

NEWELL RUBBERMAID INC

Form 424B5

March 25, 2009

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Filed Pursuant to Rule 424(b)(5)  
File No. 333-149887

| <b>Title of Each Class of Securities Offered</b> | <b>Maximum<br/>Aggregate<br/>Offering Price</b> | <b>Amount of<br/>Aggregate<br/>Registration<br/>Fee(1)</b> |
|--|---|--|
| 5.50% Convertible Senior Notes due 2014          | \$345,000,000                                   | \$19,251   |

(1) The filing fee of \$19,251 is calculated in accordance with Rule 457(r) of the Securities Act of 1933.

**PROSPECTUS SUPPLEMENT**  
**(To prospectus dated March 25, 2008)**

**\$300,000,000**  
**5.50% Convertible Senior Notes due 2014**

We are offering \$300,000,000 principal amount of our 5.50% Convertible Senior Notes due 2014. The notes will bear interest at a rate of 5.50% per year, payable semiannually in arrears on March 15 and September 15 of each year, beginning on September 15, 2009. The notes will mature on March 15, 2014.

Holders may convert their notes at their option prior to the close of business on the business day immediately preceding November 15, 2013 only under the following circumstances: (1) during any fiscal quarter commencing after June 30, 2009, if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price on each applicable trading day; (2) during the five business day period after any 10 consecutive trading day period (the measurement period) in which the trading price per \$1,000 principal amount of notes for each trading day of that measurement period was less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate on each such day; or (3) upon the occurrence of specified corporate events. On and after November 15, 2013 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their notes at any time, regardless of the foregoing circumstances. Upon conversion, we will deliver cash up to the aggregate principal amount of the notes to be converted, and cash, shares of our common stock or a combination thereof (at our discretion) in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the notes being converted.

The conversion rate will initially be 116.1980 shares of common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$8.61 per share of common stock). The conversion rate will be subject to adjustment in some events but will not be adjusted for accrued interest. In addition, following certain corporate transactions that occur prior to the maturity date, we will increase the conversion rate for a holder who elects to convert its notes in connection with such a corporate transaction in certain circumstances.

We may not redeem the notes prior to the maturity date of the notes.

The notes will be our senior unsecured obligations and will rank senior in right of payment to our existing and future indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; junior in right of payment to any of our secured

indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness and liabilities incurred by our subsidiaries.

The notes will not be listed on any securities exchange. Our common stock is listed on the New York Stock Exchange under the symbol NWL. The last reported sale price of our common stock on the New York Stock Exchange on March 24, 2009 was \$6.62 per share.

**Investing in the notes involves risks, including those described in the Risk Factors section beginning on page S-7 of this prospectus supplement and the Risk Factors section beginning on page 9 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which is incorporated by reference into this prospectus supplement and the accompanying prospectus.**

|  | Per Note | Total         |
|--|----------|---------------|
| Public offering price(1)               | 100%     | \$300,000,000 |
| Underwriting discounts and commissions | 3%       | \$9,000,000   |
| Proceeds, before expenses, to us       | 97%      | \$291,000,000 |

(1) Plus accrued interest from March 30, 2009, if settlement occurs after that date.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

The underwriters may also purchase up to an additional \$45,000,000 principal amount of notes at the public offering price, less the underwriting discounts and commissions, to cover over-allotments, if any, within the 13-day period beginning on the date the notes are issued. If the underwriters exercise this option in full, the total underwriting discounts and commissions will be \$10,350,000, and our total proceeds, before expenses, will be \$334,650,000.

We expect that delivery of the notes will be made to investors in book-entry form through The Depository Trust Company on or about March 30, 2009.

*Joint Book-Running Managers*

**Merrill Lynch & Co.**

**J.P. Morgan**

*Co-Manager*

**Friedman Billings Ramsey**

The date of this prospectus supplement is March 24, 2009.

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## ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus contain information about Newell Rubbermaid Inc. and about the notes. They also refer to information contained in other documents filed by us with the Securities and Exchange Commission and incorporated into this document by reference. References to this prospectus supplement or the prospectus also include the information contained in such other documents. To the extent that information appearing in a later filed document is inconsistent with prior information, the later statement will control. If this prospectus supplement is inconsistent with the prospectus, you should rely on this prospectus supplement.

We have not authorized anyone to provide you with information that is different from, or additional to, the information provided in this prospectus supplement and the accompanying prospectus. We are not making an offer of these securities in any jurisdiction where the offer is not permitted.

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**INCORPORATION BY REFERENCE**

The Securities and Exchange Commission allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and later information that we file with the Securities and Exchange Commission will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the Securities and Exchange Commission under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (other than any portions of such filings that are furnished rather than filed under applicable Securities and Exchange Commission rules) until our offering is completed:

1. Annual Report on Form 10-K for the year ended December 31, 2008.
2. Current Report on Form 8-K filed February 17, 2009 and Amendment to Current Report on Form 8-K filed February 17, 2009.
3. Our Proxy Statement for our 2008 Annual Meeting filed March 28, 2008.
4. The description of our common stock contained in our registration statement on Form 8-B filed with the Securities and Exchange Commission on June 30, 1987.

You may request a copy of these filings at no cost by writing to or telephoning us at the following address:

Newell Rubbermaid Inc.  
Three Glenlake Parkway  
Atlanta, Georgia 30328  
Telephone: 1-770-418-7000  
Attention: Office of Investor Relations

**FORWARD-LOOKING STATEMENTS**

We have made statements in this prospectus supplement and accompanying prospectus and in the documents incorporated by reference herein and therein that are not historical in nature and constitute forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may relate to, but are not limited to, information or assumptions about the effects of sales (including pricing), income/(loss), earnings per share, operating income or gross margin improvements or declines, our Project Acceleration restructuring program, capital and other expenditures, working capital, cash flow, dividends, capital structure, debt to capitalization ratios, availability of financing, interest rates, restructuring, impairment and other charges, potential losses on divestitures, impact of changes in accounting standards, pending legal proceedings and claims (including environmental matters), future economic performance, costs and cost savings (including raw material and sourced product inflation, productivity and streamlining), synergies, management's plans, goals and objectives for future operations, performance and growth or the assumptions relating to any of the forward-looking statements. These statements generally are accompanied by words such as intend, anticipate, believe, estimate, project, target, plan, expect, will, should, would or similar statements. We caution that forward-looking statements are not guarantees because there are inherent difficulties in predicting future results. Actual results could differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, our

dependence on the strength of retail economies in light of the global economic slowdown; currency fluctuations; competition with other manufacturers and distributors of consumer products; major retailers' strong bargaining power; changes in the prices of raw materials and sourced products and our ability to obtain raw materials and sourced products in a timely manner from suppliers; our ability to develop innovative new products and to develop, maintain and strengthen our end-user brands; our ability to expeditiously close facilities and move operations while managing foreign regulations and other impediments;

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our ability to manage successfully risks associated with divesting or discontinuing businesses and product lines; our ability to implement successfully information technology solutions throughout our organization; our ability to improve productivity and streamline operations; our ability to refinance short-term debt on terms acceptable to us particularly given the recent turmoil and uncertainty in the global credit markets; changes to our credit ratings; increases in the funding obligations related to our pension plans due to declining asset values or otherwise; the imposition of tax liabilities greater than our provisions for such matters; the risks inherent in our foreign operations; and those factors listed in our most recent Annual Report on Form 10-K, including Item 1A of such report. Changes in such assumptions or factors could produce significantly different results. In addition, there can be no assurance that we have correctly identified and assessed all of the factors affecting us or that the publicly available and other information we receive with respect to these factors is complete or correct.



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**SUMMARY**

*The following summary may not contain all of the information that is important to you. You should read the following summary together with more detailed information regarding us and the notes being sold in this offering and our financial statements and notes thereto which are incorporated by reference in this prospectus supplement and the accompanying prospectus. See *Where You Can Find More Information* in the accompanying prospectus. Unless otherwise indicated or the context otherwise requires, references under the heading *Newell Rubbermaid Inc.* below to *Newell*, *we*, *us* and *our* are to *Newell Rubbermaid Inc.* and its subsidiaries.*

**Newell Rubbermaid Inc.**

We are a global marketer of consumer and commercial products that touch the lives of people where they work, live and play. Our strong portfolio of brands includes Sharpie<sup>®</sup>, Paper Mate<sup>®</sup>, Dymo<sup>®</sup>, Expo<sup>®</sup>, Waterman<sup>®</sup>, Parker<sup>®</sup>, Rolodex<sup>®</sup>, Irwin<sup>®</sup>, Lenox<sup>®</sup>, BernzOmatic<sup>®</sup>, Rubbermaid<sup>®</sup>, TC<sup>®</sup>, Levolor<sup>®</sup>, Graco<sup>®</sup>, Aprica<sup>®</sup>, Calphalon<sup>®</sup> and Goody<sup>®</sup>.

Our multi-product offering consists of well known name-brand consumer and commercial products in four business segments: Cleaning, Organization & Décor; Office Products; Tools & Hardware; and Home & Family.

Our four business segments for 2008 were as follows:

*Cleaning, Organization & Décor.* This segment is comprised of the following business units: Rubbermaid Food & Home Products, Rubbermaid Commercial Products and Décor. These businesses design, manufacture or source, package and distribute semi-durable products primarily for use in the home and commercial settings. Food & Home Products and Commercial Products primarily sell their products under the trademarks Rubbermaid<sup>®</sup>, Brute<sup>®</sup>, Roughneck<sup>®</sup>, TakeAlongs<sup>®</sup> and TC<sup>®</sup>. Décor sells its products primarily under the trademarks Levolor<sup>®</sup> and Kirsch<sup>®</sup>.

*Office Products.* This segment is comprised of the following business units: Markers, Highlighters & Art; Everyday Writing; Technology; and Fine Writing & Luxury Accessories. 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 products include permanent/waterbase markers, dry erase markers, highlighters and art supplies and are primarily sold under the trademarks Sharpie<sup>®</sup>, Expo<sup>®</sup>, Sharpie<sup>®</sup> Accent<sup>®</sup>, Vis-à-Vis<sup>®</sup>, Eberhard Faber<sup>®</sup>, Berol<sup>®</sup> and Prismacolor<sup>®</sup>. 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<sup>®</sup>, Uni-Ball<sup>®</sup> (used under exclusive license from Mitsubishi Pencil Co. Ltd. and its subsidiaries in North America), Sharpie<sup>®</sup>, Eberhard Faber<sup>®</sup>, Berol<sup>®</sup>, Reynolds<sup>®</sup>, and Liquid Paper<sup>®</sup>. Technology products include on-demand labeling products, on-line postage, card scanning solutions and interactive teaching solutions, and are primarily sold under the trademarks Dymo<sup>®</sup>, Endicia<sup>™</sup>, CardScan<sup>®</sup>, and Mimio<sup>®</sup>. Fine Writing & Luxury Accessories products include fine writing instruments and luxury accessories and are primarily sold under the trademarks Parker<sup>®</sup>, Waterman<sup>®</sup> and rotring<sup>®</sup>.

*Tools & Hardware.* This segment is comprised of the following business units: Industrial Products & Services, Construction Tools & Accessories and Hardware. The business units within the Tools & Hardware segment design, manufacture or source, package and distribute hand tools and power tool accessories, industrial bandsaw blades, propane torches, soldering tools and accessories, manual paint applicator products, cabinet hardware and window and door hardware. Industrial Products & Services products include cutting and drilling

accessories and industrial bandsaw blades as well as soldering tools and accessories primarily sold under the Lenox® trademark. 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 and cabinet, window and door hardware primarily sold under the trademarks Shur-Line®, BernzOmatic®, Amerock® and Bulldog®.

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*Home & Family.* This segment is comprised of the following business units: Baby & Parenting Essentials, Culinary Lifestyle and Beauty & Style. Baby & Parenting Essentials designs, manufactures or sources, packages and distributes infant and juvenile products such as swings, high chairs, car seats, strollers and playards. Culinary Lifestyle primarily designs, manufactures or sources, packages and distributes aluminum and stainless steel cookware, bakeware, cutlery and kitchen gadgets and utensils. Beauty & Style designs, sources, packages and distributes hair care accessories and grooming products. Baby & Parenting Essentials primarily sells its products under the trademarks Graco®, Teutonia® and Aprica®. Culinary Lifestyle primarily sells its products under the trademarks Calphalon®, Kitchen Essentials®, Cooking with Calphalon™, Calphalon®One™ and Katana™. Beauty & Style markets its products primarily under the trademarks Goody®, Ace®, and Solano®.

Our vision is to become a global company of Brands That Matter™ and great people, known for best-in-class results. We are 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. At the same time, we strive to achieve best cost in our operations and leverage the benefits of being one company, including shared expertise, operating efficiencies and the fostering of a culture that produces best-in-class results.

To support our multi-year transformation into a best-in-class global consumer branding and marketing organization, we have adopted a strategy designed to deliver long-term sales and profit growth and enhance shareholder value. The key tenets of our strategy include optimizing the business portfolio, building consumer-meaningful brands across the globe, and achieving best cost and efficiency in our operations.

In the first quarter of 2009, the business units within the Cleaning, Organization & Décor segment were reorganized in the Tools & Hardware and Home & Family segments. The Rubbermaid Commercial Products business unit was transferred to the newly named Tools, Hardware & Commercial Products segment, and the Rubbermaid Food & Home Products and Décor business units were transferred to the Home & Family segment. The reorganization allows us to realize structural SG&A efficiencies.

We are a Delaware corporation. Our principal executive offices are located at Three Glenlake Parkway, Atlanta, Georgia 30328, and our telephone number is 770-418-7000.

### **Recent Developments**

On March 24, 2009, we announced that we have retained Banc of America Securities LLC and J.P. Morgan Securities Inc. to arrange a replacement 364-day trade receivables financing facility in an initially proposed maximum amount of up to \$250 million, coincident with the expiration of our existing \$450 million receivables facility. Consummation of a new receivables facility is subject to customary closing conditions, the satisfactory completion of due diligence and final commitment by the facility providers.

The convertible note offering and the receivables facility are intended to permit the repayment of a portion of the approximately \$750 million in debt that matures in the second half of 2009. We plan to address our remaining debt obligations through the capital markets or other arrangements. However, access to the capital markets cannot be assured, and the proposed receivables facility may be consummated in an amount less than initially proposed or may not be consummated at all, particularly given the worldwide economic downturn and the recent turmoil and uncertainty in the global credit markets. See **Risk Factors** **Risks Related to the Notes**.

On March 24, 2009, as part of our refinancing plans we also announced that our board of directors has authorized a reduction in the quarterly common stock dividend to \$0.05 per share from \$0.105 per share.

### **Financial Outlook**

Our business continues to be adversely impacted by the global economic slowdown, and on March 24, 2009, we announced that we now expect that 2009 first quarter sales will show a year over year percentage decline in the mid to high teens. We anticipate that our first quarter cash used in operating activities will be approximately half of last year's \$123 million first quarter cash flow use.

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**The Offering**

*The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. You should read this prospectus supplement and the accompanying prospectus before making an investment in the notes. The Description of Notes section of this prospectus supplement contains a more detailed description of the terms and conditions of the notes. As used in this section, we, our, us, and the Company refer to Newell Rubbermaid Inc. and not to any of its consolidated subsidiaries.*

|                   |   |
|-------------------|---|
| Issuer            | Newell Rubbermaid Inc., a Delaware corporation  |
| Securities        | \$300,000,000 principal amount of 5.50% Convertible Senior Notes due 2014 (plus up to an additional \$45,000,000 principal amount to cover over-allotments, if any)   |
| Maturity          | March 15, 2014, unless earlier repurchased or converted   |
| Issue Price       | 100% plus accrued interest, if any, from March 30, 2009   |
| Interest          | 5.50% per year. Interest will accrue from March 30, 2009 and will be payable semiannually in arrears on March 15 and September 15 of each year, beginning on September 15, 2009.  |
| Conversion Rights | <p>Holders may convert their notes prior to the close of business on the business day immediately preceding November 15, 2013, in multiples of \$1,000 principal amount, at the option of the holder only under the following circumstances:</p> <ul style="list-style-type: none"> <li>during any fiscal quarter commencing after June 30, 2009, if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price on each applicable trading day;</li> <li>during the five business day period after any 10 consecutive trading day period (the measurement period ) in which the trading price (as defined under Description of Notes Conversion Rights Conversion Upon Satisfaction of Trading Price Condition ) per \$1,000 principal amount of notes for each trading day of such measurement period was less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate on each such day; or</li> <li>upon the occurrence of specified corporate transactions described under Description of Notes Conversion Rights Conversion Upon Specified Corporate Transactions.</li> </ul> <p>On and after November 15, 2013 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their notes, in multiples of \$1,000 principal amount, at the option of the holder regardless of the foregoing circumstances.</p> <p>The conversion rate for the notes is initially 116.1980 shares per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$8.61 per share of</p> |

common stock), subject to adjustment as described in this prospectus supplement.

Upon conversion, we will deliver cash up to the aggregate principal amount of the notes to be converted, and cash, shares of our common stock or a combination thereof (at our discretion) in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the notes being

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converted. See Description of Notes Conversion Rights Payment Upon Conversion.

In addition, following certain corporate transactions that occur prior to maturity, we will increase the conversion rate for a holder who elects to convert its notes in connection with such a corporate transaction in certain circumstances as described under Description of Notes Conversion Rights Adjustment to Shares Delivered Upon Conversion Upon a Make-whole Fundamental Change.

You will not receive any additional cash payment or additional shares representing accrued and unpaid interest and additional interest, if any, upon conversion of a note, except in limited circumstances. Instead, interest will be deemed paid by the cash and shares, if any, of our common stock, together with any cash payment for any fractional share, into which a note is convertible.

**Fundamental Change**

If we undergo a fundamental change (as defined in this prospectus supplement under Description of Notes Fundamental Change Permits Holders to Require Us to Purchase Notes ), subject to certain conditions, you will have the option to require us to purchase all or any portion of your notes for cash. The fundamental change purchase price will be 100% of the principal amount of the notes to be purchased, plus any accrued and unpaid interest, including any additional interest, to, but excluding, the fundamental change purchase date.

**Ranking**

The notes will be our senior unsecured obligations and will rank:

senior in right of payment to our existing and future indebtedness that is expressly subordinated in right of payment to the notes;

equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated;

junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and

structurally junior to all existing and future indebtedness and liabilities incurred by our subsidiaries.

As of December 31, 2008, our total consolidated indebtedness was \$2,879.3 million. As of December 31, 2008, the total third-party indebtedness plus accounts payable of our subsidiaries was \$1,076.9 million, to which the notes would have ranked structurally junior.

The base indenture governing the notes, as supplemented by the supplemental indenture to be entered into in connection with this notes offering (which we refer to collectively as the indenture ), does not limit the amount of debt that we or our subsidiaries may incur.

**Use of Proceeds**

We estimate that the proceeds from this offering will be approximately \$291.0 million (\$334.7 million if the underwriters exercise their option to purchase additional notes in full), after deducting fees and before estimated expenses.

We expect to use (i) a portion of the net proceeds for the cost of the convertible note hedge transactions after such cost is offset by the proceeds of the warrant transactions described in Convertible Note Hedge and Warrant Transactions and

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(ii) the remaining proceeds for general corporate purposes, including to repay short-term indebtedness. See Use of Proceeds.

The cost of the convertible note hedge transactions, after being partially offset by the proceeds from the sale of the warrants, was approximately \$31.5 million. If the option granted to the underwriters to purchase additional notes is exercised, we will use a portion of the net proceeds from the sale of additional notes to increase the size of the convertible note hedge transactions. We will also sell additional warrants, which would result in additional proceeds to us. We expect to use the remaining proceeds, together with the proceeds from the sale of additional warrants, for general corporate purposes. See Convertible Note Hedge and Warrant Transactions.

|   |  |
|---|--|
| Book-entry Form                                 | The notes will be issued in book-entry form and will be represented by permanent global certificates deposited with, or on behalf of, The Depository Trust Company ( DTC ) and registered in the name of a nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances.   |
| Absence of a Public Market for the Notes        | The notes will be new securities and there is currently no established market for the notes. Accordingly, we cannot assure you as to the development or liquidity of any market for the notes. The underwriters have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so, and they may discontinue any market making with respect to the notes without notice. We do not intend to apply for a listing of the notes on any securities exchange or any automated dealer quotation system.   |
| NYSE Trading Symbol                             | Our common stock is listed on the New York Stock Exchange under the symbol NWL.  |
| Certain U.S. Federal Income Tax Considerations  | You should consult your tax advisor with respect to the U.S. federal income tax consequences of the holding, disposition and conversion of the notes, and the holding and disposition of shares of our common stock in light of your own particular situation and with respect to any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction. See Certain U.S. Federal Income Tax Considerations.   |
| Convertible Note Hedge and Warrant Transactions | In connection with this offering, we entered into convertible note hedge transactions with counterparties, which are affiliates of the representatives of the underwriters of the notes. These convertible note hedge transactions are expected to reduce the potential dilution to our common stock upon conversion of the notes. We also entered into warrant transactions with the counterparties. The warrant transactions could separately have a dilutive effect on our earnings per share to the extent that the market value per share of our common stock exceeds the applicable strike price of the warrants. The cost of the convertible note hedge transactions, after being partially offset by the proceeds from the sale of the warrants, was approximately \$31.5 million. If the underwriters exercise their over-allotment option, we will use a portion of the net proceeds from the sale of the additional notes to increase the size of the convertible note hedge transactions and we will sell additional warrants. |

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In connection with establishing their initial hedge of these transactions, the counterparties and/or their respective affiliates entered into various derivative transactions with respect to our common stock concurrently with or shortly after the pricing of the notes. This activity could increase (or avoid a decrease in) the market price of our common stock or the notes at that time.

In addition, the counterparties and/or their respective affiliates may modify their hedge positions by entering into or unwinding various derivative transactions with respect to our common stock and/or by selling or purchasing our common stock in secondary market transactions following the pricing of the notes and prior to the maturity of the notes (and are likely to do so during any observation period related to a conversion of the notes). This activity could also cause or avoid an increase or a decrease in the market price of our common stock or the notes, which could affect your ability to convert the notes and, to the extent the activity occurs during any observation period related to a conversion of notes, it could affect the number of shares and value of the consideration that you will receive upon conversion of the notes.

For a discussion of the potential impact of any market or other activity by the counterparties and/or their respective affiliates in connection with these convertible note hedge and warrant transactions, see **Risk Factors** **Risks Related to the Notes**. The convertible note hedge and warrant transactions may affect the value of the notes and our common stock and **Underwriting**.

Trustee, Paying Agent and  
Conversion Agent

The Bank of New York Mellon Trust Company, N.A.

Risk Factors

See **Risk Factors** beginning on page S-7 of this prospectus supplement and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of the factors you should carefully consider before deciding to invest in the notes.

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**RISK FACTORS**

*Any investment in the notes and our common stock involves a high degree of risk. You should carefully consider the risks described below and all of the information contained herein or incorporated by reference into this prospectus supplement and the accompanying prospectus before deciding whether to purchase the notes. In addition, you should carefully consider, among other things, the matters discussed under Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, and in other documents that we subsequently filed with the Securities and Exchange Commission, all of which are incorporated by reference into this prospectus supplement and the accompanying prospectus. The risks and uncertainties described in such incorporated documents and described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of those risks actually occurs, our business, financial condition and results of operations would suffer. In that event, the trading price of our common stock could decline, which could adversely affect your investment in the notes. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements. See Forward-Looking Statements. As used in this section, we, our, us, and the Company refer to Newell Rubbermaid Inc. and not to any of its consolidated subsidiaries.*

**Risks Related to the Notes**

***The notes are effectively subordinated to our secured debt and any liabilities of our subsidiaries.***

The notes will rank senior in right of payment to our existing and future indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment to our existing and future indebtedness that is not so subordinated; junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness and liabilities incurred by our subsidiaries. In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure debt ranking senior or equal in right of payment to the notes will be available to pay obligations on the notes only after the secured debt has been repaid in full from these assets. There may not be sufficient assets remaining to pay amounts due on any or all of the notes then outstanding. The indenture governing the notes does not prohibit us from incurring additional senior debt or secured debt, nor does it prohibit any of our subsidiaries from incurring additional liabilities.

