NEWELL BRANDS INC
Form 10-Q
November 08, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
for the Quarterly Period Ended September 30, 2016
Commission File Number 1-9608
NEWELL BRANDS INC.
(Exact name of registrant as specified in its charter)

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

221 River Street
Hoboken, New Jersey 07030
(Address of principal executive offices)
(Zip Code)
(201) 610-6600
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes R No o

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

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

Large accelerated filer R Accelerated filer o Non-accelerated filer o Smaller reporting company o
(Do not check if a smaller reporting company)

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

Number of shares of common stock outstanding (net of treasury shares) as of September 30, 2016: 482.4 million.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

NEWELL BRANDS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(Amounts in millions, except per share data)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Net sales	$3,954.6	$1,530.0	$9,128.1	$4,354.9
Cost of products sold	2,679.8	931.1	6,252.0	2,647.5
GROSS PROFIT	1,274.8	598.9	2,876.1	1,707.4
Selling, general and administrative expenses	937.9	391.3	2,247.4	1,146.3
Restructuring costs	13.0	21.0	41.7	61.6
OPERATING INCOME	323.9	186.6	587.0	499.5
Nonoperating expenses:				
Interest expense, net	124.5	17.5	280.6	54.8
Loss related to extinguishment of debt/credit facility	—	—	47.1	—
Other (income) expense, net	(0.7)	9.3	(162.7)	14.4
Net nonoperating expenses	123.8	26.8	165.0	69.2
INCOME BEFORE INCOME TAXES	200.1	159.8	422.0	430.3
Income tax expense	13.6	25.8	59.4	91.3
INCOME FROM CONTINUING OPERATIONS	186.5	134.0	362.6	339.0
(Loss) income from discontinued operations, net of tax	—	0.2	(0.4)	(2.2)
NET INCOME	$186.5	$134.2	$362.2	$336.8
Weighted average shares outstanding:				
Basic	484.0	268.8	398.3	269.6
Diluted	486.2	271.0	400.1	271.8
Earnings per share:				
Basic:				
Income from continuing operations	$0.39	$0.50	$0.91	$1.26
(Loss) from discontinued operations	$—	$—	$—	$(0.01)
Net income	$0.39	$0.50	$0.91	$1.25
Diluted:				
Income from continuing operations	$0.38	$0.49	$0.91	$1.25
(Loss) from discontinued operations	$—	$—	$—	$(0.01)
Net income	$0.38	$0.50	$0.91	$1.24
Dividends per share	$0.19	$0.19	$0.57	$0.57

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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NEWELL BRANDS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(Amounts in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
NET INCOME	$186.5	$134.2	$362.2	$336.8
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustments	(5.7)	(60.3)	(21.5)	(128.6)
Change in unrecognized pension and other postretirement costs	7.4	7.8	23.2	15.6
Derivative hedging gain (loss)	(1.5)	4.0	(48.9)	(1.3)
Total other comprehensive (loss) income, net of tax	0.2	(48.5)	(47.2)	(114.3)
COMPREHENSIVE INCOME [1]	$186.7	$85.7	$315.0	$222.5

(1) Comprehensive income (loss) attributable to noncontrolling interests was not material.

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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NEWELL BRANDS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)
(Amounts in millions, except par values)

	September 30, 2016	December 31, 2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 670.0	$ 274.8
Accounts receivable, net	2,772.9	1,250.7
Inventories, net	2,434.1	721.8
Prepaid expenses and other	291.7	147.8
Assets held for sale	1,711.8	98.4
TOTAL CURRENT ASSETS	7,880.5	2,493.5
PROPERTY, PLANT AND EQUIPMENT, NET	1,513.7	599.2
GOODWILL	10,436.1	2,791.2
OTHER INTANGIBLE ASSETS, NET	14,132.5	1,063.7
OTHER ASSETS	452.7	273.4
TOTAL ASSETS	$ 34,415.5	$ 7,221.0
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 1,433.8	$ 642.4
Accrued compensation	352.8	185.2
Other accrued liabilities	1,367.6	728.9
Short-term debt and current portion of long-term debt	704.5	388.8
Liabilities held for sale	207.8	43.3
TOTAL CURRENT LIABILITIES	4,066.5	1,988.6
LONG-TERM DEBT	12,043.3	2,669.1
DEFERRED INCOME TAXES	5,049.8	188.1
OTHER NONCURRENT LIABILITIES	1,793.6	548.8
COMMITMENTS AND CONTINGENCIES (Footnote 18)		
STOCKHOLDERS' EQUITY:		
Preferred stock, authorized shares, 10.0 at $1.00 par value	—	—
None issued and outstanding		
Common stock, authorized shares, 800.0 at $1.00 par value	503.3	287.5
Outstanding shares, before treasury:		
2016 – 503.3		
2015 – 287.5		
Treasury stock, at cost:	(544.6)	(523.1)
Shares held:		
2016 – 20.9		
2015 – 20.3		
Additional paid-in capital	10,133.4	801.4
Retained earnings	2,216.1	2,090.9
Accumulated other comprehensive loss	(881.0)	(833.8)
STOCKHOLDERS' EQUITY ATTRIBUTABLE TO PARENT	11,427.2	1,822.9
STOCKHOLDERS' EQUITY ATTRIBUTABLE TO NONCONTROLLING INTERESTS	35.1	3.5
TOTAL STOCKHOLDERS' EQUITY	11,462.3	1,826.4
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 34,415.5	$ 7,221.0

