election) to Goldman Sachs for the excess. The calculation period is scheduled to run from August 11, 2010 until March 21, 2011 (subject to suspension).

(2) All shares purchased during the three months ended December 31, 2010 were acquired by the Company to satisfy employees tax withholding and payment obligations in connection with the vesting of awards of restricted stock and restricted stock units, which are repurchased by the Company based on their fair market value on the vesting date.

Table of Contents

ITEM 6. SELECTED FINANCIAL DATA

The following is a summary of certain consolidated financial information relating to the Company as of and for the year ended 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.

	2010(1)	2009(1)	2008(1)	2007	2006
STATEMENTS OF OPERATIONS DATA					
Net sales	$ 5,759.2	$ 5,577.6	$ 6,470.6	$ 6,407.3	$ 6,201.0
Cost of products sold	3,588.4	3,528.1	4,347.4	4,150.1	4,131.0
Gross margin	2,170.8	2,049.5	2,123.2	2,257.2	2,070.0
Selling, general and administrative expenses	1,463.4	1,374.6	1,502.7	1,430.9	1,347.0
Impairment charges			299.4		
Restructuring costs (2)	77.5	100.0	120.3	86.0	66.4
Operating income	629.9	574.9	200.8	740.3	656.6
Nonoperating expenses:					
Interest expense, net	118.4	140.0	137.9	104.1	132.0
Losses related to extinguishments of debt	218.6	4.7	52.2		
Other (income) expense, net	(7.4)	2.0	6.9	4.2	6.1
Net nonoperating expenses	329.6	146.7	197.0	108.3	138.1
Income before income taxes	300.3	428.2	3.8	632.0	518.5
Income taxes	7.5	142.7	53.6	149.7	44.2
Income (loss) from continuing operations	292.8	285.5	(49.8)	482.3	474.3
Loss from discontinued operations, net of tax (3)			(0.5)	(12.1)	(85.7)
Net income (loss)	292.8	285.5	(50.3)	470.2	388.6
Net income noncontrolling interests			2.0	3.1	3.6
Net income (loss) controlling interests	$ 292.8	$ 285.5	$ (52.3)	$ 467.1	$ 385.0
Weighted-average shares outstanding:					
Basic	282.4	280.8	279.9	278.6	276.7
Diluted	305.4	294.4	279.9	287.6	276.8
Earnings (loss) per share:					
Basic:					
Income (loss) from continuing operations	$ 1.04	$ 1.02	$ (0.18)	$ 1.72	$ 1.70
Loss from discontinued operations				(0.04)	(0.31)
Net income (loss) controlling interests	$ 1.04	$ 1.02	$ (0.18)	$ 1.68	$ 1.39
Diluted:					
Income (loss) from continuing operations	$ 0.96	$ 0.97	$ (0.18)	$ 1.72	$ 1.70
Loss from discontinued operations				(0.04)	(0.31)
Net income (loss) controlling interests	$ 0.96	$ 0.97	$ (0.18)	$ 1.67	$ 1.39
Dividends	$ 0.20	$ 0.26	$ 0.84	$ 0.84	$ 0.84
BALANCE SHEET DATA					
Inventories, net	$ 701.6	$ 688.2	$ 912.1	$ 940.4	$ 850.6
Working capital (4)	466.1	422.6	159.7	87.9	580.3
Total assets	6,405.3	6,423.9	6,792.5	6,682.9	6,310.5

Short-term debt, including current portion of long-term debt	305.0	493.5	761.0	987.5	277.5
Long-term debt, net of current portion	2,063.9	2,015.3	2,118.3	1,197.4	1,972.3
Total stockholders equity	$ 1,905.5	$ 1,782.2	$ 1,588.6	$ 2,222.1	$ 1,867.6

(1) Supplemental data regarding 2010, 2009 and 2008 is provided in Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations.

(2) Restructuring costs include asset impairment charges, employee severance and termination benefits, employee relocation costs, and costs associated with exited contractual commitments and other restructuring costs.

(3) Loss from discontinued operations, net of tax, attributable to noncontrolling interests was not material.

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

Table of Contents

Acquisitions of Businesses

Information regarding significant businesses acquired in 2007 and 2008 is included in Footnote 2 of the Notes to Consolidated Financial Statements. No significant acquisitions occurred during 2006, 2009 or 2010.