As of December 31, 2008, we had approximately \$2,879.3 million of total debt outstanding on a consolidated basis. As of December 31, 2008, the total third-party indebtedness plus accounts payable of our subsidiaries was \$1,076.9 million, to which the notes would have ranked structurally junior.

***The notes are obligations of Newell Rubbermaid Inc. only, and our operations are conducted through, and a substantial portion of our consolidated assets are held by, our subsidiaries.***

The notes are obligations exclusively of Newell Rubbermaid Inc. and are not guaranteed by any of our operating subsidiaries. A substantial portion of our consolidated assets are held by our subsidiaries. Accordingly, our ability to service our debt, including the notes, depends on the results of operations of our subsidiaries and upon the ability of such subsidiaries to provide us with cash, whether in the form of dividends, loans or otherwise, to pay amounts due on our obligations, including the notes. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to make payments on the notes or to make any funds available for that purpose. In addition, dividends, loans or other distributions to us from such subsidiaries may be subject to contractual and other restrictions and are subject to other business considerations.



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***Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.***

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

***If we are unable to access the capital markets or costs of capital increase significantly due to lowered credit ratings, prevailing industry conditions, the volatility of the capital markets or other factors, then our financial condition, results of operations and cash flows could be significantly adversely affected.***

As of December 31, 2008, we had \$761.0 million of short-term debt that we will be required to refinance or repay during 2009. We plan to address these debt obligations through the offering of the convertible notes pursuant to this prospectus supplement, by entering into a new receivables financing facility in an initially proposed amount of up to \$250 million (which is subject to customary closing conditions, the satisfactory completion of due diligence and final commitment by the facility providers) and through the capital markets or other arrangements. However, the proposed facility providers for the new receivables financing facility have not committed to provide such facility, and therefore such facility may be consummated in an amount less than initially proposed or may not be consummated at all. In addition, access to the capital markets cannot be assured, particularly given the worldwide economic downturn and the recent turmoil and uncertainty in the global credit markets. If the global economic downturn or the current credit market turmoil continues or worsens, we may be unable to access the debt capital markets, we may have to accept terms that are less favorable than those in our current debt and our cost of borrowing may significantly increase. Even if we are unable to access the debt capital markets and consummate the new receivables financing facility, we would have the ability to draw on our \$690 million revolving credit facility. However, an increase in the level of our indebtedness under our credit facility would reduce our financial flexibility and liquidity position. If our access to capital were to become significantly constrained or costs of capital increase significantly due to lowered credit ratings, prevailing industry conditions, an increase in the level of our indebtedness under our credit facility, the volatility of the capital markets or other factors, then our financial condition, results of operations and cash flows could be significantly adversely affected.

***Recent developments in the convertible debt markets may adversely affect the market value of the notes.***

The convertible debt markets are currently experiencing unprecedented disruptions resulting from, among other things, the recent instability in the credit and capital markets and the emergency orders issued by the Securities and Exchange Commission on September 17 and 18, 2008 (and extended on October 1, 2008). These orders were issued as a stop-gap measure while Congress worked to provide a comprehensive legislative plan to stabilize the credit and capital markets. Among other things, these orders temporarily imposed a prohibition on effecting short sales of the common stock of certain financial companies. As a result, the SEC orders made the convertible arbitrage strategy that many convertible notes investors employ difficult to execute for outstanding convertible notes of those companies whose common stock was subject to the short sale prohibition. The SEC orders expired at 11:59 p.m., New York City Time, on Wednesday, October 8, 2008. However, the SEC is currently considering instituting other limitations on effecting short sales (such as the up-tick rule) and other regulatory organizations may do the same. Any future governmental actions that interfere with the ability of convertible notes investors to effect short sales on the underlying common stock would significantly affect the market value of the notes.



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***The market price of our common stock may be volatile, which could cause the value of your investment to decline.***

The market price of our common stock has experienced, and may continue to experience, significant volatility. Between January 1, 2008 and March 24, 2009, the trading price of our common stock on the New York Stock Exchange has ranged from a low of \$4.51 per share to a high of \$25.94 per share. Numerous factors, including many over which we have no control, may have a significant impact on the market price of our common stock. These risks include those described or referred to in this Risk Factors section and in the other documents incorporated herein by reference as well as, among other things:

- our operating and financial performance and prospects;
- our ability to repay our debt;
- investor perceptions of us and the industry and markets in which we operate;
- our dividend policy;
- future sales of equity or equity-related securities;
- changes in earnings estimates or buy/sell recommendations by analysts; and
- general financial, domestic, international, economic and other market conditions.

In addition, the stock market in recent years has experienced significant price and trading volume fluctuations that often have been unrelated or disproportionate to the operating performance of individual companies. These broad market fluctuations may adversely affect the price of our common stock, regardless of our operating performance. Furthermore, stockholders may initiate securities class action lawsuits if the market price of our stock drops significantly, which may cause us to incur substantial costs and could divert the time and attention of our management. As a result of these factors, among others, the value of your investment may decline because a decrease in the market price of our common stock would likely adversely impact the trading price of the notes.

***Despite our current debt levels, we may still incur substantially more debt or take other actions that would intensify the risks discussed above.***

Despite our current consolidated debt levels, we and our subsidiaries may be able to incur substantial additional debt in the future, subject to the restrictions contained in our debt instruments, some of which may be secured debt. We will not be restricted under the terms of the indenture governing the notes from incurring additional debt, securing existing or future debt, entering into terms that have the effect of structurally subordinating the convertible notes, recapitalizing our debt or taking a number of other actions that are not limited by the terms of the indenture governing the notes that could have the effect of diminishing our ability to make payments on the notes when due.

***We may not have the ability to raise the funds necessary to settle conversions of the notes or to purchase the notes upon a fundamental change, and our future debt may contain limitations on our ability to pay cash upon conversion or repurchase of the notes.***

Holders of the notes will have the right to require us to repurchase the notes upon the occurrence of a fundamental change at 100% of their principal amount plus accrued and unpaid interest including additional interest, if any, as described under Description of Notes Fundamental Change Permits Holders to Require Us to Purchase Notes. In addition, upon conversion of the notes, we will be required to make cash payments of up to \$1,000 (or, if we elect to

specify a cash percentage in respect of the conversion of any notes, possibly more than \$1,000) for each \$1,000 in principal amount of notes converted as described under Description of Notes Conversion Rights Payment Upon Conversion. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of surrendered notes or

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settlement of converted notes, particularly if the fundamental change requires us to retire other indebtedness. Holders of our 5.50% Notes due 2013 and 6.25% Notes due 2018 may require us to repurchase such notes on certain change of control triggering events. Likewise, certain fundamental changes are events of default under our revolving credit agreement and our \$400 million term loan, which would permit our lenders to accelerate such indebtedness, to the extent amounts are outstanding under such arrangements. In addition, our ability to repurchase the notes or to pay cash upon conversions of the notes may be limited by law, by regulatory authority or by the agreements governing our indebtedness that exist at the time of the repurchase or conversion. Our failure to repurchase surrendered notes at a time when the repurchase is required by the indenture or to pay any cash payable on future conversions of the notes as required by the indenture would constitute a default under the indenture. A default under the indenture or the fundamental change itself could also lead to a default under the agreements governing our other indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the notes or make cash payments upon conversions thereof.

***The conditional conversion features of the notes, if satisfied, may adversely affect our financial condition and operating results.***

In the event the conditional conversion features of the notes are satisfied, holders of notes will be entitled to convert the notes at any time during specified periods at their option. See Description of Notes Conversion Rights. If one or more holders elect to convert their notes, we would be required to settle any converted principal through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

***The conditional conversion features of the notes could result in your receiving less than the value of our common stock into which the notes would otherwise be convertible.***

Prior to the close of business on the business day immediately preceding November 15, 2013, you may convert your notes only if specified conditions are met. If the specific conditions for conversion are not met, you will not be able to convert your notes, and you may not be able to receive the value of our common stock or the cash and common stock into which the notes would otherwise be convertible.

***Future sales of shares of our common stock may depress its market price.***

In the future, we may sell additional shares of our common stock to raise capital. Sales of substantial amounts of additional shares of common stock, including shares of common stock underlying the notes and shares issuable upon exercise of outstanding options and vesting of outstanding restricted stock units, as well as sales of shares that may be issued in connection with future acquisitions or for other purposes, including to finance our operations and business strategy or to adjust our ratio of debt-to-equity, or the perception that such sales could occur, may have a harmful effect on prevailing market prices for our common stock and our ability to raise additional capital in the financial markets at a time and price favorable to us. The price of our common stock could also be affected by possible sales of our common stock by investors who view the notes being offered in this offering as a more attractive means of equity participation in our company and by hedging or arbitrage trading activity that we expect will develop involving our common stock.

***Holders of notes will not be entitled to any rights with respect to our common stock, but will be subject to all changes made with respect to them to the extent our conversion obligation includes shares of our common stock.***

To the extent we issue shares of our common stock to satisfy our conversion obligation, holders of notes will not be entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock) until the close of business on

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the last trading day of the observation period related to the conversion of such notes (if any), but holders of notes will be subject to all changes affecting our common stock. For example, if an amendment is proposed to our certificate of incorporation or by-laws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to the close of business on the last trading day of the observation period related to a holder's conversion of its notes, such holder will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes affecting our common stock.

***Upon conversion of the notes, you may receive less valuable consideration than expected because the value of our common stock may decline after you exercise your conversion right.***

Under the notes, a converting holder will be exposed to fluctuations in the value of our common stock during the period from the date such holder surrenders notes for conversion until the date we settle our conversion obligation. Under the notes, the amount of consideration that you will receive upon conversion of your notes is in part determined by reference to the volume weighted average prices of our common stock for each trading day in a 40 trading-day observation period. As described under Description of Notes Conversion Rights Payment Upon Conversion, this period means, for notes with a conversion date occurring on or after November 15, 2013, the 40 consecutive trading-day period beginning on, and including, the 42nd scheduled trading day prior to the maturity date, and in all other instances, the 40 consecutive trading-day period beginning on, and including, the second scheduled trading day immediately following the relevant conversion date.

Accordingly, if the price of our common stock decreases during this period, the amount and/or value of consideration you receive will be adversely affected. In addition, if the market price of our common stock at the end of such period is below the average of the volume weighted average price of our common stock during such period, the value of any shares of our common stock that you receive in satisfaction of our conversion obligation will be less than the value used to determine the number of shares you will receive.

***The notes are not protected by restrictive covenants.***

The indenture does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries. The indenture contains no covenants or other provisions to afford protection to holders of the notes in the event of a fundamental change involving Newell Rubbermaid Inc., except to the extent described under Description of Notes Fundamental Change Permits Holders to Require Us to Purchase Notes, Description of Notes Conversion Rights Adjustment to Shares Delivered Upon Conversion Upon a Make-whole Fundamental Change and Description of Notes Consolidation, Merger and Sale of Assets.

***The adjustment to the conversion rate for notes converted in connection with a make-whole fundamental change may not adequately compensate you for any lost value of your notes as a result of such transaction.***

If a make-whole fundamental change occurs prior to maturity, under certain circumstances, we will increase the conversion rate by a number of additional shares of our common stock for notes converted in connection with such make-whole fundamental change. The increase in the conversion rate will be determined based on the date on which the make-whole fundamental change becomes effective and the price paid (or deemed paid) per share of our common stock in such transaction, as described below under Description of Notes Conversion Rights Adjustments to Shares Delivered Upon Conversion Upon a Make-whole Fundamental Change. The adjustment to the conversion rate for notes converted in connection with a make-whole fundamental change may not adequately compensate you for any lost value of your notes as a result of such transaction. In addition, if the price of our common stock in the transaction is greater than \$60.00 per share or less than \$6.62 per share (in each case, subject to adjustment), no adjustment will be made to the conversion rate. Moreover, in no event will the conversion rate as a result of this adjustment exceed

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per \$1,000 principal amount of notes, subject to adjustments in the same manner as the conversion rate as set forth under Description of Notes Conversion Rights Conversion Rate Adjustments.

Our obligation to increase the conversion rate upon the occurrence of a make-whole fundamental change could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness of economic remedies.

***The conversion rate of the notes may not be adjusted for all dilutive events.***

The conversion rate of the notes is subject to adjustment for certain events, including, but not limited to, the issuance of stock dividends on our common stock, the issuance of certain rights or warrants, subdivisions, combinations, distributions of capital stock, indebtedness, or assets, cash dividends and certain issuer tender or exchange offers as described under Description of Notes Conversion Rights Conversion Rate Adjustments. However, the conversion rate will not be adjusted for other events, such as a third-party tender or exchange offer or an issuance of common stock for cash, that may adversely affect the trading price of the notes or the common stock. An event that adversely affects the value of the notes may occur, and that event may not result in an adjustment to the conversion rate.

***Some significant restructuring transactions may not constitute a fundamental change, in which case we would not be obligated to offer to repurchase the notes or to increase the conversion rate of the notes.***

Upon the occurrence of a fundamental change, you have the right to require us to repurchase your notes and may have the right to convert your notes with an increased conversion rate. However, the definition of the term fundamental change is limited to only certain transactions or events. Therefore the fundamental change provisions will not afford protection to holders of notes in the event of other transactions or events that do not constitute a fundamental change but that could nevertheless adversely affect the notes. For example, transactions such as leveraged recapitalizations, refinancings, restructurings, or acquisitions initiated by us may not constitute a fundamental change requiring us to repurchase the notes or providing you with the right to convert your notes at an increased conversion rate. In the event of any such transaction, the holders would not have the right to require us to repurchase the notes or to convert the notes with an increased conversion rate, even though each of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings or otherwise adversely affect the value of the notes.

***We cannot assure you that an active trading market will develop for the notes.***

Prior to this offering, there has been no trading market for the notes. We do not intend to apply for listing of the notes on any securities exchange or to arrange for quotation on any interdealer quotation system. We have been informed by the underwriters that they intend to make a market in the notes after the offering is completed. However, the underwriters have no obligation to make a market in the notes and may cease their market making at any time without notice. In addition, the liquidity of the trading market in the notes, and the market price quoted for the notes, may be adversely affected by changes in the overall market for this type of security and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a result, we cannot assure you that an active trading market will develop for the notes. If an active trading market does not develop or is not maintained, the market price and liquidity of the notes may be adversely affected. In that case you may not be able to sell your notes at a particular time or you may not be able to sell your notes at a favorable price.

***You may be subject to tax if we make or fail to make certain adjustments to the conversion rate of the notes even though you do not receive a corresponding cash distribution.***

The conversion rate of the notes is subject to adjustment in certain circumstances, including the payment of cash dividends. If the conversion rate is adjusted as a result of a distribution that is taxable to our common stockholders, such as a cash dividend, you may be deemed to have received a dividend subject to U.S. federal

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income tax without the receipt of any cash. In addition, a failure to adjust (or to adjust adequately) the conversion rate after an event that increases your proportionate interest in us could be treated as a deemed taxable dividend to you. If a make-whole fundamental change occurs on or prior to the maturity date of the notes, under some circumstances, we will increase the conversion rate for notes converted in connection with the make-whole fundamental change. Such increase may also be treated as a distribution subject to U.S. federal income tax. See Certain U.S. Federal Income Tax Considerations.

If you are a non-U.S. holder (as defined in Certain U.S. Federal Income Tax Considerations ), any deemed dividend would be subject to U.S. federal withholding tax at a 30% rate, or such lower rate as may be specified by an applicable treaty, which may be set-off against subsequent payments. Under the terms of the supplemental indenture, we are not obligated to pay you any additional amounts in respect of such withheld taxes. See Certain U.S. Federal Income Tax Considerations.

***The convertible note hedge and warrant transactions may affect the value of the notes and our common stock.***

In connection with this offering, we entered into convertible note hedge transactions with counterparties, which are affiliates of the representatives of the underwriters of the notes. The convertible note hedge transactions are expected to reduce the potential dilution upon conversion of the notes. We also entered into warrant transactions with the counterparties. However, the warrant transactions could separately have a dilutive effect on our earnings per share to the extent that the market price per share of our common stock exceeds the exercise price of the warrants. We intend to use a portion of the net proceeds from this offering and from the warrants that we sold to the counterparties to pay the cost of the convertible note hedge transactions with the counterparties. The cost of the convertible note hedge transactions, after being partially offset by the proceeds from the sale of the warrants, was approximately \$31.5 million. If the underwriters exercise their over-allotment option to purchase additional notes, we will use a portion of the net proceeds from the sale of the additional notes to increase the size of the convertible note hedge transactions and we will sell additional warrants. These transactions will be accounted for as an adjustment to our stockholders' equity.

In connection with establishing their initial hedge of the convertible note hedge and warrant transactions, the counterparties and/or their respective affiliates entered into various derivative transactions with respect to our common stock concurrently with or shortly after the pricing of the notes. This activity could increase (or avoid a decrease in) the market price of our common stock or the notes at that time.

In addition, the counterparties and/or their respective affiliates may modify their hedge positions by entering into or unwinding various derivative transactions with respect to our common stock and/or by selling or purchasing our common stock in secondary market transactions following the pricing of the notes and prior to the maturity of the notes (and are likely to do so during any observation period related to a conversion of notes). This activity could also cause or avoid an increase or a decrease in the market price of our common stock or the notes, which could affect your ability to convert the notes and, to the extent the activity occurs during any observation period related to a conversion of notes, it could affect the number of shares and value of the consideration that you will receive upon conversion of the notes.

In addition, if any such convertible note hedge and warrant transactions fail to become effective, whether or not this offering of notes is completed, the counterparties may unwind their hedge positions with respect to our common stock, which could adversely affect the value of our common stock and, if the notes have been issued, the value of the notes.

**Table of Contents****USE OF PROCEEDS**

We estimate that the proceeds from this offering will be approximately \$291.0 million (\$334.7 million if the underwriters exercise their option to purchase additional notes in full), after deducting fees and before estimated expenses.

We expect to use (i) a portion of the net proceeds for the cost of the convertible note hedge transactions after such cost is offset by the proceeds of the warrant transactions described in Convertible Note Hedge and Warrant Transactions and (ii) the remaining proceeds for general corporate purposes, including to repay short-term indebtedness.

The cost of the convertible note hedge transactions, after being partially offset by the proceeds from the sale of the warrants, was approximately \$31.5 million. If the option granted to the underwriters to purchase additional notes is exercised, we will use a portion of the net proceeds from the sale of additional notes to increase the size of the convertible note hedge transactions. We will also sell additional warrants, which would result in additional proceeds to us. We expect to use the remaining proceeds, together with the proceeds from the sale of additional warrants, for general corporate purposes. See Convertible Note Hedge and Warrant Transactions.

Pending application for the foregoing purposes, the net proceeds from this offering will be invested in short-term interest bearing instruments or other investment grade securities.

**MARKET FOR OUR COMMON STOCK AND DIVIDENDS**

Our common stock is listed on the New York Stock Exchange under the symbol NWL. 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:

|  | <b>Common Stock</b> |            |
|--|---------------------|------------|
|  | <b>High</b>         | <b>Low</b> |
| <b>Year Ended December 31, 2007:</b>   |                     |            |
| First Quarter                          | \$ 32.00            | \$ 28.66   |
| Second Quarter                         | 32.19               | 28.80      |
| Third Quarter                          | 29.88               | 24.22      |
| Fourth Quarter                         | 29.50               | 24.69      |
| <b>Year Ended December 31, 2008:</b>   |                     |            |
| First Quarter                          | \$ 25.94            | \$ 21.24   |
| Second Quarter                         | 24.08               | 16.68      |
| Third Quarter                          | 21.38               | 14.89      |
| Fourth Quarter                         | 17.59               | 9.13       |
| <b>Year Ended December 31, 2009:</b>   |                     |            |
| First Quarter (through March 24, 2009) | \$ 10.95            | \$ 4.51    |

On March 24, 2009, the closing price of our common stock, as reported by the NYSE, was \$6.62 per share.

As of January 31, 2009, there were 277.2 million shares of our common stock outstanding (net of treasury shares) and 16,178 stockholders of record.



On March 24, 2009, we announced a reduction in our quarterly dividend to \$0.05 per share. We currently expect to maintain this dividend rate throughout 2009; however, the payment of dividends to holders of our common stock remains at the discretion of our Board of Directors and will depend upon many factors, including our financial condition, earnings, legal requirements and other factors our Board of Directors deems relevant.

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**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

Our ratio of earnings to fixed charges for the periods indicated is as follows:

|              | <b>For the Year Ended December 31,</b> |             |             |             |                |
|--------------|--|-------------|-------------|-------------|----------------|
|              | <b>2004(1)</b>                         | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008(1)</b> |
| Actual       | 2.21                                   | 3.62        | 3.92        | 4.98        | 1.00           |
| Pro Forma(2) |  |             |             |             | 0.92           |

For purposes of calculating the ratio of earnings to fixed charges, earnings consist of income from continuing operations before income taxes, adding back fixed charges and deducting equity in earnings. Fixed charges consist of interest on all indebtedness (including capitalized lease obligations, amortization of debt issuance costs and amortization of original issue discount) and the portion of rental expense on operating leases determined to be interest.

- (1) Income from continuing operations before income taxes for 2004 and 2008 includes \$264.0 million and \$299.4 million, respectively, of impairment charges. The impairment charges in 2008 principally relate to goodwill, and the impairment charges in 2004 principally relate to goodwill and other indefinite-lived intangible assets.
- (2) The pro forma ratio gives effect to the issuance of the notes offered hereby and the use of proceeds as described under Use of Proceeds as if they occurred on January 1, 2008. For 2008, pro forma fixed charges exceeded pro forma earnings by \$15.9 million. The pro forma earnings to fixed charges for 2008 reflects the net proceeds from the issuance of the notes, net of issuance costs and net of the estimated proceeds to enter into the convertible note hedge transactions, and the retirement of a portion of our short-term indebtedness with such net proceeds. The pro forma earnings to fixed charges for 2008 also reflects the notes being accounted for under Financial Accounting Standards Board Staff Position No. APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement) (FSP APB 14-1), which was effective for us January 1, 2009 but requires retrospective application to prior periods presented in the annual financial statements. For instruments similar to the notes, FSP APB 14-1 requires us to separately account for the liability and equity components of the notes in a manner that reflects our nonconvertible debt borrowing rate when interest cost is recognized, which is generally greater than the cash paid for interest for securities similar to the notes. Accordingly, the pro forma earnings to fixed charges for 2008 reflects interest costs on the notes using our estimated nonconvertible debt borrowing rate.

**Table of Contents****CAPITALIZATION**

The following table sets forth our cash position and capitalization as of December 31, 2008:

on an actual basis; and

on an as adjusted basis to give effect to (i) the issuance and sale of \$300,000,000 aggregate principal amount of 5.50% convertible senior notes due 2014 in this offering, after deducting the underwriting discounts and commissions and before estimated offering expenses (assuming no exercise of the underwriters' over-allotment option to purchase additional notes), and (ii) the use of a portion of the proceeds from this offering to fund the net cost of the convertible note hedge and warrant transactions.

