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NEWELL RUBBERMAID INC
Form 8-K
April 28, 2004

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

FORM 8-K

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

Date of report (Date of earliest event reported): April 13, 2004

NEWELL RUBBERMAID INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation)	1-9608 (Commission File Number)	36-3514169 (IRS Employer Identification No.)
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10 B Glenlake Parkway Suite 600 Atlanta, Georgia (Address of Principal Executive Offices)	30328 (Zip Code)
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Registrant's Telephone Number, Including Area Code: (770) 407-3800

Item 2. Acquisition or Disposition of Assets.

On April 13, 2004, Newell Rubbermaid Inc. (the "Company") completed the sale of its Burnes{R} picture frame, Anchor{R} glass and Mirro{R} Cookware businesses to Global Home Products, LLC, an affiliate of Cerberus Capital Management L.P., for a purchase price of approximately \$320 million, paid in a combination of cash and the Company's retention of accounts receivable of the divested businesses. A portion of this amount equal to \$10 million will be applied as a credit to the purchaser against fees for transition services to be provided by the Company. The purchase price is subject to various post-closing adjustments, principally with regard to changes in working capital. The disposition was effected through the sale of the capital stock of the Company's principal subsidiaries engaged in the Burnes{R} Picture Frame and Anchor{R} Glass businesses and of substantially all the assets used primarily in the cookware and

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bakeware business conducted under the brands Mirro{R}, WearEver{R}, AirBake{R}, Regal{R}, Club{R} and Royal Diamond{R}. Copies of the Stock and Asset Purchase Agreement and Amendment No. 1 thereto are attached, respectively, as Exhibit 2.1 and Exhibit 2.2 hereto.

Item 7. Financial Statements and Exhibits.

(b) Pro Forma Financial Information.

The accompanying unaudited pro forma consolidated balance sheet as of December 31, 2003 and the related unaudited pro forma consolidated statements of operations for each of the years ended December 31, 2003, 2002 and 2001 are based on the historical financial condition and results of operations of the Company, adjusted to give effect to the sale of the Company's Burnes{R} Picture Frame, Anchor{R} Glass and Mirro{R} Cookware businesses described in Item 2 as well as the sales of the Company's Panex Brazilian low-end cookware division and its Frames Europe businesses in France, Spain and the United Kingdom on January 31, 2004. The pro forma consolidated balance sheet has been prepared assuming the sales occurred as of December 31, 2003. The pro forma consolidated statements of operations have been prepared assuming that the sales occurred as of January 1, 2001.

The accompanying unaudited pro forma financial statements are not necessarily indicative of the financial condition or results of operations that would have been reported had the sales occurred on the dates specified, nor is it indicative of the Company's future financial condition or results of operations. The unaudited pro forma financial statements should be read in conjunction with the historical consolidated financial statements of the Company, including the notes thereto, in the Company's Form 10-K for the year ended December 31, 2003.

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
 PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
 (UNAUDITED, IN MILLIONS EXCEPT PER SHARE DATA)

	TWELVE MONTHS ENDED DECEMBER 31,		
	AS REPORTED	PRO FORMA ADJUSTMENTS (A)	PRO
Net sales	\$7,750.0	(\$792.0)	\$6
Cost of products sold	5,682.8	(683.7)	4
GROSS MARGIN	2,067.2	(108.3)	1
Selling, general and administrative expenses	1,352.9	(113.1)	1
Impairment charge	289.4	(254.9)	
Goodwill Amortization	-	-	
Restructuring costs	245.0	(60.8)	
OPERATING INCOME	179.9	320.5	

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Nonoperating expenses (income)		
Interest expense, net	140.1	-
Other, net	19.7	-
	-----	-----
Net nonoperating expenses	159.8	-
	-----	-----
INCOME BEFORE INCOME TAXES	20.1	320.5
Income taxes	66.7	58.5
	-----	-----
(LOSS)/INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	(46.6)	262.0
Cumulative effect of accounting change, net of tax	-	-
	-----	-----
NET (LOSS)/INCOME	(\$46.6)	\$262.0
	=====	=====
Earnings per common share from continuing operations:		
Basic		
Before Cumulative Effect of Accounting Change	(\$0.17)	
Cumulative Effect of Accounting Change	-	
	-----	-----
Net (loss)/Income from Continuing Operations per common share	(\$0.17)	
Diluted		
Before Cumulative Effect of Accounting Change	(\$0.17)	
Cumulative Effect of Accounting Change	-	
	-----	-----
Net (loss)/Income from Continuing Operations per common share	(\$0.17)	
Average common shares outstanding:		
Basic	274.1	
Diluted	274.1	