Quarterly Summaries

Summarized quarterly data for the last two years is as follows *(in millions, except per share data)* (unaudited):

Calendar Year	1st	2nd	3rd	4th	Year
2010					
Net sales	$ 1,306.4	$ 1,496.2	$ 1,487.3	$ 1,469.3	$ 5,759.2
Gross margin	471.7	587.3	567.1	544.7	2,170.8
Net income	$ 58.4	$ 130.4	$ 28.3	$ 75.7	$ 292.8
Earnings per share:					
Basic	$ 0.21	$ 0.46	$ 0.10	$ 0.26	$ 1.04
Diluted	$ 0.19	$ 0.41	$ 0.09	$ 0.25	$ 0.96
2009					
Net sales	$ 1,203.9	$ 1,504.3	$ 1,449.0	$ 1,420.4	$ 5,577.6
Gross margin	422.8	558.3	542.6	525.8	2,049.5
Net income	$ 33.7	$ 105.7	$ 85.5	$ 60.6	$ 285.5
Earnings per share:					
Basic	$ 0.12	$ 0.38	$ 0.30	$ 0.22	$ 1.02
Diluted	$ 0.12	$ 0.37	$ 0.28	$ 0.20	$ 0.97

Table of Contents

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

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 accompanying Consolidated Financial Statements and Notes thereto.

Business Overview

Newell Rubbermaid is a global marketer of consumer and commercial products that touch the lives of people where they work, live and play. The Company s products are marketed under a strong portfolio of brands, including Rubbermaid®, Graco®, Aprica®, Levolor®, Calphalon®, Goody®, Sharpie®, Paper Mate®, Dymo®, Parker®, Waterman®, Irwin®, Lenox® and Technical Concepts . The Company s multi-product offering consists of well-known name-brand consumer and commercial products in three business segments: Home & Family; Office Products; and Tools, Hardware & Commercial Products.

Business Strategy

Newell Rubbermaid s vision is to become a global company of Brands That Matter and great people, known for best-in-class results. The Company is committed to building consumer-meaningful brands through understanding the needs of consumers and using those insights to create innovative, highly differentiated product solutions that offer performance and value. The Company s strategy is to leverage the portfolio for faster growth, build Brands That Matter to drive demand, and fuel growth through margin expansion and scale synergies.

Leveraging the portfolio includes accelerating global expansion, targeting investment in higher growth businesses and categories, and acquiring businesses that facilitate geographic and category expansion, thus enhancing the potential for growth and improved profitability.

Building Brands That Matter to drive demand involves continued focus on consumer-driven innovation, developing best-in-class marketing and branding capabilities across the organization, and investing in strategic brand-building activities, including investments in research and development to better understand target consumers and their needs.

Fueling growth through margin expansion and scale synergies entails continued focus on achieving best cost and improving productivity through the adoption of best-in-class practices, including leveraging scale, optimizing the supply chain to improve capacity utilization and to deliver productivity savings, reducing costs in nonmarket-facing activities, designing products to optimize input costs and utilizing strategic sourcing partners when it is cost effective. Achieving best cost allows the Company to improve its competitive position, generate funds for increased investment in strategic brand-building initiatives and preserve cash and liquidity.

The Company s core organizing concept is the global business unit (GBU). The Company is organized into 13 GBUs, and each GBU supports one or more of the Company s key brands worldwide, with a focus on developing and marketing differentiated products designed to meet consumers needs. The GBU structure positions the business units to leverage research and development, branding, marketing and innovation on a global basis and facilitates the Company s objective of optimizing working capital and shared resources. The Company s 13 GBUs are aggregated into three operating segments, which are as follows:

Segment	GBU	Key Brands	Description of Primary Products
Home & Family	Rubbermaid Consumer	Rubbermaid®	Indoor/outdoor organization, food storage, and home storage products
	Baby & Parenting	Graco®, Aprica®	Infant and juvenile products such as car seats, strollers, highchairs, and playards
	Décor	Levolor®, Kirsch®, Amerock®	Drapery hardware, window treatments and cabinet hardware
	Culinary Lifestyle	Calphalon®	Gourmet cookware, bakeware, cutlery and small kitchen electrics
	Beauty & Style	Goody®	Hair care accessories