This table should be read in conjunction with our consolidated financial statements and related notes incorporated by reference in this prospectus supplement and the accompanying prospectus. See [Where You Can Find More Information](#) in the accompanying prospectus and [Incorporation by Reference](#) in this prospectus supplement.

|   | <b>As of December 31, 2008</b>            |                    |
|---|---|--------------------|
|   | <b>Actual</b>                             | <b>As Adjusted</b> |
|   | <b>(\$ in millions, except par value)</b> |                    |
| <b>Cash and cash equivalents</b>  | \$ 275.4                                  | \$ 534.9           |
| <b>Total short-term debt and notes payable</b>  | \$ 761.0                                  | \$ 761.0           |
| <b>Long-term debt:</b>  |   |                    |
| Medium-term notes   | \$ 1,322.2                                | \$ 1,322.2         |
| Term loan   | 350.0                                     | 350.0              |
| Junior convertible subordinated debentures  | 436.7                                     | 436.7              |
| Other long-term debt  | 9.4                                       | 9.4                |
| Convertible notes offered hereby  |   | 240.0              |
| <b>Total long-term debt</b>   | <b>\$ 2,118.3</b>                         | <b>\$ 2,358.3</b>  |
| <b>Shareholders' equity:</b>  |   |                    |
| Common stock, authorized shares, 800,000,000 at \$1.00 par value; 293.1 million outstanding shares, before treasury | 293.1                                     | 293.1              |
| Treasury stock, at cost; shares held: 16.0 million  | (418.0)                                   | (418.0)            |
| Additional paid-in capital  | 606.7                                     | 635.2              |
| Retained earnings   | 1,634.8                                   | 1,634.8            |
| Accumulated other comprehensive loss  | (502.4)                                   | (502.4)            |
| <b>Total stockholders' equity</b>   | <b>\$ 1,614.2</b>                         | <b>\$ 1,642.7</b>  |
| <b>Total capitalization</b>   | <b>\$ 3,732.5</b>                         | <b>\$ 4,001.0</b>  |



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**DESCRIPTION OF NOTES**

The Company will issue the notes under a base indenture dated as of November 1, 1995, between itself and The Bank of New York Mellon Trust Company N.A., formerly known as The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank, N.A., formerly The Chase Manhattan Bank (National Association)), as trustee (the trustee), as supplemented by a supplemental indenture with respect to the notes. In this section, we refer to the base indenture (the base indenture), as supplemented by the supplemental indenture (the supplemental indenture), collectively as the indenture. The terms of the notes include those expressly set forth in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended (the Trust Indenture Act).

You may request a copy of the indenture from us as described under Where You Can Find More Information in the accompanying prospectus.

The following description is a summary of the material provisions of the notes and the indenture and does not purport to be complete. This summary is subject to and is qualified by reference to all the provisions of the notes and the indenture, including the definitions of certain terms used in the indenture. We urge you to read these documents because they, and not this description, define your rights as a holder of the notes.

For purposes of this description, references to the Company, we, our and us refer only to Newell Rubbermaid Inc. and not to any of its subsidiaries.

**General**

The notes:

will be general unsecured, senior obligations of the Company;

will initially be limited to an aggregate principal amount of \$300,000,000 (or \$345,000,000 if the underwriters over-allotment option is exercised in full);

will bear cash interest from March 30, 2009 at an annual rate of 5.50% payable on March 15 and September 15 of each year, beginning on September 15, 2009;

will be subject to purchase by us for cash at the option of the holders following a fundamental change (as defined below under Fundamental Change Permits Holders to Require Us to Purchase Notes), at a price equal to 100% of the principal amount of the notes to be purchased, plus accrued and unpaid interest, including any additional interest, to, but excluding, the fundamental change purchase date;

will mature on March 15, 2014 unless earlier converted or repurchased;

will be issued in denominations of \$1,000 and multiples of \$1,000; and

will be represented by one or more registered notes in global form, but in certain limited circumstances may be represented by notes in definitive form. See Book-entry, Settlement and Clearance.

Subject to fulfillment of certain conditions and during the periods described below, the notes may be converted into cash and shares of our common stock (or cash in lieu thereof), if any, initially at a conversion rate of 116.1980 shares

of common stock per \$1,000 principal amount of notes (equivalent to a conversion price of approximately \$8.61 per share of common stock). The conversion rate is subject to adjustment if certain events occur. Upon conversion of a note, we will pay cash and shares of common stock (subject to our right to pay cash in lieu thereof), if any, based upon a daily conversion value calculated on a proportionate basis for each trading day in the applicable 40 trading-day observation period as described below under Conversion Rights Payment Upon Conversion. You will not receive any separate cash payment for interest or additional interest, if any, accrued and unpaid to the conversion date except under the limited circumstances described below.

The indenture does not limit the amount of debt which may be issued by the Company or its subsidiaries under the indenture or otherwise. The indenture does not contain any financial covenants and does not restrict us from paying dividends or issuing or repurchasing our other securities. Other than restrictions described

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under Fundamental Change Permits Holders to Require Us to Purchase Notes and Consolidation, Merger and Sale of Assets below and except for the provisions set forth under Conversion Rights Adjustment to Shares Delivered Upon Conversion Upon a Make-whole Fundamental Changes the indenture does not contain any covenants or other provisions designed to afford holders of the notes protection in the event of a highly leveraged transaction involving the Company or in the event of a decline in the credit rating of the Company as a result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving the Company that could adversely affect such holders.

We may, without the consent of the holders, issue additional notes under the indenture with the same terms and with the same CUSIP number as the notes offered hereby in an unlimited aggregate principal amount; *provided* that such additional notes must be part of the same issue as the notes offered hereby for federal income tax purposes. We may also from time to time repurchase notes in open market purchases or negotiated transactions without giving prior notice to holders.

The Company does not intend to list the notes on a national securities exchange or interdealer quotation system.

### **Payments on the Notes; Paying Agent and Registrar; Transfer and Exchange**

We will pay the principal of and interest (including any additional interest) on notes in global form registered in the name of or held by The Depository Trust Company ( DTC ) or its nominee in immediately available funds to DTC or its nominee, as the case may be, as the registered holder of such global note.

We will pay the principal of any certificated notes at the office or agency designated by the Company for that purpose. We have initially designated the trustee as our paying agent and registrar and its agency in New York City, New York as a place where notes may be presented for payment or for registration of transfer. We may, however, change the paying agent or registrar without prior notice to the holders of the notes, and the Company may act as paying agent or registrar. Interest (including additional interest, if any) on certificated notes will be payable (i) to holders having an aggregate principal amount of \$5,000,000 or less, by check mailed to the holders of these notes and (ii) to holders having an aggregate principal amount of more than \$5,000,000, either by check mailed to each holder or, upon application by a holder to the registrar not later than the relevant record date, by wire transfer in immediately available funds to that holder's account within the United States, which application shall remain in effect until the holder notifies, in writing, the registrar to the contrary.

A holder of certificated notes may transfer or exchange notes at the office of the registrar in accordance with the indenture. The registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by the Company, the trustee or the registrar for any registration of transfer or exchange of notes, but the Company may require a holder to pay a sum sufficient to cover any transfer tax or other similar governmental charge required by law or permitted by the indenture. The Company is not required to transfer or exchange any note surrendered for conversion.

The registered holder of a note will be treated as the owner of it for all purposes.

### **Interest**

The notes will bear cash interest at a rate of 5.50% per year until maturity. Interest on the notes will accrue from March 30, 2009 or from the most recent date on which interest has been paid or duly provided for. Interest will be payable semiannually in arrears on March 15 and September 15 of each year, beginning on September 15, 2009.

Interest will be paid to the person in whose name a note is registered at the close of business on March 1 or September 1, as the case may be, immediately preceding the relevant interest payment date. Interest on the notes will

be computed on the basis of a 360-day year composed of twelve 30-day months.

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If any interest payment date or the stated maturity date or any earlier required repurchase date would fall on a day that is not a business day, the required payment will be made on the next succeeding business day and no interest on such payment will accrue in respect of the delay. The term *business day* means any day other than a Saturday, a Sunday or a day on which the Federal Reserve Bank of New York is authorized or required by law or executive order to close or be closed.

References to interest in this prospectus supplement include additional interest, if any, payable upon our election to pay additional interest as the sole remedy during the first 180 days after the occurrence of an event of default relating to the failure to comply with our reporting obligations as described under *Events of Default*.

## **Ranking**

The notes will be general unsecured obligations of the Company that rank senior in right of payment to all existing and future indebtedness that is expressly subordinated in right of payment to the notes. The notes will rank equally in right of payment with all existing and future indebtedness of the Company that is not so subordinated. The notes will effectively rank junior to any secured indebtedness of the Company to the extent of the value of the assets securing such indebtedness. The notes will be structurally junior to all existing and future indebtedness and liabilities incurred by our subsidiaries. In the event of bankruptcy, liquidation, reorganization or other winding up of the Company, the assets of the Company that secure secured debt will be available to pay obligations on the notes only after all indebtedness under such secured debt has been repaid in full from such assets. We advise you that there may not be sufficient assets remaining to pay amounts due on any or all the notes then outstanding.

As of December 31, 2008, we had approximately \$2,879.3 million of total debt outstanding, on a consolidated basis. As of December 31, 2008, the total indebtedness plus accounts payable of our subsidiaries was \$1,076.9 million, to which the notes would have ranked structurally junior.

The ability of our subsidiaries to pay dividends and make other payments to us is restricted by, among other things, applicable corporate and other laws and regulations as well as agreements to which our subsidiaries may become a party. We may not be able to pay the cash portions of any settlement amount due upon conversion of the notes, or to pay the fundamental change purchase price if a holder requires us to repurchase notes as described below. See *Risk Factors - Risks Related to the Notes*. We may not have the ability to raise the funds necessary to settle conversions of the notes or to purchase the notes upon a fundamental change, and our future debt may contain limitations on our ability to pay cash upon conversion or repurchase of the notes.

## **Conversion Rights**

### ***General***

Prior to the close of business on the business day immediately preceding November 15, 2013, the notes will be convertible only upon satisfaction of one or more of the conditions described under the headings *Conversion Upon Satisfaction of Sale Price Condition*, *Conversion Upon Satisfaction of Trading Price Condition*, and *Conversion Upon Specified Corporate Transactions*. On or after November 15, 2013, holders may convert each of their notes at the applicable conversion rate at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date. The conversion rate will initially be 116.1980 shares of common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$8.61 per share of common stock). Upon conversion of a note, we will pay cash and deliver shares of our common stock (subject to our right to pay cash in lieu thereof), if any, based on a daily conversion value (as defined below) calculated on a proportionate basis for each trading day of the 40 trading-day observation period (as defined below), all as set forth below under *Payment Upon Conversion*. The trustee will initially act as the conversion agent.



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Upon conversion, you will not receive any separate cash payment for accrued and unpaid interest and additional interest, if any, except as described below. We will not issue fractional shares of our common stock upon conversion of notes. Instead, we will pay cash in lieu of fractional shares based on the daily VWAP (as defined under "Payment Upon Conversion") of the common stock on the last day of the observation period (as defined under "Payment Upon Conversion"). Our delivery to you of cash or a combination of cash and the whole number of shares of our common stock, if applicable, together with any cash payment for any fractional share, into which a note is convertible (as more fully described below under "Payment Upon Conversion"), will be deemed to satisfy in full our obligation to pay:

the principal amount of the note; and

accrued and unpaid interest and additional interest, if any, to, but not including, the conversion date.

As a result, accrued and unpaid interest and additional interest, if any, to, but not including, the conversion date will be deemed to be paid in full rather than cancelled, extinguished or forfeited.

Notwithstanding the preceding paragraph, if notes are converted after 5:00 p.m., New York City time, on a regular record date for the payment of interest, holders of such notes at 5:00 p.m., New York City time, on such record date will receive the interest and additional interest, if any, payable on such notes on the corresponding interest payment date notwithstanding the conversion. Notes, upon surrender for conversion during the period from 5:00 p.m., New York City time, on any regular record date to 9:00 a.m., New York City time, on the immediately following interest payment date, must be accompanied by funds equal to the amount of interest and additional interest, if any, payable on the notes so converted; *provided* that no such payment need be made:

for conversions following the record date immediately preceding the maturity date;

if we have specified a fundamental change purchase date that is after a record date and on or prior to the corresponding interest payment date; or

to the extent of any overdue interest, if any overdue interest exists at the time of conversion with respect to such note.

If a holder converts notes, we will pay any documentary, stamp or similar issue or transfer tax due on the issue of any shares of our common stock upon the conversion, unless the tax is due because the holder requests any shares to be issued in a name other than the holder's name, in which case the holder will pay that tax.

Holders may surrender their notes for conversion into cash and shares of our common stock, if any, under the following circumstances:

***Conversion Upon Satisfaction of Sale Price Condition***

Prior to the close of business on the business day immediately preceding November 15, 2013, a holder may surrender all or a portion of its notes for conversion during any fiscal quarter (and only during such fiscal quarter) commencing after June 30, 2009 if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price on each such trading day.

The "last reported sale price" of our common stock on any date means the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions for the principal

U.S. securities exchange on which our common stock is traded. If our common stock is not listed for trading on a U.S. national or regional securities exchange on the relevant date, the last reported sale price will be the last quoted bid price for our common stock in the over-the-counter market on the relevant date as reported by Pink Sheets LLC or similar organization. If our common stock is not so quoted, the last reported sale price will be the average of the mid-point of the last bid and ask prices for our common stock

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on the relevant date from each of at least three nationally recognized independent investment banking firms selected by us for this purpose.

Trading day means a day on which (i) trading in our common stock generally occurs on the New York Stock Exchange or, if our common stock is not then listed on the New York Stock Exchange, on the principal other United States national or regional securities exchange on which our common stock is then listed or, if our common stock is not then listed on a United States national or regional securities exchange, in the principal other market on which our common stock is then traded, and (ii) a last reported sale price for our common stock is available on such securities exchange or market. If our common stock (or other security for which a closing sale price must be determined) is not so listed or traded, trading day means a business day.

***Conversion Upon Satisfaction of Trading Price Condition***

Prior to the close of business on the business day immediately preceding November 15, 2013, a holder of notes may surrender its notes for conversion during the five business day period after any ten consecutive trading day period (the measurement period) in which the trading price per \$1,000 principal amount of notes, as determined following a request by a holder of notes in accordance with the procedures described below, for each trading day of that period was less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate.

The trading price of the notes on any date of determination means the average of the secondary market bid quotations obtained by the bid solicitation agent for \$5 million principal amount of the notes at approximately 3:30 p.m., New York City time, on such determination date from three independent nationally recognized securities dealers we select; *provided* that, if three such bids cannot reasonably be obtained by the bid solicitation agent but two such bids are obtained, then the average of the two bids shall be used, and if only one such bid can reasonably be obtained by the bid solicitation agent, that one bid shall be used. If the bid solicitation agent cannot reasonably obtain at least one bid for \$5 million principal amount of the notes from a nationally recognized securities dealer, then the trading price per \$1,000 principal amount of notes will be deemed to be less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate. If we do not so instruct the bid solicitation agent to obtain bids when required, the trading price per \$1,000 principal amount of the notes will be deemed to be less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate on each day we fail to do so.

The bid solicitation agent shall have no obligation to determine the trading price of the notes unless we have requested such determination; and we shall have no obligation to make such request unless a holder of a note provides us with reasonable evidence that the trading price per \$1,000 principal amount of notes would be less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate. At such time, we shall instruct the bid solicitation agent to determine the trading price of the notes beginning on the next trading day and on each successive trading day until the trading price per \$1,000 principal amount of notes is greater than or equal to 98% of the product of the last reported sale price of our common stock and applicable conversion rate. If the trading price condition has been met, we will so notify the holders. If, at any time after the trading price condition has been met, the trading price per \$1,000 principal amount of notes is greater than or equal to 98% of the product of the last reported sale price of our common stock and the conversion rate for such date, we will so notify the holders.

The bid solicitation agent will initially be the Company. The Company may, however, appoint another person (including the trustee) as the bid solicitation agent without prior notice to the holders of the notes.

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***Conversion Upon Specified Corporate Transactions***

*Certain Distributions*

If we elect to:

issue to all or substantially all holders of our common stock certain rights or warrants entitling them to purchase, for a period expiring within 45 days after the announcement date of such issuance, our common stock at less than the average of the last reported sale prices of a share of our common stock for the 10 consecutive trading-day period ending on the trading day immediately preceding the date of announcement of such issuance; or

distribute to all or substantially all holders of our common stock our assets, debt securities or certain rights to purchase our securities, which distribution has a per share value, as reasonably determined by our board of directors, exceeding 10% of the last reported sale price of our common stock on the trading day preceding the date of announcement for such distribution,

we must notify the holders of the notes at least 50 scheduled trading days prior to the ex-dividend date for such issuance or distribution. Once we have given such notice, holders may surrender their notes for conversion at any time until the earlier of 5:00 p.m., New York City time, on the business day immediately prior to the ex-dividend date or our announcement that such issuance or distribution will not take place, even if the notes are not otherwise convertible at such time. The ex-dividend date is the first date upon which the shares of our common stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance or distribution in question. Notwithstanding the foregoing, a holder may not convert its notes under the foregoing conversion provisions if the holder will participate in such issuance or distribution, at the same time and upon the same terms as holders of our common stock, as if such holder held, for each \$1,000 principal amount of notes, a number of shares of common stock equal to the conversion rate.

*Certain Corporate Events*

If a transaction or event that constitutes a fundamental change (as defined under Fundamental Change Permits Holders to Require Us to Purchase Notes ) or a make-whole fundamental change (as defined under Adjustment to Shares Delivered Upon Conversion Upon a Make-whole Fundamental Change ) occurs, regardless of whether a holder has the right to require us to repurchase the notes as described under Fundamental Change Permits Holders to Require Us to Purchase Notes, or if we are a party to a consolidation, merger, binding share exchange, or sale, transfer or lease of all or substantially all of our assets, in each case, pursuant to which our common stock would be converted into cash, securities or other assets, the notes may be surrendered for conversion at any time from or after the date which is 50 scheduled trading days prior to the anticipated effective date of the transaction until 35 trading days after the actual effective date of such transaction or, if such transaction also constitutes a fundamental change, until the related fundamental change purchase date (as defined below). We will notify holders and the trustee as promptly as practicable following the date we publicly announce such transaction but in no event less than 50 scheduled trading days prior to the anticipated effective date of such transaction.

***Conversions on or after November 15, 2013***

On or after November 15, 2013, a holder may convert any of its notes at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date regardless of the foregoing conditions.

***Conversion Procedures***

If you hold a beneficial interest in a global note, to convert you must comply with DTC's procedures for converting a beneficial interest in a global note and, if required, pay funds equal to interest payable on the next interest payment date to which you are not entitled and, if required, pay all taxes or duties, if any.

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If you hold a certificated note, to convert you must:

complete and manually sign the conversion notice on the back of the note, or a facsimile of the conversion notice;

deliver the conversion notice, which is irrevocable, and the note to the conversion agent;

if required, furnish appropriate endorsements and transfer documents;

if required, pay all transfer or similar taxes; and

if required, pay funds equal to interest payable on the next interest payment date to which you are not entitled.

The date you comply with the relevant procedures described above is the conversion date under the indenture.

If a holder has already delivered a purchase notice as described under Fundamental Change Permits Holders to Require Us to Purchase Notes with respect to a note, the holder may not surrender that note for conversion until the holder has withdrawn the notice in accordance with the indenture.

***Payment Upon Conversion***

Upon conversion of a note, we will pay cash up to the principal amount of the note and, to the extent that the conversion value (calculated as described below) exceeds the principal amount of the note, cash, shares of our common stock or a combination thereof (at our discretion) in respect of the excess, all as described below.

Upon conversion, we will deliver to holders in respect of each \$1,000 principal amount of notes being converted a settlement amount equal to the sum of the daily settlement amounts for each of the 40 trading days during the observation period.

Daily settlement amount, for each of the 40 trading days during the observation period, shall consist of:

cash equal to the lesser of \$25 and the daily conversion value; and

to the extent the daily conversion value exceeds \$25, a number of shares (the daily share amount), subject to our right to pay cash in lieu of all or a portion of such shares as described below, equal to (A) the difference between the daily conversion value and \$25, *divided by* (B) the daily VWAP for such day.

By the close of business on the scheduled trading day prior to the first scheduled trading day of the applicable observation period, we may specify a percentage of the daily share amount that will be settled in cash (the cash percentage) and we will notify you of such cash percentage by notifying the trustee (the cash percentage notice). With respect to any notes that are converted on or after November 15, 2013, the cash percentage that we specify for the corresponding observation period will apply to all such conversions. If we elect to specify a cash percentage, the amount of cash that we will deliver in lieu of all or the applicable portion of the daily share amount in respect of each trading day in the applicable observation period will equal (i) the cash percentage, *multiplied by* (ii) the daily share amount for such trading day (assuming we had not specified a cash percentage), *multiplied by* (iii) the daily VWAP for such trading day. The number of shares deliverable in respect of each trading day in the applicable observation period will be a percentage of the daily share amount (assuming we had not specified a cash percentage) equal to 100% *minus* the cash percentage. If we do not specify a cash percentage, we must settle the entire daily share amount for each trading day in such observation period in our common stock (plus cash in lieu of fractional shares). We may,



at our option, revoke any cash percentage notice in respect of any observation period by notifying the trustee; *provided* that we revoke such notice by the close of business on the scheduled trading day prior to the first scheduled trading day of such observation period.

Daily conversion value means, for each of the 40 consecutive trading days during the observation period, one fortieth (1/40th) of the product of (i) the applicable conversion rate and (ii) the daily VWAP of our common stock on such day.

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Daily VWAP means, for each of the 40 consecutive trading days during the observation period, the per share volume-weighted average price as displayed under the heading Bloomberg VWAP on Bloomberg page NWL.N <equity> AQR (or any successor thereto) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such trading day (or if such volume-weighted average price is unavailable, the market value of one share of our common stock on such trading day, determined using a volume-weighted average method, by a nationally recognized independent investment banking firm retained for this purpose by us). Daily VWAP will be determined without regard to after hours trading or any other trading outside of the regular trading session trading hours.

Observation period with respect to any note means:

if the relevant conversion date occurs prior to November 15, 2013, the 40 consecutive trading-day period beginning on and including the second scheduled trading day after such conversion date; and

if the relevant conversion date occurs on or after November 15, 2013, the 40 consecutive trading days beginning on and including the 42nd scheduled trading day immediately preceding March 15, 2014.

For the purposes of determining payment upon conversion only, trading day means a day on which (i) there is no market disruption event (as defined below) and (ii) trading in our common stock generally occurs on the New York Stock Exchange or, if our common stock is not then listed on the New York Stock Exchange, on the principal other United States national or regional securities exchange on which our common stock is then listed or, if our common stock is not then listed on a United States national or regional securities exchange, on the principal other market on which our common stock is then traded. If our common stock (or other security for which a daily VWAP must be determined) is not so listed or traded, trading day means a business day.

Scheduled trading day means a day that is scheduled to be a trading day on the principal United States national or regional securities exchange or market on which our common stock is listed or admitted for trading. If our common stock is not so listed or admitted for trading, scheduled trading day means a business day.

For the purposes of determining payment upon conversion, market disruption event means (i) a failure by the principal United States national securities or regional securities exchange or market on which our common stock is listed or admitted to trading to open for trading during its regular trading session or (ii) the occurrence or existence for more than one half-hour period in the aggregate on any scheduled trading day for our common stock of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in our common stock or in any options, contracts or future contracts relating to our common stock, and such suspension or limitation occurs or exists at any time before 1:00 p.m., New York City time.

Except as described under Adjustment to Shares Delivered Upon Conversion Upon a Make-whole Fundamental Change, we will deliver the settlement amount to converting holders on the third business day immediately following the last day of the observation period.

We will deliver cash in lieu of any fractional share of common stock issuable in connection with payment of the settlement amount (based upon the daily VWAP for the final trading day of the applicable observation period).

Each conversion will be deemed to have been effected as to any notes on the relevant conversion date; *provided, however*, that the person in whose name any shares of our common stock shall be issuable upon such conversion in respect of any trading day during the observation period will become the holder of record of such shares as of the close of business on the last trading day of the observation period related to a holder's conversion of its notes.

***Conversion Rate Adjustments***

The conversion rate will be adjusted as described below, except that we will not make any adjustments to the conversion rate if holders of the notes participate, as a result of holding the notes, in any such transactions

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under clauses (1) (but only with respect to stock dividends or distributions), (2), (3), (4A) and (4B) below without having to convert their notes as if they held the full number of shares underlying their notes.