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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NEWELL BRANDS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Amounts in millions)

	Nine Months Ended September 30,	
	2016	2015
OPERATING ACTIVITIES:		
Net income	$362.2	$336.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	307.2	128.6
Net gain from sale of businesses	(160.4)	—
Loss related to extinguishment of debt/credit facility	47.1	—
Non-cash restructuring costs	2.5	5.2
Deferred income taxes	(20.8)	14.2
Stock-based compensation expense	47.8	22.0
Pension settlement charge	2.7	—
Other, net	14.1	21.7
Changes in operating assets and liabilities, excluding the effects of acquisitions and divestitures:		
Accounts receivable	(226.0)	33.4
Inventories	428.3	(240.3)
Accounts payable	205.7	24.6
Accrued liabilities and other	(173.4)	(58.1)
NET CASH PROVIDED BY OPERATING ACTIVITIES	837.0	288.1
INVESTING ACTIVITIES:		
Proceeds from sale of divested businesses and noncurrent assets	244.3	4.4
Acquisitions and acquisition-related activity	(8,634.7)	(3.6)
Capital expenditures	(287.5)	(154.7)
Other investing activities	4.0	14.2
NET CASH USED IN INVESTING ACTIVITIES	(8,673.9)	(139.7)
FINANCING ACTIVITIES:		
Net short-term borrowings	(183.4)	241.5
Proceeds from issuance of debt, net of debt issuance costs	9,414.6	—
Payments on and for the settlement of notes payable and debt	(750.0)	—
Repurchase and retirement of shares of common stock	—	(166.3)
Cash dividends	(236.9)	(155.4)
Excess tax benefits related to stock-based compensation	11.7	20.0
Option proceeds net of repurchase of restricted shares for vesting	(12.9)	(9.4)
Equity compensation activity and other, net	—	—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	8,243.1	(69.6)
Exchange rate effect on cash and cash equivalents	(11.0)	(12.0)
INCREASE IN CASH AND CASH EQUIVALENTS	395.2	66.8
Cash and cash equivalents at beginning of period	274.8	199.4
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$670.0	$266.2
Supplemental non-cash disclosures:		
Common stock issued for Jarden Acquisition	$9,480.3	$—
Debt assumed, at fair value, in the Jarden Acquisition	$1,124.0	$—

See Notes to Condensed Consolidated Financial Statements (Unaudited).

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NEWELL BRANDS INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Footnote 1 — Basis of Presentation and Significant Accounting Policies
The accompanying unaudited condensed consolidated financial statements of Newell Brands Inc. (formerly Newell Rubbermaid Inc., and collectively with its subsidiaries, the “Company”) have been prepared pursuant to the rules and regulations of the United States Securities and Exchange Commission (the “SEC”) and do not include all of the information and footnotes required by U.S. generally accepted accounting principles (“U.S. GAAP”) for complete financial statements. In the opinion of management, the unaudited condensed consolidated financial statements include all adjustments (including normal recurring accruals) considered necessary for a fair presentation of the financial position and the results of operations of the Company. It is recommended that these unaudited condensed consolidated financial statements be read in conjunction with the financial statements, and the footnotes thereto, included in the Company’s most recent Annual Report on Form 10-K. The condensed consolidated balance sheet as of December 31, 2015 has been derived from the audited financial statements as of that date, but it does not include all of the information and footnotes required by U.S. GAAP for complete financial statements.
Supplemental Information
Interest expense is net of interest income of $1.1 million and $2.2 million for the three months ended September 30, 2016 and 2015, respectively, and $2.1 million and $4.6 million, for the nine months ended September 30, 2016 and 2015, respectively.
Seasonal Variations
Sales of the Company’s products tend to be seasonal, with sales, operating income and operating cash flow in the first quarter generally lower than any other quarter during the year, driven principally by reduced volume and the mix of products sold in the first quarter. The seasonality of the Company’s sales volume combined with the accounting for fixed costs, such as depreciation, amortization, rent, personnel costs and interest expense, impacts the Company’s results on a quarterly basis. In addition, the Company tends to generate the majority of its operating cash flow in the second, third and fourth quarters of the year due to seasonal variations in operating results, the timing of annual performance-based compensation payments, customer program payments, working capital requirements and credit terms provided to customers. Accordingly, the Company’s results of operations for the nine months ended September 30, 2016 may not necessarily be indicative of the results that may be expected for the year ending December 31, 2016.
Recent Accounting Pronouncements
Changes to U.S. GAAP are established by the Financial Accounting Standards Board (“FASB”) in the form of accounting standards updates (“ASUs”) to the FASB’s Accounting Standards Codification. The Company considers the applicability and impact of all ASUs.
In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers. Accounting Standard Codification 605 — Revenue Recognition.” ASU 2014-09 supersedes the revenue recognition requirements in “Accounting Standard Codification 605 — Revenue Recognition” and most industry-specific guidance. ASU 2014-09 requires that entities recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which a company expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for fiscal years beginning after December 15, 2017. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. The Company is currently assessing the impact ASU 2014-09 will have on its financial position and results of operations.
In January 2015, the FASB issued ASU No. 2015-01, “Income Statement—Extraordinary and Unusual Items (Subtopic 225-20), Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items,” which simplifies income statement presentation by eliminating the concept of extraordinary items. Previously, events or transactions that were both unusual in nature and infrequent in occurrence for a business entity were considered to be extraordinary items and required separate presentation, net of tax, after income from continuing operations. The presentation and disclosure guidance for items that are unusual in nature or occur infrequently was retained and expanded to include items that are both unusual and infrequently occurring. The guidance is effective for fiscal years