Office Products	Markers, Highlighters, Art & Office	Sharpie®, Expo®	Writing instruments, including markers and highlighters, and art products
	Organization Technology	Dymo®, Mimio®	Office technology solutions such as label makers and printers, interactive teaching solutions and on-line postage
	Everyday Writing	Paper Mate®	Writing instruments, including pens and pencils
	Fine Writing & Luxury Accessories	Parker®, Waterman®	Fine writing instruments and leather goods

Table of Contents

Segment	GBU	Key Brands	Description of Primary Products
Tools, Hardware & Commercial Products	Industrial Products & Services	Lenox®	Industrial bandsaw blades, power tool accessories and cutting tools for pipes and HVAC systems
	Rubbermaid Commercial Products	Rubbermaid® Commercial Products, Technical Concepts	Cleaning and refuse products, hygiene systems, material handling solutions and medical and computer carts and wall mounted work stations
	Construction Tools & Accessories	Irwin®	Hand tools and power tool accessories
	Hardware	Shur-line®, Bulldog®, BernzOmatic®	Manual paint applicators, window hardware, convenience hardware and propane torches

Market and Performance Overview

The Company operates in the consumer and commercial products markets, which are generally impacted by overall economic conditions in the regions in which the Company operates. The Company s results in 2010 improved compared to 2009 due to an increase in net sales and the expansion of gross margins, despite continuing challenging macroeconomic conditions.

The Company s results for 2010 were impacted by the following factors:

Improvement in economic conditions and increased product penetration internationally, particularly in emerging markets, which contributed to a year-over-year net sales increase of 7.9% in the Company s international businesses, excluding the impact of currency.

Productivity gains and favorable product mix, which more than offset the adverse impact of input cost inflation, resulting in a 100-basis-point expansion in gross margins.

Ongoing improvements in the cost structure of the business, including the completion of Projection Acceleration, the Company s multi-year restructuring plan designed to achieve best total cost, and reductions in structural selling, general and administrative (SG&A) costs resulting from streamlining SG&A activities.

Selective spend for strategic SG&A activities to drive sales, enhance the new product pipeline and develop growth platforms. During 2010, the Company s selective spend for strategic brand building and consumer demand creation activities included spend for the following:

Rubbermaid Reveal Microfiber Spray Mop that helps consumers clean floors better, while reducing waste and saving money;

Goody s Simple Styles collection of hair accessories that make it easy to achieve salon-quality hair styles with only a few simple steps;

MimioClassroom system, an integrated suite of interactive teaching tools and services for educators;

Sharpie® Liquid Pencil with cutting-edge liquid graphite technology that writes smooth like a pen but erases like a pencil;

Expo Washable markers formulated to easily wash off of skin and most washable fabrics;

Advertising for Paper Mate® EarthWrite®, Design® Metallic and Gel pen lines;

Dedicated Parker Shop-in-Shops in key retail locations, primarily located in China, to enhance in-store merchandising;

Rubbermaid Commercial Products new line of ergonomically designed material handling carts and trucks, which includes a broad range of solutions that provide enhanced maneuverability and durability;

Irwin® Vise-Grip® Curved Jaw Locking Pliers feature a unique self-energizing lower jaw that delivers three times more gripping power than traditional locking pliers; and

Lenox®'s Q88 bimetal bandsaw blade with a design that maximizes blade life while delivering superior cutting performance.

Implemented a Capital Structure Optimization Plan to simplify the Company s capital structure, lower interest costs and substantially reduce potential future earnings dilution from the convertible notes resulting in a pretax debt extinguishment charge of $218.6 million during 2010.

Began implementation of the European Transformation Plan, which includes projects designed to improve the financial performance of the European business. Projects initiated to date include an evaluation of the pricing architecture and gross-to-net sales optimization and centralization of the leadership of the Company s European operations.

Settled a multi-year tax return examination resulting in a tax benefit of $63.6 million.

Key Initiatives

European Transformation Plan

In June 2010, the Company announced a program to simplify and centralize its European business (the European Transformation Plan). The European Transformation Plan includes initiatives designed to transform the European organizational structure and processes to centralize certain operating activities, improve performance, leverage the benefits of scale and to contribute to a more efficient and cost-effective implementation of an enterprise resource planning system in Europe, all with the aim of increasing operating margin in the European region to at least ten percent.