(1) If we exclusively issue shares of our common stock as a dividend or distribution on shares of our common stock, or if we effect a share split or share combination, the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where,

$CR_0$  = the conversion rate in effect immediately prior to the open of business on the ex-dividend date of such dividend or distribution, or immediately prior to the open of business on the effective date of such share split or combination, as applicable;

$CR_1$  = the conversion rate in effect immediately after the open of business on such ex-dividend date or effective date;

$OS_0$  = the number of shares of our common stock outstanding immediately prior to the open of business on such ex-dividend date or effective date; and

$OS_1$  = the number of shares of our common stock outstanding immediately after giving effect to such dividend, distribution, share split or share combination.

(2) If we issue to all or substantially all holders of our common stock any rights or warrants entitling them for a period of not more than 60 calendar days after the announcement date of such issuance to subscribe for or purchase shares of our common stock, at a price per share less than the average of the last reported sale prices of our common stock for the 10 consecutive trading-day period ending on the trading day immediately preceding the date of announcement of such issuance, the conversion rate will be adjusted based on the following formula (*provided* that the conversion rate will be readjusted to the extent that such rights or warrants are not exercised prior to their expiration to the conversion rate that would be in effect had the adjustment been made on the basis of delivery of only the number of shares of common stock actually delivered):

$$CR_1 = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where,

$CR_0$  = the conversion rate in effect immediately prior to the open of business on the ex-dividend date for such issuance;

$CR_1$  = the conversion rate in effect immediately after the open of business on such ex-dividend date;

$OS_0$  = the number of shares of our common stock outstanding immediately prior to the open of business on such ex-dividend date;

X = the total number of shares of our common stock issuable pursuant to such rights or warrants; and

Y = the number of shares of our common stock equal to the aggregate price payable to exercise such rights or warrants divided by the average of the last reported sale prices of our common stock over the 10 consecutive trading-day period ending on the trading day immediately preceding the date of announcement of the issuance of such rights or warrants.

(3) If we distribute shares of our capital stock, evidences of our indebtedness, other assets or property of ours or rights or warrants to acquire our capital stock or other securities, to all or substantially all holders of our common stock, excluding

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dividends or distributions and rights or warrants as to which an adjustment was effected pursuant to clause (1) or (2) above;

dividends or distributions paid exclusively in cash; and

spin-offs to which the provisions set forth below in this clause (3) shall apply;

then the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

CR<sub>0</sub> = the conversion rate in effect immediately prior to the open of business on the ex-dividend date for such distribution;

CR<sub>1</sub> = the conversion rate in effect immediately after the open of business on such ex-dividend date;

SP<sub>0</sub> = the average of the last reported sale prices of our common stock over the 10 consecutive trading-day period ending on the trading day immediately preceding the ex-dividend date for such distribution; and

FMV = the fair market value (as determined by our board of directors) of the shares of capital stock, evidences of indebtedness, assets, property, rights or warrants distributed with respect to each outstanding share of our common stock on the ex-dividend date for such distribution.

If the then fair market value of the portion of the shares of capital stock, evidences of indebtedness or other assets or property so distributed applicable to one share of common stock is equal to or greater than the average of the last reported sales prices of our common stock over the 10 consecutive trading-day period ending on the trading day immediately preceding the ex-dividend date for such distribution, in lieu of the foregoing adjustment, each holder of a note shall receive, at the same time and upon the same terms as holders of our common stock, the amount and kind of securities and assets such holder would have received as if such holder owned a number of shares of common stock equal to the conversion rate in effect on the record date for the distribution of the securities or assets.

With respect to an adjustment pursuant to this clause (3) where there has been a payment of a dividend or other distribution on our common stock of shares of capital stock of any class or series, or similar equity interest, of or relating to a subsidiary or other business unit and such dividend or distribution is listed for trading on a securities exchange, which we refer to as a spin-off, the conversion rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where,

$CR_0$  = the conversion rate in effect immediately prior to the end of the valuation period (as defined below);

$CR_1$  = the conversion rate in effect immediately after the end of the valuation period;

$FMV_0$  = the average of the last reported sale prices of the capital stock or similar equity interest distributed to holders of our common stock applicable to one share of our common stock over the first 10 consecutive trading-day period after, and including, the ex-dividend date of the spin-off (the valuation period); and

$MP_0$  = the average of the last reported sale prices of our common stock over the valuation period.

The adjustment to the conversion rate under the preceding paragraph will occur on the last day of the valuation period; *provided* that in respect of any conversion during the valuation period, references with

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respect to 10 trading days shall be deemed replaced with such lesser number of trading days as have elapsed between the ex-dividend date for such spin-off and the conversion date in determining the applicable conversion rate.

(4A) If any regular, quarterly cash dividend or distribution made to all or substantially all holders of our common stock during any quarterly fiscal period exceeds \$0.05 (the initial dividend threshold), the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - C}$$

where,

$CR_0$  = the conversion rate in effect immediately prior to the open of business on the ex-dividend date for such dividend or distribution;

$CR_1$  = the conversion rate in effect immediately after the open of business on the ex-dividend date for such dividend or distribution;

$SP_0$  = the last reported sale price of our common stock on the trading day immediately preceding the ex-dividend date for such dividend or distribution; and

$C$  = the amount in cash per share we distribute to holders of our common stock in excess of the initial dividend threshold.

The initial dividend threshold is subject to adjustment in a manner inversely proportional to adjustments to the conversion rate; *provided* that no adjustment will be made to the initial dividend threshold for any adjustment to the conversion rate under this clause (4A) or clause (4B).

(4B) If we pay any cash dividend or distribution that is not a regular, quarterly cash dividend or distribution to all or substantially all holders of our common stock, the conversion rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - C}$$

where,

$CR_0$  = the conversion rate in effect immediately prior to the open of business on the ex-dividend date for such dividend or distribution;

$CR_1$  = the conversion rate in effect immediately after the open of business on the ex-dividend date for such dividend or distribution;

$SP_0$  = the last reported sale price of our common stock on the trading day immediately preceding the ex-dividend



date for such dividend or distribution; and

C = the amount in cash per share we distribute to holders of our common stock.

(5) If we or any of our subsidiaries make a payment in respect of a tender offer or exchange offer for our common stock, to the extent that the cash and value of any other consideration included in the payment per share of common stock exceeds the last reported sale price of our common stock on the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer, the conversion rate will be increased based on the following formula:

$$CR_1 = CR_0 \times \frac{AC + (SP_1 \times OS_1)}{OS_0 \times SP_1}$$

where,

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- $CR_0$  = the conversion rate in effect immediately prior to the close of business on the 10th trading day immediately following, and including, the trading day next succeeding the date such tender or exchange offer expires;
- $CR_1$  = the conversion rate in effect immediately after the close of business on the 10th trading day immediately following, and including, the trading day next succeeding the date such tender or exchange offer expires;
- AC = the aggregate value of all cash and any other consideration (as determined by our board of directors) paid or payable for shares purchased in such tender or exchange offer;
- $OS_0$  = the number of shares of our common stock outstanding immediately prior to the date such tender or exchange offer expires;
- $OS_1$  = the number of shares of our common stock outstanding immediately after the date such tender or exchange offer expires (after giving effect to the purchase of all shares accepted for purchase or exchange in such tender or exchange offer); and
- $SP_1$  = the average of the last reported sale prices of our common stock over the 10 consecutive trading-day period commencing on the trading day next succeeding the date such tender or exchange offer expires.

The adjustment to the conversion rate under the preceding paragraph will occur at the close of business on the tenth trading day immediately following, and including, the trading day next succeeding the date such tender or exchange offer expires; *provided* that in respect of any conversion within 10 trading days immediately following, and including, the expiration date of any tender or exchange offer, references with respect to 10 trading days shall be deemed replaced with such lesser number of trading days as have elapsed between the expiration date of such tender or exchange offer and the conversion date in determining the applicable conversion rate.

Except as stated herein, we will not adjust the conversion rate for the issuance of shares of our common stock or any securities convertible into or exchangeable for shares of our common stock or the right to purchase shares of our common stock or such convertible or exchangeable securities. If, however, the application of the foregoing formulas would result in a decrease in the conversion rate, no adjustment to the conversion rate will be made (other than as a result of share combination).

We are permitted to increase the conversion rate of the notes by any amount for a period of at least 20 business days if our board of directors determines that such increase would be in our best interest. We may also (but are not required to) increase the conversion rate to avoid or diminish income tax to holders of our common stock or rights to purchase shares of our common stock in connection with a dividend or distribution of shares (or rights to acquire shares) or similar event.

A holder may, in some circumstances, including a distribution of cash dividends to holders of our shares of common stock, be deemed to have received a distribution subject to U.S. federal income tax as a result of an adjustment or the nonoccurrence of an adjustment to the conversion rate. For a discussion of the U.S. federal income tax treatment of an adjustment to the conversion rate, see Certain U.S. Federal Income Tax Considerations.

To the extent that we have a rights plan in effect upon conversion of the notes into common stock, you will receive, in addition to any shares of common stock received in connection with such conversion, the rights under the rights plan with respect to such common stock, unless prior to any conversion, the rights have separated from our common stock, in which case, and only in such case, the conversion rate will be adjusted at the time of separation as if we distributed to all holders of our common stock, shares of our capital stock, evidences of indebtedness, assets, property, rights or warrants as described in clause (3) above, subject to readjustment in the event of the expiration, termination or

redemption of such rights.

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Notwithstanding any of the foregoing, the applicable conversion rate will not be adjusted:

upon the issuance of any shares of our common stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on our securities and the investment of additional optional amounts in shares of our common stock under any plan;

upon the issuance of any shares of our common stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by us or any of our subsidiaries;

upon the issuance of any shares of our common stock pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in the preceding bullet and outstanding as of the date the notes were first issued;

for a change in the par value of our common stock; or

for accrued and unpaid interest.

Adjustments to the applicable conversion rate will be calculated to the nearest 1/10,000th of a share. We will not be required to make an adjustment in the conversion rate unless the adjustment would require a change of at least 1% in the conversion rate. However, we will carry forward any adjustments that are less than 1% of the conversion rate and make such carried forward adjustment, regardless of whether the aggregate adjustment is less than 1%, (i) on the conversion date for any notes and (ii) on each trading day of any observation period.

***Recapitalizations, Reclassifications and Changes of Our Common Stock***

In the case of:

any recapitalization, reclassification or change of our common stock (other than changes resulting from a subdivision or combination);

a consolidation, merger or combination involving us; or

a sale, lease or other transfer to a third party of the consolidated assets of ours and our subsidiaries substantially as an entirety, or any statutory share exchange,

in each case as a result of which our common stock would be converted into, or exchanged for, stock, other securities, other property or assets (including cash or any combination thereof), then, at the effective time of the transaction, the right to convert a note will be changed into a right to convert it into the kind and amount of shares of stock, other securities or other property or assets (including cash or any combination thereof) that a holder of a number of shares of common stock equal to the conversion rate prior to such transaction would have owned or been entitled to receive (the reference property ) upon such transaction. However, at and after the effective time of the transaction (x) the amount otherwise payable in cash upon conversion of the notes as set forth under Conversion Rights Payment Upon Conversion above will continue to be payable in cash, (y) the number of shares of our common stock (if we do not elect to pay cash in lieu of all such shares) otherwise deliverable upon conversion of the notes as set forth under Conversion Rights Payment Upon Conversion above will instead be deliverable in the amount and type of reference property that a holder of that number of shares of our common stock would have received in such transaction and (z) the daily VWAP will be calculated based on the value of a unit of reference property that a holder of one share of our common stock would have received in such transaction. If the transaction causes our common stock to be

converted into the right to receive more than a single type of consideration (determined based in part upon any form of stockholder election), the reference property into which the notes will be convertible will be deemed to be the weighted average of the types and amounts of consideration received by the holders of our common stock that affirmatively make such an election. We will agree in the indenture not to become a party to any such transaction unless its terms are consistent with the foregoing.

In connection with any transaction described above, we will also adjust the initial dividend threshold (as defined under Conversion Rights Conversion Rate Adjustments above) based on the number of shares

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of common stock comprising the reference property and (if applicable) the value of any non-stock consideration comprising the reference property. If the reference property is comprised solely of non-stock consideration, the initial dividend threshold will be zero.

***Certain Other Adjustments***

Whenever any provision of the indenture requires us to calculate last reported prices or the daily VWAP over a span of multiple days, our board of directors will make appropriate adjustments to such prices, the conversion rate, or the amount due upon conversion to account for any adjustment to the conversion rate that becomes effective, or any event requiring an adjustment to the conversion rate where the ex-dividend date of the event occurs, at any time during the period from which such prices are to be calculated.

***Adjustment to Shares Delivered Upon Conversion Upon a Make-whole Fundamental Change***

If a fundamental change (as defined below and determined after giving effect to any exceptions or exclusions to such definition, but without regard to the *proviso* in clause (2) of the definition thereof, a make-whole fundamental change ) occurs and a holder elects to convert its notes in connection with such make-whole fundamental change, we will, under certain circumstances, increase the conversion rate for the notes so surrendered for conversion by a number of additional shares of common stock (the additional shares ), as described below. A conversion of notes will be deemed for these purposes to be in connection with such make-whole fundamental change if the notice of conversion of the notes is received by the conversion agent from, and including, the effective date of the make-whole fundamental change up to, and including, the business day immediately prior to the related fundamental change purchase date (or, in the case of an event that would have been a fundamental change but for the *proviso* in clause (2) of the definition thereof, the 35th trading day immediately following the effective date of such make-whole fundamental change).

Upon surrender of notes for conversion in connection with a make-whole fundamental change, we will have the right to deliver, in lieu of shares of common stock, including the additional shares, cash or a combination of cash and shares of common stock as described under Conversion Rights Payment Upon Conversion. However, if, at the effective time of such transaction, the reference property as described under Recapitalizations, Reclassifications and Changes of Our Common Stock above is comprised entirely of cash, then, for any conversion of notes following the effective date of such make-whole fundamental change, the conversion obligation will be calculated based solely on the stock price (as defined below) for the transaction and will be deemed to be an amount equal to the conversion rate (including any adjustment additional shares) multiplied by such stock price. In such event, the conversion obligation will be determined and paid to holders in cash on the third business day following the conversion date. We will notify holders of the effective date of any make-whole fundamental change and issue a press release announcing such effective date no later than five business days after such effective date.

The number of additional shares by which the conversion rate will be increased will be determined by reference to the table below, based on the date on which the make-whole fundamental change occurs or becomes effective (the effective date ) and the price (the stock price ) paid (or deemed paid) per share of our common stock in the fundamental change. If the holders of our common stock receive only cash in a make-whole fundamental change described in clause (2) of the definition of fundamental change, the stock price shall be the cash amount paid per share. Otherwise, the stock price shall be the average of the last reported sale prices of our common stock over the ten trading-day period ending on, and including, the trading day immediately preceding the effective date of the make-whole fundamental change.

The stock prices set forth in the column headings of the table below will be adjusted as of any date on which the conversion rate of the notes is otherwise adjusted. The adjusted stock prices will equal the stock prices applicable immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the conversion rate

immediately prior to the adjustment giving rise to the stock price adjustment and the denominator of which is the conversion rate as so adjusted. The number of additional shares will be adjusted in the same manner as the conversion rate as set forth under Conversion Rate Adjustments.

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The following table sets forth the number of additional shares to be received per \$1,000 principal amount of notes for each stock price and effective date set forth below:

| Effective Date | Stock Price |         |         |         |         |         |         |         |         |         |
|----------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                | \$6.62      | \$7.00  | \$8.00  | \$9.00  | \$10.00 | \$15.00 | \$20.00 | \$30.00 | \$40.00 | \$60.00 |
| March 30,      | 34.8594     | 30.6396 | 22.7911 | 17.9856 | 14.9102 | 8.7127  | 6.4871  | 4.3548  | 3.2887  | 2.22    |
| March 15,      | 34.8594     | 29.8225 | 21.2184 | 16.1056 | 12.9676 | 7.2666  | 5.4111  | 3.6374  | 2.7492  | 1.86    |
| March 15,      | 34.8594     | 28.9559 | 19.3749 | 13.8717 | 10.6818 | 5.6598  | 4.2178  | 2.8362  | 2.1429  | 1.44    |
| March 15,      | 34.8594     | 27.8872 | 17.0190 | 11.0391 | 7.8544  | 3.8531  | 2.8725  | 1.9186  | 1.4410  | 0.96    |
| March 15,      | 34.8594     | 26.6591 | 13.1722 | 6.9058  | 4.1841  | 2.0141  | 1.5208  | 1.0284  | 0.7814  | 0.52    |
| March 15,      | 34.8594     | 26.6591 | 8.8020  | 0.0000  | 0.0000  | 0.0000  | 0.0000  | 0.0000  | 0.0000  | 0.00    |

The exact stock prices and effective dates may not be set forth in the table above, in which case

If the stock price is between two stock prices in the table or the effective date is between two effective dates in the table, the number of additional shares will be determined by a straight-line interpolation between the number of additional shares set forth for the higher and lower stock prices and the earlier and later effective dates, as applicable, based on a 365-day year.

If the stock price is greater than \$60.00 per share (subject to adjustment in the same manner as the stock prices set forth in the column headings of the table above), no additional shares will be added to the conversion rate.

If the stock price is less than \$6.62 per share (subject to adjustment in the same manner as the stock prices set forth in the column headings of the table above), no additional shares will be added to the conversion rate.

Notwithstanding the foregoing, in no event will the conversion rate exceed 151.0574 per \$1,000 principal amount of notes, subject to adjustments in the same manner as the conversion rate as set forth under **Conversion Rate Adjustments**.

Our obligation to satisfy the additional shares requirement could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness and equitable remedies.

**Fundamental Change Permits Holders to Require Us to Purchase Notes**

If a fundamental change (as defined below in this section) occurs at any time, you will have the right, at your option, to require us to purchase for cash any or all of your notes, or any portion of the principal amount thereof, that is equal to \$1,000 or a multiple of \$1,000. The price we are required to pay is equal to 100% of the principal amount of the notes to be purchased plus accrued and unpaid interest, including any additional interest, to but excluding the fundamental change purchase date (unless the fundamental change purchase date is after a record date and on or prior to the interest payment date to which such record date relates, in which case we will instead pay the full amount of accrued and unpaid interest to the holder of record on such record date and the fundamental change purchase price



will be equal to 100% of the principal amount of the notes to be purchased). The fundamental change purchase date will be a date specified by us that is not less than 20 or more than 35 calendar days following the date of our fundamental change notice as described below. Any notes purchased by us will be paid for in cash.

A fundamental change will be deemed to have occurred at the time after the notes are originally issued if any of the following occurs:

(1) a person or group within the meaning of Section 13(d) of the Securities Exchange Act of 1934 other than us, our subsidiaries and our and their employee benefit plans, has become the direct or indirect beneficial owner, as defined in Rule 13d-3 under the Exchange Act, of our common equity representing more than 50% of the voting power of our common equity;

(2) consummation of any share exchange, consolidation or merger of us or any other transaction or series of transactions pursuant to which our common stock will be converted into cash, securities or other

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property or any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of us and our subsidiaries, taken as a whole, to any person other than one of our subsidiaries; *provided, however*, that a transaction where the holders of all classes of our common equity immediately prior to such transaction that is a share exchange, consolidation or merger own, directly or indirectly, more than 50% of all classes of common equity of the continuing or surviving corporation or transferee or the parent thereof immediately after such event shall not be a fundamental change;

(3) our stockholders approve any plan or proposal for the liquidation or dissolution of us; or

(4) our common stock (or other common stock into which the notes are then convertible) ceases to be listed or quoted on a national securities exchange in the United States.

A fundamental change as a result of clause (2) above will not be deemed to have occurred, however, if 100% of the consideration received or to be received by our common stockholders, excluding cash payments for fractional shares, in connection with the transaction or transactions constituting the fundamental change consists of shares of common stock traded on the New York Stock Exchange, the NASDAQ Global Market or the NASDAQ Global Select Market (or any of their respective successors) or which will be so traded or quoted when issued or exchanged in connection with a fundamental change (these securities being referred to as publicly traded securities ) and as a result of this transaction or transactions the notes become convertible into such publicly traded securities, excluding cash payments for fractional shares (subject to the provisions set forth above under Conversion Rights Payment Upon Conversion ).

On or before the 20th day after the occurrence of a fundamental change, we will provide to all holders of the notes and the trustee and paying agent a notice of the occurrence of the fundamental change and of the resulting purchase right. Such notice shall state, among other things:

the events causing a fundamental change;

the date of the fundamental change;

the last date on which a holder may exercise the repurchase right;

the fundamental change purchase price;

the fundamental change purchase date;

the name and address of the paying agent and the conversion agent, if applicable;

if applicable, the applicable conversion rate and any adjustments to the applicable conversion rate;

if applicable, that the notes with respect to which a fundamental change purchase notice has been delivered by a holder may be converted only if the holder withdraws the fundamental change purchase notice in accordance with the terms of the indenture; and

the procedures that holders must follow to require us to purchase their notes.

Simultaneously with providing such notice, we will publish a notice containing this information in a newspaper of general circulation in New York City, New York, or publish the information on our website or through such other public medium as we may use at that time.

To exercise the purchase right, you must deliver, on or before the business day immediately preceding the fundamental change purchase date, the notes to be purchased, duly endorsed for transfer, together with a written purchase notice and the form entitled Form of Fundamental Change Purchase Notice on the reverse side of the notes duly completed, to the paying agent if the notes are in certificated form. If the notes are not in certificated form, you must comply with DTC's procedures for tendering interests in global notes. Your purchase notice must state:

if certificated, the certificate numbers of your notes to be delivered for purchase;

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the portion of the principal amount of notes to be purchased, which must be \$1,000 or a multiple thereof; and

that the notes are to be purchased by us pursuant to the applicable provisions of the notes and the indenture.

You may withdraw any purchase notice (in whole or in part) by a written notice of withdrawal delivered to the paying agent prior to the close of business on the business day prior to the fundamental change purchase date. The notice of withdrawal shall state:

the principal amount of the withdrawn notes;

if certificated notes have been issued, the certificate numbers of the withdrawn notes, or if not certificated, your notice must comply with appropriate DTC procedures; and

the principal amount, if any, which remains subject to the purchase notice.

We will be required to purchase the notes on the fundamental change purchase date, subject to extension to comply with applicable law. You will receive payment of the fundamental change purchase price on the later of the fundamental change purchase date or the time of book-entry transfer or the delivery of the notes. If the paying agent holds money or securities on the fundamental change purchase date sufficient to pay the fundamental change purchase price of notes for which the holders have tendered and not withdrawn purchase notices, then:

such notes will cease to be outstanding and interest, including any additional interest, will cease to accrue (whether or not book-entry transfer of the notes is made or whether or not the notes are delivered to the paying agent); and

all other rights of the holder will terminate (other than the right to receive the fundamental change purchase price and previously accrued and unpaid interest upon delivery or transfer of the notes).

In connection with any purchase offer pursuant to a fundamental change purchase notice, we will, if required:

comply with the provisions of the tender offer rules under the Exchange Act that may then be applicable; and

file a Schedule TO or any other required schedule under the Exchange Act.

No notes may be purchased at the option of holders upon a fundamental change if there has occurred and is continuing an event of default with respect to the notes other than an event of default that is cured by the payment of the fundamental change purchase price of the notes.

The purchase rights of the holders could discourage a potential acquirer from acquiring us. The fundamental change purchase feature, however, is not the result of management's knowledge of any specific effort to obtain control of us by any means or part of a plan by management to adopt a series of anti-takeover provisions.

The term fundamental change is limited to specified transactions and may not include other events that might adversely affect our financial condition. In addition, the requirement that we offer to purchase the notes upon a fundamental change may not protect holders in the event of a highly leveraged transaction, reorganization, merger or similar transaction involving us.

The definition of fundamental change includes a phrase relating to the conveyance, transfer, sale, lease or disposition of all or substantially all of our consolidated assets. There is no precise, established definition of the phrase substantially all under applicable law. Accordingly, the ability of a holder of the notes to require us to purchase its notes as a result of the conveyance, transfer, sale, lease or other disposition of less than all of our assets may be uncertain.