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED, IN MILLIONS EXCEPT PER SHARE DATA)

TWELVE MONTHS ENDED DECEMBER 31,

	AS REPORTED	PRO FORMA ADJUSTMENTS (A)	PR
	-----	-----	-----
Net sales	\$7,453.9	(\$956.0)	\$6
Cost of products sold	5,394.2	(742.0)	4
	-----	-----	-----
GROSS MARGIN	2,059.7	(214.0)	1
Selling, general and administrative expenses	1,307.3	(125.3)	1
Impairment charge	-	-	
Goodwill Amortization	-	-	
Restructuring costs	122.7	(20.8)	

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OPERATING INCOME	629.7	(67.9)	
Nonoperating expenses (income)			
Interest expense, net	137.3	-	
Other, net	23.9	-	
Net nonoperating expenses	161.2	-	
INCOME BEFORE INCOME TAXES	468.5	(67.9)	
Income taxes	157.0	(22.7)	
(LOSS)/INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	311.5	(45.2)	
Cumulative effect of accounting change, net of tax	(514.9)	-	
NET (LOSS)/INCOME	(\$203.4)	(\$45.2)	
Earnings per common share from continuing operations:			
Basic			
Before Cumulative Effect of Accounting Change	\$1.17		
Cumulative Effect of Accounting Change	(1.93)		
Net (loss)/Income from Continuing Operations per common share	(\$0.76)		
Diluted			
Before Cumulative Effect of Accounting Change	\$1.16		
Cumulative Effect of Accounting Change	(1.92)		
Net (loss)/Income from Continuing Operations per common share	(\$0.76)		
Average common shares outstanding:			
Basic	267.1		
Diluted	268.0		

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED, IN MILLIONS EXCEPT PER SHARE DATA)

	AS REPORTED	PRO FORMA ADJUSTMENTS (A)	PRO
	-----	-----	-----
Net sales	\$6,909.3	(\$924.9)	\$5,
Cost of products sold	5,046.6	(687.6)	4,
GROSS MARGIN	1,862.7	(237.3)	1,

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Selling, general and administrative expenses	1,168.2	(139.1)	1,
Impairment charge	-	-	
Goodwill Amortization	56.9	(10.3)	
Restructuring costs	66.7	(5.6)	
	-----	-----	---
OPERATING INCOME	570.9	(82.3)	
Nonoperating expenses (income)			
Interest expense, net	137.5	-	
Other, net	17.5	-	
	-----	-----	---
Net nonoperating expenses	155.0	-	
	-----	-----	---
INCOME BEFORE INCOME TAXES	415.9	(82.3)	
Income taxes	151.3	(30.0)	
	-----	-----	---
(LOSS)/INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	264.6	(52.3)	
Cumulative effect of accounting change, net of tax	-	-	
	-----	-----	---
NET (LOSS)/INCOME	\$264.6	(\$52.3)	\$
	=====	=====	====
Earnings per common share from continuing operations:			
Basic			
Before Cumulative Effect of Accounting Change	\$0.99		
Cumulative Effect of Accounting Change	-		
	-----		---
Net (loss)/Income from Continuing Operations per common share	\$0.99		
Diluted			
Before Cumulative Effect of Accounting Change	\$0.99		
Cumulative Effect of Accounting Change	-		
	-----		---
Net (loss)/Income from Continuing Operations per common share	\$0.99		
Average common shares outstanding:			
Basic	266.7		
Diluted	267.0		

EXPLANATORY NOTE TO CONSOLIDATED STATEMENTS OF OPERATIONS AMOUNTS

(A) To eliminate the revenues and expenses of the businesses which were sold.