The European Transformation Plan is expected to result in aggregate restructuring and other plan-related costs of $110 to $115 million, to be substantially incurred by the end of 2011. The European Transformation Plan is expected to be completed in 2012 and is expected to result in cumulative restructuring charges totaling between $40 and $45 million, substantially all of which are employee-related cash costs, including severance, retirement, and other termination benefits and relocation costs. The Company also expects to incur an additional $70 to $75 million of selling, general and administrative expenses to implement the European Transformation Plan, of which $15 million has been incurred through December 31, 2010. The Company expects to realize annualized after-tax savings of $55 to $65 million upon completion of the implementation of the European Transformation Plan.

As part of its European Transformation Plan, the Company expects to start relocating key personnel to Geneva, Switzerland, early in 2011, with all affected employees operational at the new site by the end of 2011. In addition, the Company has undertaken various projects to maximize gross margins and centralize operations in the region.

Project Acceleration

The Company completed the implementation of its Project Acceleration restructuring initiative in 2010. Project Acceleration was designed to reduce manufacturing overhead, better align the Company s distribution and transportation processes, and reorganize the overall business structure to align with the Company s core organizing concept, the GBU, to achieve best total cost. Through the Project Acceleration restructuring program and other initiatives, the Company improved capacity utilization rates to deliver productivity savings and increased the use of strategic sourcing partners. In 2010, the Company began implementing a number of restructuring programs as part of Project Acceleration to reduce and realign its manufacturing footprint, including two programs in its Home & Family segment in North America, one program in its Home & Family segment internationally, and one program in its Office Products segment internationally. Since the inception of Project Acceleration, the Company has reduced its manufacturing footprint by more than 60%, including the closure or disposition of 27 manufacturing facilities and the transfer of 19 manufacturing facilities to purchasers in connection with divestitures of businesses.

As part of Project Acceleration, the Company also evaluated its supply chain to identify opportunities to realize efficiencies in purchasing, distribution and transportation. In 2010, the Company began implementing projects to reduce and realign its distribution footprint, including one multi-segment project in North America, one multi-segment project internationally, and one project in the Tools, Hardware & Commercial Products segment s international operations.

Project Acceleration also included initiatives to exit and rationalize certain product categories to create a more focused and more profitable platform for growth by eliminating selected low-margin, commodity-like, mostly resin-intensive product categories and reduce the Company s exposure to volatile commodity markets, particularly resin. The product line exits and rationalizations were substantially completed in 2009 and primarily impacted products in the Company s Rubbermaid Consumer and Markers, Highlighters, Art & Office Organization GBUs. Because these product line exits and rationalizations took place throughout 2009, the carryover impact of the product line exits and rationalizations resulted in a 1.4% decline in net sales in 2010 compared to 2009.

Restructuring costs incurred over the life of the initiative totaled $498 million, including $241 million of employee-related costs, $178 million in non-cash asset-related costs, and $79 million in other associated restructuring costs. Approximately 64% of the total Project

Table of Contents

Acceleration restructuring costs were cash charges. Cumulative annualized savings realized from the implementation of Project Acceleration are expected to exceed $220 million by the end of 2011, after the savings for the projects implemented in 2010 are fully realized.

One Newell Rubbermaid

The Company strives to leverage the common business activities and best practices of its GBUs, and to build one common culture of shared values with a focus on collaboration and teamwork. Through this initiative, the Company has established regional shared service centers to leverage nonmarket-facing functional capabilities to reduce costs. In addition, the Company has consolidated the leadership and strategic operations of five of the Company s GBUs into the Company s headquarters facilities to facilitate the sharing of knowledge and better leverage best practices.

The Company is also migrating multiple legacy systems and users to a common SAP global information platform in a phased, multi-year rollout. SAP is expected to enable the Company to integrate and manage its worldwide business and reporting processes more efficiently. Through December 31, 2010, the North American operations of 12 of the Company s 13 GBUs have successfully gone live with their SAP implementation efforts, including the North American operations of the Rubbermaid Consumer and Rubbermaid Commercial Products GBUs in April 2010. Additional SAP go-lives for certain of the Company s North American operations are scheduled for 2011, and the Company s European operations are expected to go-live on SAP in the first half of 2012.

CONSOLIDATED RESULTS OF OPERATIONS

The Company believes the selected data and the percentage relationship between net sales and major categories in the Consolidated Statements of Operations are important in evaluating the Company s operations. The following table sets forth items from the Consolidated Statements of Operations as reported and as a percentage of net sales for the year ended December 31, (*in millions, except percentages*):

	2010		2009		2008
Net sales	$ 5,759.2	100.0%	$ 5,577.6	100.0%	$