If a fundamental change were to occur, we may not have enough funds to pay the fundamental change purchase price. Our ability to repurchase the notes for cash may be limited by restrictions on our ability to obtain funds for such repurchase through dividends from our subsidiaries, the terms of our then existing

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borrowing arrangements or otherwise. See Risk Factors Risks Related to the Notes We may not have the ability to raise the funds necessary to settle conversions of the notes or to purchase the notes upon a fundamental change, and our future debt may contain limitations on our ability to pay cash upon conversion or repurchase of the notes. If we fail to purchase the notes when required following a fundamental change, we will be in default under the indenture. In addition, we have, and may in the future incur, other indebtedness with similar change in control provisions permitting our holders to accelerate or to require us to purchase our indebtedness upon the occurrence of similar events or on some specific dates.

### **Consolidation, Merger and Sale of Assets**

The indenture provides that the Company will not consolidate with, merge with or into, or convey, transfer or lease all or substantially all of its property and assets to, any person or permit any person to merge with or into the Company unless:

- (1) the person formed by such consolidation or into which the Company is merged or that acquired or leased such property and assets of the Company shall be a corporation, limited liability company, partnership or trust organized and validly existing under the laws of the United States of America, any state thereof or the District of Columbia, and shall expressly assume, by a supplemental indenture, executed and delivered to the trustee, all of the obligations of the Company on all of the debt securities outstanding under the base indenture;
- (2) immediately after giving effect to such transaction, no default or event of default (each as defined in the indenture) shall have occurred and be continuing; and
- (3) the Company or the successor person shall have delivered to the trustee an officers certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease and such supplemental indenture complies with this provision and that all conditions precedent provided for in the indenture relating to such transaction have been complied with.

Although these types of transactions are permitted under the indenture, certain of the foregoing transactions could constitute a fundamental change (as defined above) permitting each holder to require us to purchase the notes of such holder as described above.

### **Events of Default**

Each of the following is an event of default under the indenture:

- (1) the Company defaults in the payment of interest, including any additional interest, on any note when the same becomes due and payable and such default continues for a period of 30 days;
- (2) the Company defaults in the payment of principal of any note when the same becomes due and payable at its stated maturity, upon acceleration, redemption, upon any required repurchase, upon declaration or otherwise;
- (3) failure by the Company to comply with its obligation to convert the notes in accordance with the indenture upon exercise of a holder's conversion right;
- (4) failure by the Company to give a fundamental change notice or notice of a specified corporate transaction as described under Conversion Rights Conversion Upon Specified Corporate Transactions, in each case when due;
- (5) failure by the Company to comply with its obligations under Consolidation, Merger and Sale of Assets;

(6) the Company defaults in the performance of or breaches any other covenant or agreement of the Company in the indenture with respect to the notes (other than a covenant or agreement in respect of which non-compliance by the Company would otherwise be an event of default) and such default or breach continues for a period of 60 consecutive days after written notice to the Company by the trustee

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or to the Company and the trustee by the holders (as defined in the indenture) of 25% or more in aggregate principal amount of the notes then outstanding;

(7) an event of default as defined in any mortgage, indenture or instrument under which there may be issued, or by which there may be secured or evidenced, any indebtedness of the Company or any principal subsidiary for money borrowed, whether such indebtedness now exists or shall hereafter be created, shall happen and shall result in such indebtedness in principal amount in excess of \$10 million becoming or being declared due and payable prior to the date on which it would otherwise become due and payable, and such acceleration shall not be rescinded or annulled, or such indebtedness shall not have been discharged, within a period of 30 days after there shall have been given, by registered or certified mail, to the Company by the trustee or to the Company and the trustee by the holders of at least 25% in principal amount of the notes then outstanding, a written notice specifying such event of default and requiring the Company to cause such acceleration to be rescinded or annulled or to cause such indebtedness to be discharged;

(8) a final judgment for the payment of \$50 million or more (excluding any amounts covered by insurance) rendered against the Company or any principal subsidiary, which judgment is not discharged or stayed within 60 days after (i) the date on which the right to appeal or petition for review thereof has expired if no such appeal or review has commenced, or (ii) the date on which all rights to appeal or petition for review have been extinguished; or

(9) certain events of bankruptcy, insolvency, or reorganization of the Company or any of our principal subsidiaries as described in the base indenture.

If an event of default, other than as described in the next sentence, occurs and is continuing, then, and in each and every such case, except for any notes the principal of which shall have already become due and payable, either the trustee or the holders of not less than 25% in aggregate principal amount of the notes then outstanding under the indenture, by notice in writing to the Company (and to the trustee if given by holders), may declare the entire principal amount of all the notes, and the interest accrued on such notes, if any, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable. If an event of default described in clause (9) occurs and is continuing with respect to the Company, then the principal amount of all the notes then outstanding and interest accrued on such notes, if any, shall be and become immediately due and payable, without any notice or other action by any holder or the trustee, to the full extent permitted by applicable law.

The provisions described in the paragraph above, however, are subject to the condition that if, at any time after the principal of the notes shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as provided in the indenture, the Company will pay or will deposit with the trustee a sum sufficient to pay all matured installments of interest upon all the notes and the principal of any and all notes which shall have become due otherwise than by acceleration (with interest upon such principal and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest, at the rate or rates, if any, specified in the notes to the date of such payment or deposit) and such amount as shall be sufficient to cover all amounts owing to the trustee and its agents and counsel, and if any and all events of default under the indenture, other than the non-payment of the principal of notes which shall have become due by acceleration, shall have been cured, waived or otherwise remedied as provided in the indenture, then and in every such case the holders of a majority in aggregate principal amount of all the notes then outstanding, by written notice to the Company and to the trustee, may rescind and annul such declaration and its consequences, but no such rescission and annulment will extend to or shall affect any subsequent default or shall impair any right consequent on such default.

Notwithstanding the foregoing, the indenture will provide that, to the extent we elect, the sole remedy for an event of default relating to (i) our failure to file with the trustee pursuant to Section 314(a)(1) of the Trust Indenture Act any documents or reports that we are required to file with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Exchange Act, or (ii) our failure to comply with the





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substantially similar covenant contained in the indenture, will for the first 180 days after the occurrence of such an event of default consist exclusively of the right to receive additional interest on the notes equal to 0.50% per annum of the principal amount of the notes. If we so elect, such additional interest will be payable on all notes outstanding on or before the date on which such event of default first occurs. On the 180th day after such event of default (if the event of default relating to the reporting obligations is not cured or waived prior to such 180th day), the notes will be subject to acceleration as provided above. The provisions of the indenture described in this paragraph will not affect the rights of holders of notes in the event of the occurrence of any other event of default. In the event we do not elect to pay the additional interest upon an event of default in accordance with this paragraph, the notes will be subject to acceleration as provided above.

In order to elect to pay additional interest as the sole remedy during the first 180 days after the occurrence of an event of default relating to the failure to comply with the reporting obligations in accordance with the immediately preceding paragraph, we must notify all holders of record of notes and the trustee and paying agent of such election on or before the close of business on the 5th business day after the date on which such event of default otherwise would occur. Upon our failure to timely give such notice or pay additional interest, the notes will be immediately subject to acceleration as provided above.

The holders of a majority in principal amount of the outstanding notes may waive any past defaults (except with respect to nonpayment of principal or interest, including any additional interest, with respect to the failure to deliver the consideration due upon conversion, or with respect to any covenant or provision that cannot be modified or amended without the consent of all holders).

Subject to certain restrictions, the holders of at least a majority in aggregate principal amount of the notes outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee. The indenture provides that in the event an event of default has occurred and is continuing, the trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs.

Subject to the provisions of the indenture relating to the duties of the trustee, if an event of default occurs and is continuing, the trustee will be under no obligation to exercise any of the rights or powers under the indenture at the request or direction of any of the holders unless such holders have offered to the trustee indemnity or security reasonably satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest, including any additional interest, when due, or the right to receive payment or delivery of the consideration due upon conversion, no holder of any notes may institute any proceeding, judicial or otherwise, with respect to the indenture or the notes, or for the appointment of a receiver or trustee, or for any other remedy under the indenture, unless:

- (i) such holder has previously given to the trustee written notice of a continuing event of default with respect to the notes;
- (ii) the holders of at least 25% in aggregate principal amount of outstanding notes shall have made written request to the trustee to institute proceedings in respect of such event of default in its own name as trustee under the indenture;
- (iii) such holder or holders have offered to the trustee reasonable indemnity against any costs, liabilities or expenses (including fees and expenses of its counsel) to be incurred in compliance with such request;
- (iv) the trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(v) during such 60-day period, the holders of a majority in aggregate principal amount of the outstanding notes have not given the trustee a direction that is inconsistent with such written request.

The indenture provides that if a default occurs and is continuing and is known to the trustee, the trustee must mail to each holder notice of the default within 90 days after it occurs. Except in the case of a default in the payment of principal of or interest on any note or a default in the payment or delivery of the consideration due upon conversion, the trustee may withhold notice if and so long as a committee of trust officers of the

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trustee in good faith determines that withholding notice is in the interests of the holders. In addition, the Company is required to deliver to the trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any default that occurred during the previous year. The Company also is required to deliver to the trustee, within 5 days after the occurrence thereof, written notice of any events which would constitute certain defaults, their status and what action the Company is taking or proposes to take in respect thereof.

If any portion of the amount payable on the notes upon acceleration is considered by a court to be unearned interest (through the allocation of a portion of the value of the instrument to the embedded warrant or otherwise), the court could disallow recovery of any such portion.

## **Modification and Amendment**

The indenture may be modified and amended as described in **Description of Debt Securities Modification or Waiver** in the accompanying prospectus. Notwithstanding the foregoing provision, in addition to the other limitations described in **Description of Debt Securities Modification or Waiver**, no supplemental indenture may, without the consent of each holder of an outstanding note affected by such supplemental indenture:

- (1) make any change that adversely affects the conversion rights of any notes; or
- (2) reduce the fundamental change purchase price of any note or amend or modify in any manner adverse to the holders of notes the Company's obligation to make such payments, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise;

In addition to the other permitted amendments described in **Description of Debt Securities Modification or Waiver**, the Company and the trustee may amend or supplement the indenture or the notes without notice to or the consent of any holder to:

- (1) add guarantees with respect to the notes; or
- (2) conform the provisions of the indenture to the **Description of Notes** section in this prospectus supplement.

The consent of the holders is not necessary under the indenture to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance of such proposed amendment, supplement or waiver. After an amendment, supplement or waiver becomes effective, the Company shall give to the holders affected by such amendment, supplement or waiver a notice briefly describing such amendment, supplement or waiver. The Company will mail supplemental indentures to holders upon request. Any failure of the Company to mail such notice, or any defect in such notice, shall not, however, in any way impair or affect the validity of any such supplemental indenture or waiver.

## **Discharge**

Articles 4 and 14 of the base indenture will not apply to the notes. Instead, we may satisfy and discharge our obligations under the indenture by delivering to the securities registrar for cancellation all outstanding notes or by depositing with the trustee or delivering to the holders, as applicable, after the notes have become due and payable, whether at stated maturity, or any purchase date, or upon conversion or otherwise, cash and (in the case of conversion) shares of common stock, if applicable, sufficient to pay all of the outstanding notes and paying all other sums payable under the indenture by us. Such discharge is subject to terms contained in the indenture.

## **No Limitation on Liens**

Section 1007 of the base indenture will not apply to the notes.

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### **Calculations in Respect of Notes**

Except as otherwise provided above, we will be responsible for making all calculations called for under the notes. These calculations include, but are not limited to, determinations of the last reported sale prices of our common stock, accrued interest payable on the notes and the conversion rate of the notes. We will make all these calculations in good faith and, absent manifest error, our calculations will be final and binding on holders of notes. We will provide a schedule of our calculations to each of the trustee and the conversion agent, and each of the trustee and conversion agent is entitled to rely conclusively upon the accuracy of our calculations without independent verification. The trustee will forward our calculations to any holder of notes upon the request of that holder.

### **Reports**

The indenture provides that any documents or reports that we are required to file with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Exchange Act must be filed by us with the trustee within 15 days after the same are required to be filed with the Securities and Exchange Commission (giving effect to any grace period provided by Rule 12b-25 under the Exchange Act).

### **Trustee**

The Bank of New York Mellon Trust Company, N.A. is the trustee, security registrar, paying agent and conversion agent. The Bank of New York Mellon Trust Company, N.A. in each of its capacities, including without limitation as trustee, security registrar, paying agent and conversion agent, assumes no responsibility for the accuracy or completeness of the information concerning us or our affiliates or any other party contained in this document or the related documents or for any failure by us or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information.

We maintain banking relationships in the ordinary course of business with the trustee and its affiliates.

### **Governing Law**

The indenture provides that it and the notes will be governed by, and construed in accordance with, the laws of the State of New York.

### **Book-entry, Settlement and Clearance**

#### ***The Global Notes***

The notes will be initially issued in the form of one or more registered notes in global form, without interest coupons (the global notes). Upon issuance, each of the global notes will be deposited with the trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in a global note will be limited to persons who have accounts with DTC (DTC participants) or persons who hold interests through DTC participants. We expect that under procedures established by DTC:

upon deposit of a global note with DTC's custodian, DTC will credit portions of the principal amount of the global note to the accounts of the DTC participants designated by the underwriters; and

ownership of beneficial interests in a global note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and records maintained by DTC participants (with respect to other owners of beneficial interests in the global note).

Beneficial interests in global notes may not be exchanged for notes in physical, certificated form except in the limited circumstances described below.

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***Book-entry Procedures for the Global Notes***

All interests in the global notes will be subject to the operations and procedures of DTC. We provide the following summary of those operations and procedures solely for the convenience of investors. The operations and procedures of DTC are controlled by that settlement system and may be changed at any time. Neither we nor the trustee or the underwriters are responsible for those operations or procedures.

DTC has advised us that it is:

- a limited purpose trust company organized under the laws of the State of New York;
- a banking organization within the meaning of the New York State Banking Law;
- a member of the Federal Reserve System;
- a clearing corporation within the meaning of the Uniform Commercial Code; and
- a clearing agency registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC's participants include securities brokers and dealers, including the underwriters; banks and trust companies; clearing corporations and other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC's nominee is the registered owner of a global note, that nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a global note:

- will not be entitled to have notes represented by the global note registered in their names;
- will not receive or be entitled to receive physical, certificated notes; and
- will not be considered the owners or holders of the notes under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee under the indenture.

As a result, each investor who owns a beneficial interest in a global note must rely on the procedures of DTC to exercise any rights of a holder of notes under the indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal and interest (including any additional interest) and of amounts due upon conversion with respect to the notes represented by a global note will be made by the trustee to DTC's nominee as the registered holder of the global note. Neither we nor the trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.



Payments by participants and indirect participants in DTC to the owners of beneficial interests in a global note will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds.

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*Certificated Notes*

Notes in physical, certificated form will be issued and delivered to each person that DTC identifies as a beneficial owner of the related notes only if:

DTC notifies us at any time that it is unwilling or unable to continue as depository for the global notes and a successor depository is not appointed within 60 days;

DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depository is not appointed within 60 days; or

an event of default with respect to the notes has occurred and is continuing.

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**CONVERTIBLE NOTE HEDGE AND WARRANT TRANSACTIONS**

In connection with the offering of the notes, we entered into convertible note hedge transactions with counterparties, which are affiliates of the representatives of the underwriters of the notes. The convertible note hedge transactions will cover, subject to anti-dilution adjustments substantially similar to those applicable to the notes, approximately 34.86 million shares of our common stock. Concurrently with entering into the convertible note hedge transactions, we also entered into warrant transactions whereby we will sell to the counterparties warrants to purchase, subject to customary anti-dilution adjustments, up to approximately 34.86 million shares of our common stock. We intend to use an aggregate of approximately \$31.5 million of the net proceeds of this offering and the proceeds from the sale of the warrants to purchase the options that comprise the convertible note hedge transactions. If the underwriters exercise their over-allotment option to purchase additional notes, we will use a portion of the net proceeds from the sale of the additional notes to increase the size of the convertible note hedge transactions and we will sell additional warrants.

The convertible note hedge transactions are expected generally to reduce the potential dilution upon conversion of the notes in the event that the market value per share of our common stock, as measured under the terms of the convertible note hedge transactions, on each day of the relevant observation period is greater than the strike price of the convertible note hedge transactions, which initially corresponds to the conversion price of the notes and is subject to anti-dilution adjustments substantially similar to those applicable to the conversion rate of the notes. If, however, the market value per share of our common stock, as measured under the terms of the warrant transactions, during the measurement period at maturity of the warrants exceeds the strike price of the warrants, there would nevertheless be dilution to the extent that such market price exceeds the strike price of the warrants.

We will not be required to make any payments to the counterparties upon the exercise of the options that comprise the convertible note hedge transactions, but will be entitled to receive from them a number of shares of our common stock generally based on the amount by which the market value per share of our common stock, as measured under the terms of the convertible note hedge transactions, exceeds the strike price of the convertible note hedge transactions during the relevant valuation period under the convertible note hedge transactions. Additionally, if the market value per share of our common stock, as measured under the terms of the warrant transactions, during the measurement period at the maturity of the warrants exceeds the strike price of the warrants, we will owe the counterparties a number of shares of our common stock in an amount based on the excess of such market value per share of our common stock over the strike price of the warrants. To the extent that we elect to specify a cash percentage with respect to any notes surrendered for conversion, a corresponding percentage of the related convertible note hedge transactions will be settled in cash.

The convertible note hedge transactions and the warrant transactions are separate transactions entered into by us with the counterparties, are not part of the terms of the notes and will not change the holders' rights under the notes. As a holder of the notes, you will not have any rights with respect to the convertible note hedge or warrant transactions.

For a discussion of the potential impact of any market or other activity by the counterparties and/ or their respective affiliates in connection with these convertible note hedge and warrant transactions, see **Underwriting and Risk Factors** **Risks Relating to the Notes**. The convertible note hedge and warrant transactions may affect the value of the notes and our common stock.

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**CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS**

The following is a summary of the anticipated U.S. federal income tax considerations relating to the purchase, ownership and conversion or other disposition of the notes and the ownership and disposition of any common stock received upon a conversion of the notes. This summary addresses only the U.S. federal income tax considerations relevant to holders of the notes that purchase the notes on original issuance at the price indicated on the cover of this prospectus supplement and that hold the notes as capital assets and to holders that own and dispose of any common stock received upon a conversion of the notes.

This description does not address tax considerations applicable to holders that may be subject to certain special U.S. federal income tax rules, such as:

financial institutions,

insurance companies,

real estate investment trusts,

regulated investment companies,

grantor trusts,

dealers or traders in securities or currencies or notional principal contracts,

tax-exempt entities,

certain former citizens or long-term residents of the United States,

persons that will hold shares as part of a hedging or conversion transaction or as a position in a straddle or as part of a synthetic security or other integrated transaction for U.S. federal income tax purposes, or

U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar.

Holders of the notes who are in any of the above categories should consult their own tax advisors regarding the U.S. federal income tax consequences relating to the purchase, ownership and disposition of the notes, and the ownership and disposition of any common stock received upon a conversion of the notes, as the U.S. federal income tax consequences for persons in the above categories relating to the purchase, ownership, and disposition of the notes and to the ownership and disposition of any common stock received upon a conversion of the notes may be significantly different from those described below. Moreover, this summary does not address the U.S. federal estate and gift or alternative minimum tax consequences, or any U.S. state or local tax consequences, of the purchase, ownership and disposition of the notes, or of the ownership and disposition of any common stock received upon a conversion of the notes.

This summary is not intended to constitute a complete analysis of all U.S. federal income tax consequences relating to the purchase, ownership and disposition of the notes and the ownership and disposition of any common stock received upon a conversion of the notes. Prospective purchasers of the notes should consult their own tax advisors with respect to the U.S. federal, state, local and foreign tax consequences of purchasing, owning or disposing of the notes and

owning and disposing of any common stock received upon a conversion of the notes.

This summary is based upon the Internal Revenue Code of 1986, as amended (the Code ), proposed, temporary and final Treasury Regulations promulgated under the Code, and judicial and administrative interpretations of the Code and Treasury Regulations, in each case as in effect and available as of the date of this prospectus supplement. The Code, Treasury Regulations and judicial and administrative interpretations thereof may change at any time, and any change could be retroactive to the date of this prospectus supplement. The Code, Treasury Regulations and judicial and administrative interpretations thereof are also subject to various interpretations, and there can be no guarantee that the Internal Revenue Service (the IRS ) or U.S. courts will agree with the tax consequences described in this summary.

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### **U.S. Holders**

For purposes of this summary, a U.S. Holder is a beneficial owner of the notes (or of common stock received upon a conversion of the notes) that, for U.S. federal income tax purposes, is:

a citizen or individual resident of the United States,

a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state thereof (including the District of Columbia),

an estate the income of which is subject to U.S. federal income taxation regardless of its source, or

a trust if such trust was in existence on August 20, 1996 and validly elected to be treated as a United States person for U.S. federal income tax purposes or if (1) a court within the United States is able to exercise primary supervision over its administration and (2) one or more United States persons have the authority to control all of the substantial decisions of such trust.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds the notes, the tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner should consult its own tax advisors as to the U.S. tax consequences of being a partner in a partnership that acquires, holds, or disposes of the notes, or that owns or disposes of any common stock received upon a conversion of the notes.

### ***Interest Income***

It is expected, and this discussion generally assumes, that the notes will be issued without original issue discount for U.S. federal income tax purposes. Assuming that is the case, payments of interest on the notes generally will be taxable to a U.S. Holder as ordinary interest income (in accordance with the U.S. Holder's regular method of tax accounting) at the time such payments are accrued or received.

### ***Sale or Other Taxable Disposition of the Notes and Conversion of the Notes for Cash***

Upon a sale or other taxable disposition of notes, including a conversion of notes solely into cash and a purchase of notes by us at the option of holders upon a fundamental change (collectively, a disposition), a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the amount realized on the sale or other taxable disposition, other than amounts attributable to accrued but unpaid interest on the notes (which will be treated as a payment of interest), and the U.S. Holder's tax basis in such notes. A U.S. Holder's tax basis in a note generally will be equal to the cost of the note to the U.S. Holder. Any such capital gain or loss generally will be long-term capital gain or loss if the U.S. Holder's holding period for the notes is more than one year at the time of disposition and will be short-term capital gain or loss if the holding period is one year or less. Presently, for non-corporate U.S. Holders, long-term capital gains generally will be subject to reduced rates of taxation. The utilization of capital losses is subject to certain limitations.

### ***Conversion of Notes into a Combination of Our Common Stock and Cash***

The U.S. federal income tax treatment of a U.S. Holder's conversion of the notes into our common stock and cash is uncertain. U.S. Holders should consult their tax advisors to determine the correct treatment of such conversion. It is possible that the conversion may be treated as a partially taxable exchange or as a recapitalization, as discussed below. It is our current intention to treat a conversion of the notes as a partially taxable exchange for U.S. federal income tax

purposes.

*Possible Treatment as Part Conversion and Part Redemption.* The conversion of a note into a combination of our common stock and cash may be treated for U.S. federal income tax purposes as in part a conversion into stock and in part a payment in redemption of a portion of the notes. In that event, a U.S. Holder would not recognize any income, gain or loss with respect to the portion of the notes considered to be converted into stock, except with respect to any cash received in lieu of a fractional share of stock and

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any common stock attributable to accrued interest (which will be treated in the manner described below). A U.S. Holder's tax basis in the stock received upon conversion generally would be equal to the portion of its tax basis in a note allocable to the portion of the note deemed converted (excluding the portion of the tax basis that is allocable to any fractional share but including the fair market value of common stock attributable to accrued interest). A U.S. Holder's holding period for such common stock generally would include the period during which the U.S. Holder held the note.

With respect to the part of the conversion that would be treated under this characterization as a payment in redemption of the remaining portion of the note, a U.S. Holder generally would recognize gain or loss equal to the difference between the amount of cash received (other than amounts attributable to accrued interest) and the U.S. Holder's tax basis allocable to such portion of the note. Gain or loss recognized will be long-term capital gain or loss if the U.S. Holder has held the note for more than one year. Presently, in the case of certain non-corporate U.S. Holders (including individuals), long-term capital gains are generally eligible for a reduced rate of U.S. federal income taxation. The deductibility of capital losses is subject to certain limitations under the Code.