NEWELL RUBBERMAID INC. AND SUBSIDIARIES
 PRO FORMA CONSOLIDATED BALANCE SHEET
 DECEMBER 31, 2003
 (DOLLARS IN MILLIONS)
 (UNAUDITED)

PRO FORMA
 ADJUSTMEN

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	AS REPORTED	(A)
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 144.4	\$ 198.6
Accounts receivable, net	1,442.6	(32.5)
Inventories, net	1,066.3	(179.5)
Deferred income taxes	152.7	
Prepaid expenses and other	194.2	(10.8)
	-----	-----
TOTAL CURRENT ASSETS	3,000.2	(24.2)
OTHER LONG-TERM INVESTMENTS	15.5	-
OTHER ASSETS	196.2	(15.4)
PROPERTY, PLANT AND EQUIPMENT, NET	1,761.1	(136.0)
GOODWILL, NET	1,989.0	-
DEFERRED INCOME TAXES	68.1	-
OTHER INTANGIBLE ASSETS, NET	450.6	-
	-----	-----
TOTAL ASSETS	\$7,480.7	(\$175.6)
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable	\$ 21.9	-
Accounts payable	777.4	(75.8)
Accrued compensation	131.1	(7.6)
Other accrued liabilities	996.3	(24.8)
Income taxes	81.8	(1.0)
Current portion of long-term debt	13.5	-
	-----	-----
TOTAL CURRENT LIABILITIES	2,022.0	(109.2)
LONG-TERM DEBT	2,868.6	-
OTHER NONCURRENT LIABILITIES	572.1	(1.0)
MINORITY INTEREST	1.7	-
STOCKHOLDERS' EQUITY:		
Common stock	290.1	-
Treasury stock, at cost	(411.6)	-
Additional paid-in capital	439.9	-
Retained earnings	1,865.7	(115.3)
Accumulated other comprehensive loss	(167.8)	49.9
	-----	-----
TOTAL STOCKHOLDERS' EQUITY	2,016.3	(65.4)
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$7,480.7	(\$175.6)
	=====	=====

EXPLANATORY NOTE TO PRO FORMA CONSOLIDATED BALANCE SHEET

(A) To record the sale of the businesses net of accounts receivable retained and certain fees and purchase price adjustments. Based on the net book value of the assets sold, an estimated loss on disposal of \$115.3 million is reflected in retained earnings. The actual loss on disposal to be reported from discontinued operations in the Company's consolidated statement of operations for the quarter ended March 31, 2004 is subject to change pending final determination of the net assets of the businesses, transaction costs, and other adjustments.

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(c) Exhibits.

Exhibit Number -----	Description -----
2.1	Stock and Asset Purchase Agreement, dated as of March 12, 2004, by and between Newell Rubbermaid Inc. and Global Home Products LLC*
2.2	Amendment No. 1 to Stock and Asset Purchase Agreement, dated as of April 13, 2004, by and between Newell Rubbermaid Inc. and Global Home Products LLC

* Schedules and other attachments to the Stock and Asset Purchase Agreement, which are listed in the forepart of the Agreement, are omitted. The Company agrees to furnish supplementally a copy of any schedule or other attachment to the Securities and Exchange Commission upon request.

SIGNATURES

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

NEWELL RUBBERMAID INC.

Date: April 28, 2004

By: /s/ Dale L. Matschullat

Dale L. Matschullat
Vice President - General
Counsel & Corporate Secretary

EXHIBIT INDEX

Exhibit No. -----	Description -----
2.1	Stock and Asset Purchase Agreement, dated as of March 12, 2004, by and between Newell Rubbermaid

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Inc. and Global Home Products LLC*

2.2

Amendment No. 1 to Stock and Asset Purchase Agreement, dated as of April 13, 2004, by and between Newell Rubbermaid Inc. and Global Home Products LLC

* Schedules and other attachments to the Stock and Purchase Agreement, which are listed in the forepart of the Agreement, are omitted. The Company agrees to furnish supplementally a copy of any schedule or other attachment to the Securities and Exchange Commission upon request.