

Edgar Filing: NEWELL RUBBERMAID INC - Form 8-K

NEWELL RUBBERMAID INC  
Form 8-K  
April 28, 2004

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

-----  
FORM 8-K

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

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

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

|  |                                       |  |
|--|---------------------------------------|--|
| Delaware<br>(State or Other<br>Jurisdiction<br>of Incorporation) | 1-9608<br>(Commission<br>File Number) | 36-3514169<br>(IRS Employer<br>Identification No.) |
|--|---------------------------------------|--|

|   |                     |
|---|---------------------|
| 10 B Glenlake Parkway<br>Suite 600<br>Atlanta, Georgia<br>(Address of Principal Executive<br>Offices) | 30328<br>(Zip Code) |
|---|---------------------|

Registrant's Telephone Number, Including Area Code: (770) 407-3800

Item 2. Acquisition or Disposition of Assets.

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

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

### Item 7. Financial Statements and Exhibits.

#### (b) Pro Forma Financial Information.

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

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

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

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

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

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

TWELVE MONTHS ENDED DECEMBER 31,

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

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

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

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

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

EXPLANATORY NOTE TO CONSOLIDATED STATEMENTS OF OPERATIONS AMOUNTS

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

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

PRO FORMA  
ADJUSTMEN

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

EXPLANATORY NOTE TO PRO FORMA CONSOLIDATED BALANCE SHEET

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

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(c) Exhibits.

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

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

SIGNATURES

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

NEWELL RUBBERMAID INC.

Date: April 28, 2004

By: /s/ Dale L. Matschullat  
-----  
Dale L. Matschullat  
Vice President - General  
Counsel & Corporate Secretary

EXHIBIT INDEX

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

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Inc. and Global Home Products LLC\*

2.2

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

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