Although the law on this point is not entirely clear, if the conversion is treated as part conversion and part redemption, it would be reasonable for a U.S. Holder to allocate its tax basis in a note between the portion of the note that is deemed to have been converted and the portion of the note that is deemed to have been redeemed based on the relative fair market value of common stock and the amount of cash received upon conversion. In light of the uncertainty in the law, U.S. Holders are urged to consult their own tax advisors regarding such basis allocation.

*Possible Treatment as a Recapitalization.* Although it is not the current intention of the Company to treat it as such, the conversion of a note into common stock and cash may instead be treated in its entirety as a recapitalization for U.S. federal income tax purposes, in which case a U.S. Holder would be required to recognize gain on the conversion but would not be allowed to recognize any loss. This tax treatment may be less favorable to a U.S. Holder than if the conversion were treated as part conversion and part redemption, as described above. If the conversion constitutes a recapitalization, a U.S. Holder generally would recognize gain (but not loss) in an amount equal to the lesser of:

(i) the excess (if any) of

(A) the amount of cash (not including cash received in lieu of fractional shares) and the fair market value of common stock received (treating fractional shares as received for this purpose) in the exchange (other than any cash or common stock attributable to accrued interest) over

(B) the U.S. Holder's tax basis in the notes, and

(ii) the amount of cash received upon conversion (other than cash received in lieu of fractional shares or cash attributable to accrued interest, which will be treated in the manner described below). The U.S. Holder would have an aggregate tax basis in the common stock received in the conversion equal to the aggregate tax basis of the notes converted (excluding the portion of the tax basis that is allocable to any fractional share), decreased by the aggregate amount of cash (other than cash in lieu of fractional shares and cash attributable to accrued interest) received upon conversion and increased by the aggregate amount of gain (if any) recognized upon conversion (other than gain realized as a result of cash received in lieu of fractional shares). The holding period for such common stock received by the U.S. Holder would include the period during which the U.S. Holder held the notes except that the holding period of any common stock received with respect to accrued interest will commence on the day after the date of receipt. Gain recognized will be long-term capital gain if the U.S. Holder has held the notes for more than one year. Presently, in the case of certain non-corporate U.S. Holders (including individuals), long-term capital gains are generally eligible for a reduced rate of taxation.



*Treatment of Cash in Lieu of a Fractional Share.* If a U.S. Holder receives cash in lieu of a fractional share of common stock, the U.S. Holder would be treated as if the fractional share had been issued and then redeemed for cash. Accordingly, a U.S. Holder generally will recognize capital gain or loss with respect to the receipt of cash in lieu of a fractional share measured by the difference between the cash received for the

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fractional share and the portion of the U.S. Holder's tax basis in the notes that is allocated to the fractional share.

*Treatment of Amounts Attributable to Accrued Interest.* Any cash and the value of any common stock received that is attributable to accrued interest on the converted notes not yet included in income would be taxed as ordinary interest income. The basis in any shares of common stock attributable to accrued interest would equal the fair market value of such shares when received. The holding period for any shares of common stock attributable to accrued interest would begin the day after the date of receipt.

U.S. Holders are urged to consult their tax advisors with respect to the U.S. federal income tax consequences resulting from the exchange of notes into a combination of cash and common stock.

***Possible Effect of a Consolidation or Merger***

In certain situations, we may consolidate with or merge into another entity (as described above under *Description of Notes Conversion Rights Recapitalization, Reclassifications and Changes of Our Common Stock* ). Depending on the circumstances, this could result in a deemed exchange of your notes for the modified note, potentially resulting in the recognition of taxable gain or loss.

***Constructive Dividends***

The conversion rate of the notes will be adjusted in certain circumstances. See *Description of Notes Conversion Rights Conversion Rate Adjustments and Description of Notes Conversion Rights Adjustment to Shares Delivered Upon Conversion Upon a Make-whole Fundamental Change*. Under section 305(c) of the Code, adjustments (or the absence of adjustments) that have the effect of increasing a holder's proportionate interest in our assets or earnings may in some circumstances result in a deemed distribution. Accordingly, if at any time we make a distribution of cash or property to our shareholders that would be taxable to the shareholders as a dividend for U.S. federal income tax purposes and, in accordance with the anti-dilution provisions of the notes, the conversion rate of the notes is increased, this increase may be deemed to be the payment of a taxable dividend to U.S. Holders of the notes. For example, an increase in the conversion rate in the event of our distribution of our debt instruments or our assets may result in deemed dividend treatment to U.S. Holders of the notes, but an increase in the event of stock dividends or the distribution of rights to subscribe for our common stock generally will not. Adjustments to the conversion rate made pursuant to a *bona fide* reasonable adjustment formula that has the effect of preventing the dilution of the interest of the holders of our stock, however, will generally not be considered to result in a deemed distribution. Any deemed distribution will be taxable as a dividend, return of capital or capital gain in accordance with the rules described in the following paragraph. It is unclear whether such deemed distribution would be eligible for the reduced tax rate presently applicable to certain dividends paid to non-corporate holders or for the dividends-received deduction applicable to certain dividends paid to corporate holders. U.S. Holders are urged to consult their tax advisors concerning the tax treatment of such constructive dividends.

If a make-whole fundamental change occurs on or prior to the maturity date of the notes, under some circumstances, we will increase the conversion rate for notes converted in connection with the make-whole fundamental change. Although it is not clear, that increase could also be treated as a distribution subject to U.S. federal income tax. U.S. Holders are urged to consult their tax advisors concerning the tax treatment of changes in the conversion rate for notes converted in connection with a make-whole fundamental change.

***Dividends on Common Stock***

If we make distributions with respect to our common stock received upon conversion of a note, the distributions generally will be treated as dividends to a U.S. Holder of our common stock to the extent of our current and

accumulated earnings and profits as determined under U.S. federal income tax principles at the end of the tax year in which the distribution occurs. To the extent the distributions exceed our current and accumulated earnings and profits, the excess will be treated first as a tax-free return of capital to the extent of the U.S. Holder's adjusted tax basis in the common stock, and thereafter as gain from the sale or exchange of

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that stock. Eligible taxable dividends received by a non-corporate U.S. Holder in tax years beginning on or before December 31, 2010 will be subject to tax at the special reduced rate generally applicable to long-term capital gain. A U.S. Holder generally will be eligible for this reduced rate only if the U.S. Holder has held our common stock for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date. Corporate U.S. Holders generally will be entitled to claim the dividends-received deduction with respect to dividends paid on our common stock, subject to applicable restrictions.

### ***Sale or Other Taxable Disposition of Common Stock***

Upon the sale or other taxable disposition of our common stock received upon conversion of a note, a U.S. Holder generally will recognize capital gain or loss equal to the difference, if any, between (i) the amount of cash and the fair market value of any property received upon the sale or other disposition and (ii) the U.S. Holder's adjusted tax basis in our common stock. That capital gain or loss will be long-term if the U.S. Holder's holding period in respect of such common stock is more than one year. For non-corporate U.S. Holders, long term capital gain is generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

### ***Backup Withholding and Information Reporting Requirements***

Unless a holder of the notes, or of common stock received upon a conversion of the notes, is a corporation or other exempt recipient, payments of interest or dividends made by us on, or the proceeds from the sale or other disposition of, the notes or shares of common stock that are made within the United States or through certain United States-related financial intermediaries may be subject to information reporting. These payments may also be subject to U.S. federal backup withholding, currently at a rate of twenty-eight percent (28%), if the U.S. Holder of the notes or of the common stock fails to supply a correct taxpayer identification number or otherwise fails to comply with applicable U.S. information reporting or certification requirements. Any amount withheld from a payment to a U.S. Holder of the notes or of common stock under the backup withholding rules is allowable as a credit against such holder's U.S. federal income tax and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

### ***Non-U.S. Holders***

A non-U.S. Holder means a beneficial owner of the notes (or of common stock received upon a conversion of the notes) that is neither a U.S. Holder nor a domestic partnership. Special rules may apply to certain non-U.S. Holders such as controlled foreign corporations or passive foreign investment companies. Such entities should consult their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them.

### ***Notes***

All payments of stated interest and principal on the notes made to a non-U.S. Holder, including a payment in our common stock pursuant to a conversion, will be exempt from U.S. federal income and withholding tax, provided that: (i) the non-U.S. Holder does not own, actually or constructively, 10% or more of the total combined voting power of all classes of our stock entitled to vote, (ii) the non-U.S. Holder is not a controlled foreign corporation related, directly or indirectly, to us through stock ownership, (iii) the non-U.S. Holder is not a bank receiving certain types of interest, (iv) the beneficial owner of the notes certifies, under penalties of perjury, to us or our paying agent on IRS Form W-8BEN (or appropriate substitute form) that it is not a United States person and provides its name, address and certain other required information or certain other certification requirements are satisfied, and (v) such payments and gain are not effectively connected with such non-U.S. Holder's conduct of a trade or business in the United States.

If a non-U.S. Holder cannot satisfy the requirements described above, payments of interest (including amounts received upon conversion treated as interest) will be subject to the 30% U.S. federal withholding tax, unless such non-U.S. Holder provides us with a properly executed (i) IRS Form W-8BEN (or appropriate substitute form)

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claiming an exemption from or reduction in withholding under an applicable income tax treaty or (ii) IRS Form W-8ECI (or appropriate substitute form) stating that interest paid or accrued on the notes is not subject to withholding tax because it is effectively connected with the conduct of a trade or business in the United States.

If a non-U.S. Holder of a note were deemed to have received a constructive dividend (see U.S. Holders Constructive Dividends above), the non-U.S. Holder generally would be subject to U.S. withholding tax at a 30% rate on the amount of such dividend, subject to reduction (i) by an applicable treaty if the non-U.S. Holder provides an IRS Form W-8BEN (or appropriate substitute form) certifying that it is entitled to such treaty benefits or (ii) upon the receipt by us or our paying agent of an IRS Form W-8ECI (or appropriate substitute form) from a non-U.S. Holder claiming that the constructive dividend on the notes is effectively connected with the conduct of a U.S. trade or business. In the case of any constructive dividend, it is possible that U.S. federal withholding tax attributable to the constructive dividend would be withheld from interest, shares of common stock or sales proceeds subsequently paid or credited to the non-U.S. Holder.

***Common Stock***

Dividends paid to a non-U.S. Holder of common stock generally will be subject to withholding tax at a 30% rate, subject to reduction (i) by an applicable treaty if the non-U.S. Holder provides an IRS Form W-8BEN (or appropriate substitute form) certifying that it is entitled to such treaty benefits or (ii) upon the receipt by us or our paying agent of an IRS Form W-8ECI (or appropriate substitute form) from a non-U.S. Holder claiming that the payments are effectively connected with the conduct of a U.S. trade or business.

***Sale, Exchange, Redemption, Conversion or Other Disposition of Notes or Common Stock***

A non-U.S. Holder generally will not be subject to U.S. federal income tax on gain realized on the sale, exchange, redemption, conversion or other disposition of notes or of the common stock received upon a conversion of notes unless (i) the gain is effectively connected with the conduct of a U.S. trade or business of the non-U.S. Holder, (ii) in the case of a non-U.S. Holder who is a nonresident alien individual, the individual is present in the U.S. for 183 or more days in the taxable year of the disposition and certain other conditions are met, or (iii) we have been a United States real property holding corporation at any time within the shorter of the five-year period preceding such sale or exchange and the non-U.S. Holder's holding period in the common stock or notes. We believe that we are not, and do not anticipate becoming, a United States real property holding corporation.

***Income Effectively Connected with a U.S. Trade or Business***

If a non-U.S. Holder of notes or our common stock is engaged in a trade or business in the U.S., and if interest on the notes, deemed distributions on the notes or our common stock, dividends on our common stock, gain realized on the sale, exchange, conversion, or other disposition of the notes or gain realized on the sale or exchange of our common stock is effectively connected with the conduct of such trade or business, the non-U.S. Holder, although exempt from the withholding tax in the manner discussed in the preceding paragraphs, generally will be required to file a U.S. federal income tax return and will be subject to regular U.S. federal income tax on such income or gain in the same manner as if it were a U.S. Holder. In addition, if such a non-U.S. Holder is a foreign corporation, such non-U.S. Holder may be subject to a branch profits tax equal to 30% (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

***Information Reporting and Backup Withholding***

We must report annually to the IRS and to each non-U.S. Holder the amount of interest and dividends paid to such holder and the tax withheld with respect to such interest and dividends, regardless of whether withholding was

required. Copies of the information returns reporting such interest and dividends and

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withholding may also be made available to the tax authorities in the country in which the non-U.S. Holder resides under the provisions of an applicable income tax treaty.

A non-U.S. Holder will be subject to backup withholding for interest and dividends paid to such holder unless such holder certifies under penalties of perjury that it is a non-U.S. Holder (and the payor does not have actual knowledge or reason to know that such holder is a United States person as defined in the Code), or such holder otherwise establishes an exemption from backup withholding.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale of the notes or our common stock within the United States or conducted through certain United States-related financial intermediaries, unless the beneficial owner certifies under penalties of perjury that it is a non-U.S. Holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person as defined under the Code), or such owner otherwise establishes an exemption from such requirements.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. Holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.



**Table of Contents****UNDERWRITING**

We intend to offer the notes through the underwriters. Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities Inc. are acting as representatives of the underwriters named below. Subject to the terms and conditions contained in an underwriting agreement among us, the representatives and Friedman, Billings, Ramsey & Co., Inc., acting as qualified independent underwriter, we have agreed to sell to the underwriters and such underwriters severally have agreed to purchase from us, the principal amount of the notes listed opposite their names below.

| <b>Underwriter</b>                                    | <b>Principal Amount<br/>of the notes</b> |
|---|--|
| Merrill Lynch, Pierce, Fenner & Smith<br>Incorporated | \$ 148,500,000                           |
| J.P. Morgan Securities Inc.                           | 148,500,000                              |
| Friedman, Billings, Ramsey & Co., Inc.                | 3,000,000                                |
| Total   | \$ 300,000,000                           |

The underwriters have agreed to purchase all of the notes sold pursuant to the underwriting agreement if any of these notes are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

We expect to deliver the notes against payment for the notes on or about the date specified in the last paragraph of the cover page of this prospectus supplement, which will be the fourth business day following the date of pricing of the notes.

**Commissions and Discounts**

The underwriters have advised us that they propose to initially offer the notes at a price of 100% of the principal amount of the notes, plus accrued interest from the original issue date of the notes, if any, and to dealers at that price less a concession not in excess of 1.8% of the principal amount of the notes, plus accrued interest from the original issue date of the notes, if any. After the initial public offering, the public offering price, concession and discount may be changed.

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The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their over-allotment option.

|                                 | <b>Per note</b> | <b>Without option</b> | <b>With option</b> |
|---------------------------------|-----------------|-----------------------|--------------------|
| Public offering price           | 100%            | \$300,000,000         | \$345,000,000      |
| Underwriting discount           | 3%              | \$9,000,000           | \$10,350,000       |
| Proceeds, before expenses to us | 97%             | \$291,000,000         | \$334,650,000      |

The expenses of this offering, not including the underwriting discounts, are estimated to be \$1,000,000 and are payable by us.

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**Over-allotment Option**

We have granted an option to the underwriters to purchase up to an additional \$45,000,000 principal amount of the notes at a price of 100% of the principal amount of the notes at the public offering price less the underwriting discount, plus accrued interest from the original issue date of the notes. The underwriters may exercise this option within the 13-day period beginning on the date the notes are issued solely to cover any over-allotments. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional notes proportionate to that underwriter's initial amount reflected in the above table.

**New Issue of Notes**

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any national securities exchange or for inclusion of the notes on any automated dealer quotation system. We have been advised by the underwriters that they presently intend to make a market in the notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the notes or that an active public market for the notes will develop. If an active public trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial public offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

**No Sales of Similar Securities**

We and our executive officers and directors have agreed, with exceptions, not to sell or transfer any shares of our common stock for 90 days after the date of this prospectus supplement without first obtaining the written consent of the representatives.

Specifically, we and these individuals have agreed, with exceptions not to directly or indirectly:

- offer, pledge, sell, short sell or contract to sell any common stock,
- sell any option or contract to purchase any common stock,
- purchase any option or contract to sell any common stock,
- grant any option, right or warrant for the sale of any common stock,
- otherwise dispose of or transfer any common stock,
- enter into any transaction that is designed to, or might reasonably be expected to, result in the disposition or transfer of any common stock, or
- publicly announce an intention to do any of the foregoing.

This lockup provision applies to common stock and to securities convertible into or exchangeable or exercisable for common stock. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

Notwithstanding the foregoing, the lockup agreement is subject to certain exceptions and does not apply to (i) forfeiture or delivery of common stock, restricted stock units or options to purchase common stock solely to satisfy tax withholding obligations in connection with a termination, vesting or lapse of restrictions pursuant to the express terms of our equity incentive plans and related award agreements existing and as in effect on the date of this prospectus supplement, (ii) the transfer of any shares of common stock by gift, will or intestate succession to an officer's or director's immediate family, (iii) the transfer of any shares of common stock to a trust the beneficiaries of which are an officer or director or members of the immediate family of such officer or director or (iv) any bona fide gifts to any charitable organization; provided that, in the case of

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clauses (ii) through (iv), (a) each transferee or donee executes and delivers to the representatives a lock-up agreement in form and substance satisfactory to the representatives, (b) such transfers are not required to be reported in any public report or filing with the SEC, or otherwise, (c) such officer or director does not otherwise voluntarily effect any public filing or report regarding such transfers, and (d) such officer or director notifies the representatives at least three business days prior to the proposed transfer or disposition. The lockup agreement also does not apply to any action or transaction under any of our employee benefits plans as currently in existence.

The 90-day restriction period is subject to extension if (i) the company issues an earnings release or material news, or a material event relating to the company occurs, during the last 17 days of the 90-day restriction period, or (ii) prior to the expiration of the 90-day restriction period, the company announces that it will release earnings results during the 16-day period beginning on the last day of the 90-day restriction period. In either case, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the date of the issuance of the earnings release or the occurrence of the material news or material event, unless the representatives waive that extension.

## **Price Stabilization and Short Positions**

In connection with the offering, the underwriters are permitted to engage in transactions that stabilize the market price of the notes. Such transactions consist of bids or purchases to peg, fix or maintain the price of the notes.

If the underwriters create a short position in the notes in connection with the offering, i.e., if they sell more notes than are on the cover page of this prospectus supplement, the underwriters may reduce that short position by purchasing notes in the open market. The underwriters may also elect to reduce any short position by exercising all or part of the over-allotment option described above. Purchases of the notes to stabilize the price or to reduce a short position could cause the price of the notes to be higher than it might be in the absence of such purchases.

Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes or the shares of common stock. In addition, neither we nor any of the underwriters makes any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

## **Electronic Offer, Sale and Distribution of Securities**

In connection with the offering, the underwriters or securities dealers may distribute this prospectus supplement and the accompanying prospectus by electronic means, such as e-mail. In addition, the underwriters will be facilitating Internet distribution for this offering to certain of their Internet subscription customers. The underwriters intend to allocate a limited number of notes for sale to their online brokerage customers. An electronic prospectus supplement and accompanying prospectus is available on the Internet web sites maintained by the underwriters. Other than the prospectus supplement and accompanying prospectus in electronic format, the information on the underwriters' web sites is not part of this prospectus supplement or the accompanying prospectus.

## **Convertible Note Hedge and Warrant Transactions**

In connection with this offering, we entered into convertible note hedge transactions with counterparties, which are affiliates of the representatives of the underwriters of the notes. These transactions are expected to reduce the potential dilution upon conversion of the notes. We also entered into warrant transactions with the counterparties. The warrant transactions could separately have a dilutive effect on our earnings per share to the extent that the price of our common stock exceeds the strike price of the warrants. The cost of the convertible note hedge transactions, after being partially offset by the proceeds from the sale of the warrants, was approximately \$31.5 million. If the underwriters

exercise their over-allotment option, we will use a portion of the net proceeds from the sale of the additional notes to increase the size of the convertible note hedge transactions, and we will sell additional warrants.

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In connection with establishing their initial hedge of these transactions, the counterparties and/or their respective affiliates expect to enter into various derivative transactions with respect to our common stock. This activity could increase (or avoid a decrease in) the market price of our common stock.

In addition, the counterparties and/or their respective affiliates may modify their hedge positions by entering into or unwinding various derivative transactions with respect to our common stock and/or by selling or purchasing our common stock in secondary market transactions following the pricing of the notes and prior to maturity of the notes (and are likely to do so during any observation period related to a conversion of the notes), which could adversely affect your ability to convert the notes and, to the extent the activity occurs during any observation period related to a conversion of notes, it could affect the number of shares and value of the consideration that you receive upon conversion of the notes.

## **Other Relationships**

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us. They have received customary fees and commissions for these transactions. Affiliates of the underwriters are lenders under our revolving credit agreement dated November 14, 2005 and our term loan credit agreement, dated September 19, 2008. An affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated serves as the administrative agent under our term loan credit agreement, dated September 19, 2008, and an affiliate of J.P. Morgan Securities Inc. serves as the administrative agent under our revolving credit agreement dated November 14, 2005. Affiliates of the representatives are counterparties under the convertible note hedge transactions and warrant transactions.

## **FINRA Regulations**

Because more than ten percent of the net proceeds of the offering may be paid to members or affiliates of members of the Financial Industry Regulatory Authority participating in the offering, the offering will be conducted in accordance with FINRA Rule 5110(h). This rule requires that the yield of a debt issue be no lower than the price recommended by a qualified independent underwriter which has participated in the preparation of the registration statement, prospectus supplement and prospectus and performed its usual standard of due diligence with respect to that registration statement, prospectus supplement and prospectus. Friedman, Billings, Ramsey & Co., Inc. has agreed to act as qualified independent underwriter for the offering.

## **Selling Restrictions**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State ) an offer to the public of any notes which are the subject of the offering contemplated by this prospectus supplement may not be made in that Relevant Member State prior to the approval of this prospectus supplement by the competent authority in such Member State and publication in accordance with the Prospectus Directive as implemented in that Relevant Member State, except that an offer to the public in that Relevant Member State of any notes may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;

(c) by the underwriters to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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provided that no such offer of notes shall result in a requirement for the publication by the Company or any Manager of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any notes to be offered so as to enable an investor to decide to purchase any notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each of the underwriters has agreed that:

it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or in circumstances in which section 21 of FSMA does not apply to the company; and

it has complied with, and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

## **New York Stock Exchange Listing**

Our shares of common stock are listed on the New York Stock Exchange under the trading symbol **NWL**.

## **Transfer Agent**

The transfer agent and registrar for our common stock is Computershare Investor Services.

## **LEGAL MATTERS**

The validity of the notes offered hereby and certain other legal matters will be passed upon for us by Schiff Hardin LLP, Chicago, Illinois. Certain legal matters will be passed upon for the underwriters by Winston & Strawn LLP, Chicago, Illinois and Davis Polk & Wardwell, New York, New York.

## **EXPERTS**

The consolidated financial statements of Newell Rubbermaid Inc. appearing in Newell Rubbermaid Inc.'s Annual Report (Form 10-K) for the year ended December 31, 2008 (including the schedule appearing therein), and the effectiveness of Newell Rubbermaid Inc.'s internal control over financial reporting as of December 31, 2008 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

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**PROSPECTUS**

**Newell Rubbermaid Inc.**

**Debt Securities**

**Preferred Stock**

**Common Stock**

**Warrants**

**Stock Purchase Contracts**

**Stock Purchase Units**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission under a shelf registration process. Under this process, we may sell any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities registered under this process, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read this prospectus and any supplement carefully before you invest. This prospectus may not be used to make sales of offered securities unless accompanied by a prospectus supplement.

We have not authorized anyone to provide you with information that is different from, or additional to, the information provided in this prospectus or any later prospectus supplement. We are not making an offer to sell securities in any state or country where the offer is not permitted.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is March 25, 2008.

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**NEWELL RUBBERMAID INC.**

We are a global marketer of consumer and commercial products that touch the lives of people where they work, live and play. Our strong portfolio of brands includes Sharpie<sup>®</sup>, Paper Mate<sup>®</sup>, Dymo<sup>®</sup>, Expo<sup>®</sup>, Waterman<sup>®</sup>, Parker<sup>®</sup>, Rolodex<sup>®</sup>, Irwin<sup>®</sup>, Lenox<sup>®</sup>, BernzOmatic<sup>®</sup>, Rubbermaid<sup>®</sup>, Levolor<sup>®</sup>, Graco<sup>®</sup>, Calphalon<sup>®</sup> and Goody<sup>®</sup>.

Our multi-product offering consists of well known name-brand consumer and commercial products in four business segments: Cleaning, Organization & Décor; Office Products; Tools & Hardware; and Home & Family. These business segments reflect our focus on building large consumer and commercial brands, promoting organizational integration, achieving operating efficiencies in sourcing and distribution, and leveraging our understanding of similar consumer segments and distribution channels.

During the fourth quarter of 2007, we moved to one, common global organizational structure that established the Global Business Unit, or GBU, as the core organizing concept of the business. We believe that the move to a GBU structure will allow us to better leverage our brands, technology, supply chain and other resources on a global basis.

Our four business segments are:

*Cleaning, Organization & Décor.* This segment is comprised of the following GBUs: Home Products, Foodservice Products, Commercial Products and Décor. These businesses design, manufacture or source, package and distribute semi-durable products primarily for use in the home and commercial settings. The products include indoor and outdoor organization, home storage, food storage, cleaning, refuse, material handling, drapery hardware, custom and stock horizontal and vertical blinds, as well as pleated, cellular and roller shades. Home Products, Foodservice Products and Commercial Products primarily sell their products under the trademarks Rubbermaid<sup>®</sup>, Brute<sup>®</sup>, Roughneck<sup>®</sup> and TakeAlongs<sup>®</sup>. Décor primarily sells its products primarily under the trademarks Levolor<sup>®</sup> and Kirsch<sup>®</sup>.

*Office Products.* This segment is comprised of the following GBUs: Markers, Highlighters & Art Products, Everyday Writing & Coloring, Technology, Fine Writing & Luxury Accessories and Office Organization. The GBUs primarily design, manufacture or source, package and distribute fine/luxury, technical and everyday writing instruments, technology based products and organization products, including permanent/waterbase markers, dry erase markers, overhead projector pens, highlighters, wood-cased pencils, ballpoint pens and inks, correction fluids, office products, art supplies, on-demand labeling products, card scanning solutions and on-line postage. Office Products primarily sells its products under the trademarks Sharpie<sup>®</sup>, Paper Mate<sup>®</sup>, Parker<sup>®</sup>, Waterman<sup>®</sup>, Eberhard Faber<sup>®</sup>, Berol<sup>®</sup>, Reynolds<sup>®</sup>, rotring<sup>®</sup>, uni-Ball<sup>®</sup>, Expo<sup>®</sup>, Sharpie<sup>®</sup> Accent<sup>®</sup>, Vis-à-Vis<sup>®</sup>, Espresso<sup>®</sup>, Liquid Paper<sup>®</sup>, Mongol<sup>®</sup>, Foohey<sup>®</sup>, Prismacolor<sup>®</sup>, Eldon<sup>®</sup>, Dymo<sup>®</sup>, Mimio<sup>®</sup>, CardScan<sup>®</sup> and Endicia<sup>™</sup>.

*Tools & Hardware.* This segment is comprised of the following GBUs: Industrial Products & Services, Construction Accessories, Construction Tools and Cabinet, Window & Door. The GBUs within the Tools & Hardware segment design, manufacture or source, package and distribute hand tools, power tool accessories, propane torches, soldering tools and accessories, manual paint applicator products, cabinet hardware and window and door hardware. Tools & Hardware sells its products under the trademarks Irwin<sup>®</sup>, Vise-Grip<sup>®</sup>, Marathon<sup>®</sup>, Twill<sup>®</sup>, Speedbor<sup>®</sup>, Jack<sup>®</sup>, Quick-Grip<sup>®</sup>, Unibit<sup>®</sup>, Strait-Line<sup>®</sup>, BernzOmatic<sup>®</sup>, Shur-Line<sup>®</sup>, Rubbermaid<sup>®</sup>, Lenox<sup>®</sup>, Sterling<sup>®</sup>, Amerock<sup>®</sup>, Allison<sup>®</sup>, Ashland<sup>®</sup> and Bulldog<sup>®</sup>.

*Home & Family.* This segment is comprised of the following GBUs: Culinary Lifestyle, Baby & Parenting Essentials and Beauty & Style. Culinary Lifestyle primarily designs, manufactures or sources, packages and distributes aluminum and stainless steel cookware, bakeware, cutlery and kitchen gadgets and utensils. Baby & Parenting Essentials designs, manufactures or sources, packages and distributes infant and juvenile products such as swings, high chairs, car seats, strollers, and play yards. Beauty & Style designs, manufactures or sources, packages and distributes hair care accessories and grooming products. Culinary Lifestyle primarily sells its products under the trademarks Calphalon<sup>®</sup>, Kitchen Essentials<sup>®</sup>, Cooking with Calphalon<sup>™</sup>, Calphalon<sup>®</sup>One<sup>™</sup> and Katana<sup>™</sup>. Baby & Parenting Essentials primarily sells its products under the Graco<sup>®</sup> trademark. Beauty & Style trademarks include Goody<sup>®</sup> and Ace<sup>®</sup>.

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Our vision is to become a global company of consumer-meaningful brands ( Brands That Matter<sup>SM</sup> ) and great people, known for best-in-class results. Our four transformational strategic initiatives are as follows:

*Create Consumer-Meaningful Brands.* Our initiative to move from a historical focus on customer push marketing and excelling in manufacturing and distributing products, to a new focus on consumer pull marketing and creating competitive advantage through understanding our consumers, innovating to deliver great performance and value, investing in advertising and promotion to create demand and leveraging our brands in adjacent categories around the world.

*Leverage One Newell Rubbermaid.* Our initiative to lower costs and drive speed to market by leveraging common business activities and best practices of our business units. This will be supported by building a common culture of shared values, with a focus on collaboration and teamwork.

*Achieve Best Total Cost.* Our initiative to achieve an optimal balance between manufacturing and sourcing and between high-cost and low-cost manufacturing and to leverage our size and scale to drive productivity and achieve a best cost position.

*Nurture 360° Innovation.* Our initiative to broaden the definition of innovation to include consumer driven product invention and the successful commercialization of invention.

Unless otherwise indicated or the context otherwise requires, references in this prospectus to Newell, we, us and our are to Newell Rubbermaid Inc. and its subsidiaries.

We are a Delaware corporation. Our principal executive offices are located at 10B Glenlake Parkway, Suite 300, Atlanta, Georgia 30328, and our telephone number is 770-407-3800.

## **WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy any document we file at the Securities and Exchange Commission's public reference room at 100 F Street, NE, Washington, D.C. You may obtain information on the operation of the public reference room by calling the Securities and Exchange Commission at 1-800-SEC-0330. In addition, the Securities and Exchange Commission maintains a web site at <http://www.sec.gov> that contains reports, proxy statements and other information regarding issuers that file electronically with the Securities and Exchange Commission, including us.

The Securities and Exchange Commission allows us to incorporate by reference into this prospectus the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and later information that we file with the Securities and Exchange Commission will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the Securities and Exchange Commission under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (other than any portions of such filings that are furnished rather than filed under applicable Securities and Exchange Commission rules) until our offering is completed:

1. Annual Report on Form 10-K for the year ended December 31, 2007.
2. Current Reports on Form 8-K dated February 13, 2008 and March 11, 2008.

3. Our Preliminary Proxy Statement for our 2008 Annual Meeting filed March 14, 2008.
4. The description of our common stock contained in our registration statement on Form 8-B filed with the Securities and Exchange Commission on June 30, 1987.

You may request a copy of these filings at no cost by writing to or telephoning us at the following address:

Newell Rubbermaid Inc.  
10B Glenlake Parkway, Suite 300  
Atlanta, Georgia 30328  
Telephone: 1-770-407-3800  
Attention: Office of Investor Relations

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We maintain an Internet site at <http://www.newellrubbermaid.com> which contains information concerning Newell and its subsidiaries. The information contained at our Internet site is not incorporated by reference in this prospectus, and you should not consider it a part of this prospectus.

### **USE OF PROCEEDS**

We expect to use the net proceeds from the sale of the securities for general corporate purposes. These may include additions to working capital, repayment of existing debt and acquisitions. If we decide to use the net proceeds from the sale of securities in some other way, we will describe the use of the net proceeds in the prospectus supplement for that offering.

### **DESCRIPTION OF DEBT SECURITIES**

#### **General**

The following description sets forth general terms that may apply to the debt securities. The particular terms of any debt securities will be described in the prospectus supplement relating to those debt securities.

The debt securities will be either our senior debt securities or our subordinated debt securities. The senior debt securities will be issued under an indenture dated as of November 1, 1995, between us and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank, formerly known as The Chase Manhattan Bank (National Association)), as trustee. This indenture is referred to as the senior indenture. The subordinated debt securities will be issued under an indenture in the form of the indenture to be entered into between us and The Bank of New York Trust Company, N.A., as trustee. This indenture is referred to as the subordinated indenture. The senior indenture and the subordinated indenture are together called the indentures.

Copies of the indentures are incorporated by reference as exhibits to the registration statement. For your convenience, we have included references to specific sections of the indentures in the descriptions below. Capitalized terms not otherwise defined in this prospectus shall have the meanings shown in the indenture to which they relate.

The following summaries of provisions of the debt securities and the indentures are not complete and are qualified in their entirety by express reference to all of the provisions of the indentures and the debt securities.

Because Newell is a holding company and conducts its business principally through its subsidiaries, these notes will be structurally subordinated to the liabilities of its subsidiaries. The rights of Newell, and the rights of its creditors, including the holders of the notes, to participate in any distribution of the assets of any of its subsidiaries upon that subsidiary's liquidation or reorganization or otherwise are necessarily subject to the prior claims of creditors of that subsidiary, except to the extent that Newell's claims as a creditor of that subsidiary may be recognized. Neither the debt securities nor the indentures restrict Newell or any of its subsidiaries from incurring indebtedness. Substantially all of Newell's consolidated accounts payable represent obligations of Newell's subsidiaries, and as of December 31, 2007, the aggregate principal amount of money borrowed by Newell's consolidated subsidiaries, including accounts payable, equaled approximately \$1,162.9 million (the current portion of which was approximately \$1,159.0 million).

Neither of the indentures limits the principal amount of debt securities that we may issue. Each indenture provides that debt securities may be issued up to the principal amount that we may separately authorize from time to time. Each also provides that the debt securities may be denominated in any currency or currency unit designated by us. Unless otherwise shown in the prospectus supplement related to that offering, neither the indentures nor the debt securities will contain any provisions to afford holders of any debt securities protection in the event of a takeover, recapitalization or similar restructuring of our business.



The senior debt securities will rank equally with all of our other unsecured and unsubordinated debt. The subordinated debt securities will rank junior to all of our senior debt securities and other senior indebtedness as we describe below under Particular Terms of the Subordinated Debt Securities Subordination.

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We will include specific terms relating to a particular series of debt securities in a prospectus supplement relating to the offering. The terms we will describe in the prospectus supplement will include some or all of the following:

- (1) the distinct title and type of the debt securities;
- (2) the total principal amount or initial offering price of the debt securities;
- (3) the date or dates when the principal of the debt securities will be payable;
- (4) the rate at which the debt securities will bear interest;
- (5) the date from which interest on the debt securities will accrue;
- (6) the dates when interest on the debt securities will be payable and the regular record date for these interest payment dates;
- (7) the place where  
  
the principal, premium, if any, and interest on the debt securities will be paid,  
  
registered debt securities may be surrendered for registration of transfer, and  
  
debt securities may be surrendered for exchange;
- (8) any sinking fund or other provisions that would obligate us to repurchase or otherwise redeem the debt securities;
- (9) the terms and conditions upon which we will have the option to redeem the debt securities;
- (10) the denominations in which any registered debt securities will be issuable, if other than denominations of \$1,000 or integral multiples, and the denominations in which any bearer debt securities will be issuable, if other than a denomination of \$5,000;
- (11) the identity of each Security Registrar and Paying Agent, and the designation of the Exchange Rate Agent, if any, if other than the Trustee;
- (12) the portion of the principal amount of debt securities that will be payable upon acceleration of the Maturity of the debt securities;
- (13) the currency used to pay principal, premium and interest on the debt securities, if other than U.S. Dollars, and whether you or we may elect to have principal, premium and interest paid in a currency other than the currency in which the debt securities are denominated;
- (14) any index, formula or other method used to determine the amount of principal, premium or interest on the debt securities;
- (15) whether provisions relating to defeasance and covenant defeasance will be applicable to the series of debt securities;
- (16) any changes to the Events of Default, Defaults or to our covenants made in the applicable indenture;

(17) whether the debt securities are issuable as registered debt securities or bearer debt securities, whether there are any restrictions relating to the form in which they are issued and whether bearer and registered debt securities may be exchanged for each other;

(18) to whom interest will be payable

if other than the registered Holder (for registered debt securities),

if other than upon presentation and surrender of the related coupons (for bearer debt securities), or

if other than as specified in the indentures (for global debt securities);

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(19) if the debt securities are to be convertible or exchangeable for other securities, the terms of conversion or exchange;

(20) particular terms of subordination with respect to subordinated debt securities; and

(21) any other terms of the debt securities.

We may issue debt securities as original issue discount securities to be sold at a substantial discount below their principal amount. If we issue original issue discount securities, then special federal income tax rules that apply may be described in the prospectus supplement for those debt securities.

**Registration and Transfer**

We presently plan to issue each series of debt securities only as registered securities. However, we may issue a series of debt securities as bearer securities, or a combination of both registered securities and bearer securities. If we issue debt securities as bearer securities, they will have interest coupons attached unless we elect to issue them as zero coupon securities. (Sections 201 and 301). If we issue bearer securities, we may describe material U.S. federal income tax consequences and other material considerations, procedures and limitations in the prospectus supplement for that offering.

Holders of registered debt securities may present the debt securities for exchange for different authorized amounts of other debt securities of the same series and of similar principal amount at the corporate trust office of the Trustee in New York, New York or at the office of any other transfer agent we may designate for the purpose and describe in the applicable prospectus supplement. The registered securities must be duly endorsed or accompanied by a written instrument of transfer. The agent will not impose a service charge on you for the transfer or exchange. We may, however, require that you pay any applicable tax or other governmental charge. We will describe any procedures for the exchange of bearer securities for other debt securities of the same series in the prospectus supplement for that offering. Generally, we will not allow you to exchange registered securities for bearer securities. (Sections 301, 305 and 1002)

In general, unless otherwise specified in the applicable prospectus supplement, we will issue registered securities without coupons and in denominations of \$1,000, or integral multiples, and bearer securities in denominations of \$5,000. We may issue both registered and bearer securities in global form. (Sections 301 and 302)

**Conversion and Exchange**

If any debt securities will be convertible into or exchangeable for our common stock or other securities, the applicable prospectus supplement will set forth the terms and conditions of the conversion or exchange, including:

the securities into which the debt securities are convertible;

the conversion price or exchange ratio;

the conversion or exchange period;

whether the conversion or exchange will be mandatory or at the option of the holder or Newell;

provisions for adjustment of the conversion price or exchange ratio; and

provisions that may affect the conversion or exchange if the debt securities are redeemed.

**Global Securities**

The debt securities of a series may be issued in whole or in part in the form of one or more global securities that we will identify in a prospectus supplement. Unless and until it is exchanged in whole or in part

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for the individual debt securities represented thereby, a global security may not be registered for transfer or exchange except:

as a whole by the depositary for the global security to a nominee of the depositary, by a nominee of the depositary to the depositary or another nominee of the depositary, or by the depositary or a nominee of the depositary to a successor depositary or a nominee of the successor depositary; and

in any other circumstances described in the prospectus supplement applicable thereto.

The specific terms of the depositary arrangement with respect to any portion of a series of debt securities to be represented by a global security will be described in the prospectus supplement applicable thereto. Newell expects that the following provisions will apply to depositary arrangements.

Unless otherwise specified in the applicable prospectus supplement, debt securities that are to be represented by a global security to be deposited with or on behalf of a depositary will be represented by a global security or, in some cases, global securities registered in the name of the depositary or its nominee. Upon the issuance of the global security, and the deposit of the global security with or on behalf of the depositary for the global security, the depositary will credit on its book entry registration and transfer system the respective principal amounts of the debt securities represented by the global security to the accounts of institutions that have accounts with the depositary or its nominee ( participants ). The accounts to be credited will be designated by the underwriters or agents of the debt securities. If we directly offer and sell debt securities the accounts to be credited will be designated by us. Ownership of beneficial interests in the global security will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests by participants in the global security will be shown on, and the transfer of that ownership interest will be effected only through, records maintained by the depositary or its nominee for the global security. Ownership of beneficial interests in the global security by persons that hold through participants will be shown on, and the transfer of that ownership interest within the participant will be effected only through, records maintained by the participant. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of the securities in certificated form. The foregoing limitations and the laws may impair the ability to transfer beneficial interests in the global securities.

So long as the depositary for a global security, or its nominee, is the registered owner of the global security, the depositary or the nominee, as the case may be, will be considered the sole owner or Holder of the debt securities represented by the global security for all purposes under the indenture applicable thereto. Unless otherwise specified in the applicable prospectus supplement, owners of beneficial interests in the global security will not be entitled to have debt securities of the series represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of debt securities of the series in certificated form and will not be considered the Holders of the debt securities for any purposes under the indenture applicable thereto. Accordingly, each person owning a beneficial interest in the global security must rely on the procedures of the depositary and, if the person is not a participant, on the procedures of the participant through which the person owns its interest to exercise any rights of a Holder of debt securities under the indenture applicable thereto. Newell understands that under existing industry practices, if Newell requests any action of Holders or an owner of a beneficial interest in the global security desires to give any notice or take any action a Holder is entitled to give or take under the indenture applicable thereto, then the depositary would authorize the participants to give this notice or take this action, and participants would authorize beneficial owners owning through these participants to give this notice or take this action or would otherwise act upon the instructions of beneficial owners owning through them.

Principal of and any premium and interest on a global security will be payable in the manner described in the applicable prospectus supplement.

**Consolidation, Merger and Sale of Assets**

As provided in the indentures, we may, without the consent of Holders of the debt securities, consolidate with or merge into, or convey, transfer or lease all or substantially all of our properties and assets to, any

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person (the Survivor ), and we may permit any person to merge into, or convey, transfer or lease its properties and assets substantially as an entirety to us so long as:

the Survivor is a corporation, limited liability company, partnership or trust organized and validly existing under the laws of any United States jurisdiction and expressly assumes our obligations on the debt securities and under the indentures;

immediately after giving effect to the transaction, no Default or Event of Default shall have occurred and be continuing under the indentures; and

certain other conditions regarding delivery of an Officers Certificate and Opinion of Counsel are met. (Section 801)

## **Acceleration of Maturity**

If an Event of Default occurs and continues with respect to debt securities of a particular series, the Trustee or the Holders of not less than 25% in principal amount of outstanding debt securities of that series may declare the outstanding debt securities of that series due and payable immediately. (Section 502)

At any time after a declaration of acceleration with respect to debt securities of any series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee therefor, the Holders of a majority in principal amount of the outstanding debt securities of that series by written notice to Newell and the Trustee, may rescind and annul the declaration and its consequences if:

(1) Newell has paid or deposited with the Trustee a sum sufficient to pay in the Currency in which the debt securities of the series are payable, except as otherwise specified in the applicable indenture:

all overdue interest on all outstanding debt securities of that series and any related Coupons,

all unpaid principal of and premium, if any, on any of the debt securities which has become due otherwise than by the declaration of acceleration, and interest on the unpaid principal at the rate or rates prescribed therefor in the debt securities,

to the extent lawful, interest on overdue interest at the rate or rates prescribed therefor in the debt securities, and

all sums paid or advanced by the Trustee and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(2) all Events of Default with respect to debt securities of that series, other than the non-payment of amounts of principal, interest or any premium on the debt securities which have become due solely by the declaration of acceleration, have been cured or waived. (Section 502)

No rescission shall affect any subsequent default or impair any right consequent thereon.

The Holders of not less than a majority in principal amount of the outstanding debt securities of any series may, on behalf of the Holders of all the debt securities of the series and any related Coupons, waive any past default under the applicable indenture with respect to the series and its consequences, except a default:



(1) in the payment of the principal of or premium, if any, or interest on any Debt Security of the series or any related Coupon, or

(2) in respect of a covenant or provision that cannot be modified or amended without the consent of the Holder of each Outstanding Debt Security of the series affected thereby. (Section 513)

If an Event of Default with respect to debt securities of a particular series occurs and is continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the applicable indenture at the request or direction of any of the Holders of debt securities of the series, unless the Holders shall have offered to the Trustee reasonable indemnity and security against the costs, expenses and liabilities that might be incurred by it in compliance with the request. (Section 602)

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The Holders of a majority in principal amount of the outstanding debt securities of the series have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee under the applicable indenture, or exercising any trust or power conferred on the Trustee with respect to the debt securities of that series. The Trustee may refuse to follow directions in conflict with law or the indenture that may involve the Trustee in personal liability or may be unduly prejudicial to the other, non-directing Holders. (Section 512)

**Modification or Waiver**

The indentures allow Newell and the Trustee, without the consent of any Holders of debt securities, to enter into supplemental indentures for various purposes, including:

evidencing the succession of another entity to us and the assumption of our covenants and obligations under the debt securities and the indenture by this successor,

adding to Newell's covenants for the benefit of the Holders,

adding additional Events of Default for the benefit of the Holders,

establishing the form or terms of any series of debt securities issued under the supplemental indentures or curing ambiguities or inconsistencies in the indentures, and

making other provisions that do not adversely affect the interests of the Holders of any series of debt securities in any material respect. (Section 901)

The indentures allow Newell and the Trustee, with the consent of the Holders of not less than a majority in principal amount of the outstanding debt securities of all affected series acting as one class, to execute supplemental indentures adding any provisions to or changing or eliminating any of the provisions of the indentures or modifying the rights of the Holders of the debt securities of the series. (Section 902) Without the consent of the Holders of all the outstanding debt securities affected thereby, no supplemental indenture may:

change the Stated Maturity of the principal of, or any installment of principal of or interest on, any debt security;

reduce the principal amount of, the rate of interest on, or any premium payable upon the redemption of, any debt security;

reduce the amount of the principal of any original issue discount security that would be due and payable upon acceleration of the Maturity of the debt security;

change any Place of Payment where, or the currency, currencies or currency unit or units in which, any debt security or any premium or interest thereon is payable;

impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity of the debt security or, in the case of redemption, on or after the Redemption Date;

affect adversely the right of repayment at the option of the Holder of any debt security of the series;

reduce the percentage in principal amount of the outstanding debt securities of any series, the consent of whose Holders is required for a supplemental indenture, or the consent of whose Holders is required for any waiver of

compliance with various provisions of the indenture or various defaults thereunder and their consequences provided for in the indentures; or

modify any of the foregoing described provisions. (Section 902)

### **Meetings**

The indentures contain provisions for convening meetings of the Holders of debt securities of any series for any action to be made, given or taken by Holders of debt securities. The Trustee, Newell, and the Holders of at least 10% in principal amount of the outstanding debt securities of a series may call a meeting, in each case after notice to Holders of that series has been properly given. (Section 1502)

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Persons entitled to vote a majority in principal amount of the outstanding debt securities of a series will constitute a quorum at a meeting of Holders of debt securities of that series. Any resolution passed or decision taken at any meeting of Holders of debt securities of any series that has been properly held under the provisions of the indentures will bind all Holders of debt securities of that series and related coupons. (Section 1504)

## **Financial Information**

Newell will file with the Securities and Exchange Commission the annual reports, quarterly reports and other documents required to be filed with the Securities and Exchange Commission by Section 13(a) or 15(d) of the Exchange Act, and will also file with the Trustee copies of these reports and documents within 15 days after it files them with the Securities and Exchange Commission. (Section 703)

## **Defeasance**

The indentures include provisions allowing us to be discharged from our obligation on the debt securities of any series. (Section 1401) To be discharged from our obligations on the debt securities, we would be required to deposit with the Trustee or another trustee money or U.S. Government Obligations sufficient to make all principal, premium (if any) and interest payments on those debt securities. (Section 1404) If we make this defeasance deposit with respect to your debt securities, we may elect either:

to be discharged from all of our obligations on your debt securities, except for our obligations to register transfers and exchanges, to replace temporary or mutilated, destroyed, lost or stolen debt securities, to maintain an office or agency in respect of the debt securities and to hold moneys for payment in trust (Section 1402); or

in the case of senior debt securities, to be released from restrictions relating to liens and sale-leaseback transactions and, in the case of all debt securities, to be released from other covenants as may be described in the prospectus supplement relating to such debt securities. (Section 1403)

To establish the trust, Newell must deliver to the Trustee an opinion of our counsel that the Holders of the debt securities will not recognize gain or loss for Federal income tax purposes as a result of the defeasance and will be subject to Federal income tax on the same amount, and in the same manner and at the same times as would have been the case if the defeasance had not occurred. (Section 1404 (5)) There may be additional provisions relating to defeasance which we will describe in the applicable prospectus supplement.

## **The Trustee**

The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank, formerly The Chase Manhattan Bank (National Association)) ( BoNY ) is the Trustee under the Senior Indenture and the Subordinated Indenture. BoNY is a lender under our revolving credit facility. We maintain other banking and borrowing arrangements with BoNY, and BoNY may perform additional banking services for, or transact other banking business with, Newell in the future.

The Trustee may be deemed to have a conflicting interest for purposes of the Trust Indenture Act of 1939 and may be required to resign as Trustee if:

there is an Event of Default under the indenture; and

one or more of the following occurs:

the Trustee is a trustee for another indenture under which our securities are outstanding;

the Trustee is a trustee for more than one outstanding series of debt securities under a single indenture;

the Trustee is one of our creditors; or

the Trustee or one of its affiliates acts as an underwriter or agent for us.

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Newell may appoint an alternative Trustee for any series of debt securities. The appointment of an alternative Trustee would be described in the applicable prospectus supplement.

## **Governing Law**

The indentures and the debt securities are by their terms to be governed by and their provisions construed under the internal laws of the State of New York. (Section 112)

## **Miscellaneous**

Newell has the right at all times to assign any of its respective rights or obligations under the indentures to a direct or indirect wholly-owned subsidiary of Newell; provided, that, in the event of any assignment, Newell will remain liable for all of its respective obligations. (Section 803) The indentures are binding upon and inure to the benefit of the parties thereto and their respective successors and assigns. (Section 109)

## **PARTICULAR TERMS OF THE SENIOR DEBT SECURITIES**

The following description of the senior debt securities sets forth additional general terms and provisions of the senior debt securities to which a prospectus supplement may relate. The debt securities are described generally in this prospectus under **Description of Debt Securities** above. The particular terms of the senior debt securities offered by a prospectus supplement will be described in the applicable prospectus supplement.

## **Limitation on Liens**

The senior indenture provides that while the senior debt securities issued under it or the related Coupons remain outstanding, Newell will not, and will not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien of any kind upon any of its or their property or assets, now owned or hereafter acquired, without directly securing all of the senior debt securities equally and ratably with the obligation or liability secured by the Lien, except for:

- (1) Liens existing as of the date of the senior indenture;
- (2) Liens, including Sale and Lease-back Transactions, on any property acquired, constructed or improved after the date of the senior indenture, which are created or assumed contemporaneously with, or within 180 days after, the acquisition or completion of this construction or improvement, or within six months thereafter by a commitment for financing arranged with a lender or investor within the 180-day period, to secure or provide for the payment of all or a portion of the purchase price of the property or the cost of the construction or improvement incurred after the date of the senior indenture (or before the date of the indenture in the case of any construction or improvement which is at least 40% completed at the date of the indenture) or, in addition to Liens contemplated by clauses (3) and (4) below, Liens on any property existing at the time of acquisition of the property including acquisition through merger or consolidation; provided, that any Lien (other than a Sale and Lease-back Transaction meeting the requirements of this clause) does not apply to any property theretofore owned by Newell or a subsidiary other than, in the case of any such construction or improvement, any theretofore unimproved real property on which the property so constructed, or the improvement, is located;
- (3) Liens existing on any property of a person at the time the person is merged with or into, or consolidates with, Newell or a Subsidiary;

(4) Liens on any property of a person (including, without limitation, shares of stock or debt securities) or its subsidiaries existing at the time the person becomes a Subsidiary, is otherwise acquired by Newell or a Subsidiary or becomes a successor to Newell under Section 802 of the senior indenture;

(5) Liens to secure an obligation or liability of a Subsidiary to Newell or to another Subsidiary;

(6) Liens in favor of the United States of America or any State, or any department, agency or instrumentality or political subdivision of the United States of America or any State, to secure partial

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progress, advance or other payments under any contract or statute or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of constructing or improving the property subject to the Liens;

(7) Liens to secure tax-exempt private activity bonds under the Internal Revenue Code of 1986, as amended;

(8) Liens arising out of or in connection with a Sale and Lease-back Transaction if the net proceeds of the Sale and Lease-back Transaction are at least equal to the fair value, as determined by the Board of Directors, the Chairman of the Board, the Vice Chairman of the Board, the President or the principal financial officer of Newell, of the property subject to the Sale and Lease-back Transaction;

(9) Liens for the sole purpose of extending, renewing or replacing in whole or in part indebtedness secured by any Lien referred to in the foregoing clauses (1) to (8), inclusive, or in this clause (9); provided, however, that the principal amount of indebtedness secured thereby shall not exceed the principal amount of indebtedness so secured at the time of the extension, renewal or replacement, and that this extension, renewal or replacement shall be limited to all or a part of the property which secured the Lien so extended, renewed or replaced plus improvements on the property;

(10) Liens arising out of or in connection with a Sale and Lease-back Transaction in which the net proceeds of the Sale and Lease-back Transaction are less than the fair value, as determined by the Board of Directors, the Chairman of the Board, the Vice Chairman of the Board, the President or the principal financial officer of Newell, of the property subject to the Sale and Lease-back Transaction if Newell provides in a Board Resolution that it shall, and if Newell covenants that it will, within 180 days of the effective date of any arrangement or, in the case of (C) below, within six months thereafter under a firm purchase commitment entered into within the 180-day period, apply an amount equal to the fair market value as so determined of the property:

(A) to the redemption of senior debt securities of any series which are, by their terms, at the time redeemable or the purchase and retirement of senior debt securities, if permitted;

(B) to the payment or other retirement of Funded Debt, as defined below, incurred or assumed by Newell which ranks senior to or *pari passu* with the senior debt securities or of Funded Debt incurred or assumed by any Subsidiary other than, in either case, Funded Debt owned by Newell or any Subsidiary; or

(C) to the purchase of property other than the property involved in the sale;

(11) Liens on accounts receivable and related general intangibles and instruments arising out of or in connection with a sale or transfer by Newell or the Subsidiary of the accounts receivable;

(12) Permitted Liens; and

(13) Liens other than those referred to in clauses (1) through (12) above which are created, incurred or assumed after the date of the senior indenture, including those in connection with purchase money mortgages, Capitalized Lease Obligations and Sale and Lease-back Transactions, provided that the aggregate amount of indebtedness secured by the Liens, or, in the case of Sale and Lease-back Transactions, the Value of the Sale and Lease-back Transactions, referred to in this clause (13), does not exceed 15% of Consolidated Total Assets. (Section 1007)

The term Capitalized Lease Obligations means, as to any person, the obligations of the person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real or personal property which obligations are required to be classified and accounted for as capital lease obligations on a balance sheet of the person under



generally accepted accounting principles and, for purposes of the senior indenture, the amount of the obligations at any date shall be the capitalized amount of the obligations at the date, determined according to generally accepted accounting principles. (Section 101)

The term Consolidated Total Assets means the total of all the assets appearing on the consolidated balance sheet of Newell and our Subsidiaries determined according to generally accepted accounting principles

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applicable to the type of business in which Newell and the Subsidiaries are engaged, and may be determined as of a date not more than 60 days before the happening of the event for which the determination is being made. (Section 101)

The term **Funded Debt** means any indebtedness which by its terms matures at or is extendable or renewable at the sole option of the obligor without requiring the consent of the obligee to a date more than 12 months after the date of the creation of the indebtedness. (Section 101)

The term **Lien** means, as to any person, any mortgage, lien, collateral assignment, pledge, charge, security interest or other encumbrance in respect of or on, or any interest or title of any vendor, lessor, lender or other secured party to or of the person under any conditional sale or other title retention agreement or Capitalized Lease Obligation, purchase money mortgage or Sale and Lease-back Transaction with respect to, any property or asset (including without limitation income and rights thereto) of the person (including without limitation capital stock of any Subsidiary of the person), or the signing by the person and filing of a financing statement which names the person as debtor, or the signing by the person of any security agreement agreeing to file, or authorizing any other party as the secured party thereunder to file, any financing statement. (Section 101)

The term **Permitted Liens** means:

mechanics, materialmen, landlords, warehousemen and carriers liens and other similar liens imposed by law securing obligations incurred in the ordinary course of business which are not past due or which are being contested in good faith by appropriate proceedings and for which appropriate reserves have been established;

Liens under workmen's compensation, unemployment insurance, social security or similar legislation;

Liens, deposits, or pledges to secure the performance of bids, tenders, contracts (other than contracts for the payment of money), leases, public or statutory obligations, surety, stay, appeal, indemnity, performance or other similar bonds, or similar obligations arising in the ordinary course of business;

judgment and other similar Liens arising in connection with court proceedings, provided the execution or other enforcement of the Liens is effectively stayed and the claims secured thereby are being actively contested in good faith and by appropriate proceedings; and

easements, rights of way, restrictions and other similar encumbrances which, in the aggregate, do not materially interfere with the occupation, use and enjoyment by Newell or any Subsidiary of the property or assets encumbered thereby in the normal course of its business or materially impair the value of the property subject thereto. (Section 101)

The term **Sale and Lease-back Transaction** means, with respect to any person, any direct or indirect arrangement with any other person or to which any other person is a party, providing for the leasing to the first person of any property, whether now owned or hereafter acquired (except for temporary leases for a term, including any renewal of the leases, of not more than three years and except for leases between Newell and a Subsidiary or between Subsidiaries), which has been or is to be sold or transferred by the first person to the other person or to any person to whom funds have been or are to be advanced by the other person on the security of the property. (Section 101)

The term **Subsidiary** means any corporation of which at the time of determination Newell or one or more Subsidiaries owns or controls directly or indirectly more than 50% of the shares of Voting Stock. (Section 101)

The term **Value** means, with respect to a Sale and Lease-back Transaction, as of any particular time, the amount equal to the greater of:

(a) the net proceeds from the sale or transfer of the property leased under the Sale and Lease-back Transaction or

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(b) the fair value in the opinion of the Board of Directors, the Chairman of the Board, the Vice Chairman of the Board, the President or the principal financial officer of Newell of the property at the time of entering into the Sale and Lease-back Transaction,

in either case multiplied by a fraction, the numerator of which shall be equal to the number of full years of the term of the lease remaining at the time of determination and the denominator of which shall be equal to the number of full years of the term, without regard to any renewal or extension options contained in the lease. (Section 101)

The term **Voting Stock** means stock of a corporation of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of the corporation. (Section 101)

## **Events of Default**

An **Event of Default** regarding any series of senior debt securities is any one of the following events:

default for 30 days in the payment of any interest installment when due and payable;

default in the payment of principal or premium (if any) when due at its stated maturity, by declaration, when called for redemption or otherwise;

default in the making of any sinking fund payment when due;

default in the performance of any covenant in the senior debt securities or in the senior indenture for 60 days after notice to Newell by the Trustee or by Holders of 25% in principal amount of the outstanding debt securities of that series;

events of bankruptcy, insolvency and reorganization of Newell or one of its significant subsidiaries;

an event of default in any mortgage, indenture or other instrument of indebtedness of Newell or any of its principal subsidiaries which results in a principal amount in excess of \$10,000,000 being due and payable which remains outstanding longer than 30 days after written notice to Newell from the Trustee or from the Holders of at least 25% of the outstanding debt securities of that series; and

any other Event of Default provided with respect to that series of debt securities. (Section 501)

We are required to file every year with the Trustee an officers' certificate stating whether any default exists and specifying any default that exists. (Section 1004)

## **PARTICULAR TERMS OF THE SUBORDINATED DEBT SECURITIES**

The following description of the subordinated debt securities sets forth additional general terms and provisions of the subordinated debt securities to which a prospectus supplement may relate. The debt securities are described generally under **Description of Debt Securities** above. The particular terms of the subordinated debt securities offered by a prospectus supplement will be described in the applicable prospectus supplement.

## **Subordination**

The subordinated debt securities will be subordinated to the prior payment in full of:

the senior debt securities and all other unsecured and unsubordinated indebtedness of Newell ranking equally with the senior debt securities; and

other indebtedness of Newell to the extent shown in the applicable prospectus supplement.

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### **Events of Default**

An Event of Default regarding any series of subordinated debt securities is any one of the following events:

default for 60 days in the payment of any interest installment when due and payable;

default in the payment of principal or premium (if any) when due at its stated maturity, by declaration, when called for redemption or otherwise;

default in the making of any sinking fund payment when due;

default in the performance of any covenant in the subordinated debt securities or in the subordinated indenture for 90 days after notice to Newell by the Trustee or by Holders of 25% in principal amount of the outstanding debt securities of that series;

events of bankruptcy, insolvency and reorganization of Newell or one of its significant subsidiaries;

an event of default in any mortgage, indenture or other instrument of indebtedness of Newell which results in a principal amount in excess of \$15,000,000 being due and payable which remains outstanding longer than 30 days after written notice to Newell from the Trustee or from the Holders of at least 25% of the outstanding debt securities of that series;

any other Event of Default provided with respect to that series of debt securities. (Section 501)

We are required to file every year with the Trustee an officers' certificate stating whether any default exists and specifying any default that exists. (Section 1004)

## **DESCRIPTION OF CAPITAL STOCK**

### **General**

Our authorized capital stock consists of 800,000,000 shares of common stock and 10,000,000 shares of preferred stock. As of February 29, 2008, there were 276.9 million shares of common stock (net of treasury shares) and no shares of preferred stock outstanding. The outstanding shares of common stock are listed on the New York Stock Exchange and the Chicago Stock Exchange.

### **Common Stock**

Voting Holders of common stock vote as a single class on all matters submitted to a vote of the stockholders, with each share of common stock entitled to one vote.

*Dividends.* Holders of the common stock are entitled to receive the dividends that may be declared from time to time by the Board of Directors out of funds legally available therefor. The rights of holders of common stock to receive dividends are subject to the prior rights of holders of any issued and outstanding preferred stock that may be issued in the future.

*Other Provisions.* Upon liquidation (whether voluntary or involuntary) or a reduction in Newell's capital which results in any distribution of assets to stockholders, the holders of the common stock are entitled to receive, pro rata

according to the number of shares held by each, all of the assets of Newell remaining for distribution after payment to creditors and the holders of any issued and outstanding preferred stock of the full preferential amounts to which they are entitled. The common stock has no preemptive or other subscription rights and there are no other conversion rights or redemption provisions with respect to the shares.

*Transfer Agent and Registrar.* The transfer agent and registrar for our common stock is Computershare Investor Services.

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**Preferred Stock**

Our Board of Directors may issue, without further authorization from our stockholders, up to 10,000,000 shares of preferred stock in one or more series. Our Board of Directors may determine at the time of creating each series:

dividend rights and rates;

voting and conversion rights;

redemption provisions;

liquidation preferences; and

other relative, participating, optional or other special rights, qualifications, limitations or restrictions of the series.

We will describe in a prospectus supplement relating to any series of preferred stock being offered the terms of the preferred stock, which may include:

- (1) The maximum number of shares to constitute the series;
- (2) Any annual dividend rate on the shares, whether the rate is fixed or variable or both, the date or dates from which dividends will accrue, whether the dividends will be cumulative and any dividend preference;
- (3) Whether the shares will be redeemable and, if so, the price at and the terms and conditions on which the shares may be redeemed;
- (4) Any liquidation preference applicable to the shares;
- (5) The terms of any sinking fund;
- (6) Any terms and conditions on which the shares of the series shall be convertible into, or exchangeable for, shares of any other capital stock;
- (7) Any voting rights of the shares of the series; and
- (8) Any other preferences or special rights or limitations on the shares of the series.

Although Newell is not required to seek stockholder approval before designating any future series of preferred stock, the Board of Directors currently has a policy of seeking stockholder approval before designating any future series of preferred stock with a vote, or convertible into stock having a vote, in excess of 13% of the vote represented by all voting stock immediately after the issuance, except for the purpose of (a) raising capital in the ordinary course of business or (b) making acquisitions, the primary purpose of which is not to effect a change of voting power.

**Provisions With Possible Anti-Takeover Effects**

Newell's Restated Certificate of Incorporation and By-Laws contain provisions which may be viewed as having an anti-takeover effect. The Restated Certificate of Incorporation classifies the Board of Directors into three classes and provides that vacancies on the Board of Directors are to be filled by a majority vote of directors and that directors so



chosen will hold office until the end of the full term of the class in which the vacancy occurred. Under the Delaware General Corporation Law, directors of Newell may only be removed for cause. The Restated Certificate of Incorporation and the By-Laws also contain provisions that may reduce surprise and disruptive tactics at stockholders meetings. The Restated Certificate of Incorporation provides that no action may be taken by stockholders except at an annual meeting or special meeting, and does not permit stockholders to directly call a special meeting of stockholders. A stockholder must give written notice to Newell of an intention to nominate a director for election at an annual meeting 90 days before the anniversary date of the immediately preceding annual meeting. Each of these provisions tends to make a change of control of the Board of Directors more difficult and time consuming.

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**DESCRIPTION OF WARRANTS**

We may issue warrants to purchase debt or equity securities. We may issue warrants independently or together with any offered securities. The warrants may be attached to or separate from those offered securities. We will issue the warrants under warrant agreements to be entered into between us and a bank or trust company, as warrant agent, all as described in the applicable prospectus supplement. The warrant agent will act solely as our agent in connection with the warrants and will not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants.

The prospectus supplement relating to any warrants that we may offer will contain the specific terms of the warrants. These terms may include the following:

the title of the warrants;

the designation, amount and terms of the securities for which the warrants are exercisable;

the designation and terms of the other securities, if any, with which the warrants are to be issued and the number of warrants issued with each other security;

the price or prices at which the warrants will be issued;

the aggregate number of warrants;

any provisions for adjustment of the number or amount of securities receivable upon exercise of the warrants or the exercise price of the warrants;

the price or prices at which the securities purchasable upon exercise of the warrants may be purchased;

if applicable, the date on and after which the warrants and the securities purchasable upon exercise of the warrants will be separately transferable;

if applicable, a discussion of the material U.S. federal income tax considerations applicable to the exercise of the warrants;

any other terms of the warrants, including terms, procedures and limitations relating to the exchange and exercise of the warrants;

the date on which the right to exercise the warrants will commence, and the date on which the right will expire;

the maximum or minimum number of warrants that may be exercised at any time; and

information with respect to book-entry procedures, if any.

**Exercise of Warrants**

Each warrant will entitle the holder of warrants to purchase for cash the amount of debt or equity securities at the exercise price stated or determinable in the prospectus supplement for the warrants. Warrants may be exercised at any

time up to the close of business on the expiration date shown in the applicable prospectus supplement, unless otherwise specified in such prospectus supplement. After the close of business on the expiration date, unexercised warrants will become void. Warrants may be exercised as described in the applicable prospectus supplement. When the warrant holder makes the payment and properly completes and signs the warrant certificate at the corporate trust office of the warrant agent or any other office indicated in the prospectus supplement, we will, as soon as possible, forward the debt or equity securities that the warrant holder has purchased. If the warrant holder exercises the warrant for less than all of the warrants represented by the warrant certificate, we will issue a new warrant certificate for the remaining warrants.

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**DESCRIPTION OF STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS**

We may issue stock purchase contracts, including contracts obligating holders to purchase from us, and for us to sell to the holders, a specified number of shares of common stock at a future date or dates. The price per share of common stock and the number of shares of common stock may be fixed at the time the stock purchase contracts are issued or may be determined by reference to a specific formula stated in the stock purchase contracts.

The stock purchase contracts may be issued separately or as part of units that we call stock purchase units. Stock purchase units consist of a stock purchase contract and either our debt securities or U.S. treasury securities securing the holders' obligations to purchase the common stock under the stock purchase contracts.

The stock purchase contracts may require us to make periodic payments to the holders of the stock purchase units or vice versa, and these payments may be unsecured or prefunded on some basis. The stock purchase contracts may require holders to secure their obligations in a specified manner.

The applicable prospectus supplement will describe the terms of the stock purchase contracts or stock purchase units. The description in the prospectus supplement will only be a summary, and you should read the stock purchase contracts, and, if applicable, collateral or depositary arrangements, relating to the stock purchase contracts or stock purchase units. Material U.S. federal income tax considerations applicable to the stock purchase units and the stock purchase contracts will be also be discussed in the applicable prospectus supplement.

**PLAN OF DISTRIBUTION**

We may sell the securities:

through underwriters,

through agents,

directly to a limited number of institutional purchasers or to a single purchaser, or

any combination of these.

The prospectus supplement will describe the terms of the offering of the securities, including the following:

the name or names of any underwriters, dealers or agents;

the purchase price and the proceeds we will receive from the sale;

any underwriting discounts and other items constituting underwriters' compensation; and

any initial public offering price and any discounts or concessions allowed or reallowed or paid to dealers.

If underwriters are used in the sale, the securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The securities may be either offered to the public through underwriting syndicates represented by managing underwriters or by underwriters without a syndicate. The

obligations of the underwriters to purchase securities will be subject to conditions precedent and the underwriters will be obligated to purchase all the securities if any are purchased. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

If dealers are used in the sale, we will sell the securities to the dealers as principals. The dealers may resell the securities to the public at prices determined by the dealers at the time of the resale.

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We may sell securities directly or through agents we designate from time to time. Any agent involved in the offer or sale of the securities in respect of which this prospectus is delivered will be named, and any commissions payable by us to that agent, will be described in the prospectus supplement.

The names of the underwriters, dealers or agents, as the case may be, and the terms of the transaction will be set forth in the applicable prospectus supplement.

Agents and underwriters may be entitled to indemnification by us against civil liabilities arising out of this prospectus, including liabilities under the Securities Act, or to contribution with respect to payments which the agents or underwriters may be required to make relating to those liabilities. Agents, dealers and underwriters may be customers of, engage in transactions with, or perform services for, us in the ordinary course of business.

Our common stock will be approved for listing upon notice of issuance on the New York Stock Exchange and the Chicago Stock Exchange. Other securities may or may not be listed on a national securities exchange. No assurances can be given that there will be a market for the securities.

**LEGAL MATTERS**

Legal matters in connection with the securities will be passed upon for Newell by Schiff Hardin LLP, Chicago, Illinois and for any underwriters, dealers or agents by counsel named in the applicable prospectus supplement.

**EXPERTS**

The consolidated financial statements of Newell Rubbermaid Inc. appearing in Newell Rubbermaid Inc.'s Annual Report (Form 10-K) for the year ended December 31, 2007 (including the schedule appearing therein), and the effectiveness of Newell Rubbermaid Inc.'s internal control over financial reporting as of December 31, 2007 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

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