beginning after December 15, 2015. The Company adopted ASU 2015-01 on January 1, 2016, and the adoption of ASU 2015-01 did not have a material impact on the Company's results of operations, cash flows or financial position. In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs," which changes the presentation of debt issuance costs in financial statements. ASU 2015-03 requires an entity to present such costs in the balance sheet as a direct reduction from the related debt liability rather than as an asset. Amortization of the costs continues to be reported as interest expense. The guidance is effective for fiscal years beginning after December 15, 2015. The Company retrospectively

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adopted ASU 2015-03 on January 1, 2016, and the retrospective adoption of ASU 2015-03 had the effect of reducing the Company's other assets and long-term debt by $18.5 million as of December 31, 2015.

In April 2015, the FASB issued ASU No. 2015-05, "Intangibles - Goodwill and Other -Internal-Use Software (Subtopic 350-40), Customers Accounting for Fees Paid in a Cloud Computing Arrangement," to help entities evaluate the accounting for fees paid by a customer in a cloud computing arrangement. The amendments provide guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license element, then the customer should account for the software license element arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The Company prospectively adopted this guidance as of January 1, 2016, and the adoption did not have a material impact on the Company's results of operations, cash flows or financial condition.

In July 2015, the FASB issued ASU No. 2015-11, "Simplifying the Measurement of Inventory," which modifies existing requirements regarding measuring first-in, first-out and average cost inventory at the lower of cost or market. Under existing standards, the market amount requires consideration of replacement cost, net realizable value ("NRV"), and NRV less an approximately normal profit margin. ASU 2015-11 replaces market with NRV, defined as estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. This eliminates the need to determine and consider replacement cost or NRV less an approximately normal profit margin when measuring inventory. This guidance is effective for fiscal years beginning after December 15, 2016, with early adoption permitted. The Company is currently assessing the impact ASU 2015-11 will have on its financial position and results of operations.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)," which requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses will depend on classification as a finance or operating lease. ASU 2016-02 is effective for the Company on January 1, 2019. The Company is currently assessing the impact ASU 2016-02 will have on its financial position and results of operations.

In March 2016, the FASB issued ASU No. 2016-09, "Compensation-Stock Compensation: Improvement to Employee Share-Based Payment Accounting." ASU 2016-09 provides guidance intended to simplify accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. The guidance is effective for interim and annual periods beginning after December 15, 2016. Early adoption is permitted. The Company is currently evaluating the impact of the updated guidance on its consolidated financial statements.

Other recently issued ASUs were assessed and determined to be either not applicable or are expected to have a minimal impact on the Company's consolidated financial position and results of operations.

Venezuelan Operations

As of December 31, 2015, the Company determined it could no longer exercise control over its Venezuelan operations because the availability of U.S. Dollars had declined significantly over the past several years in each of Venezuela's three exchange mechanisms, and the Company concluded that an other-than-temporary lack of exchangeability between the Venezuelan Bolivar and the U.S. Dollar existed as of December 31, 2015. Furthermore, increasingly restrictive governmental regulations in Venezuela related to prices that could be charged for products, distribution channels into which products could be sold, product labeling requirements, importation of raw materials and sourced products which must be purchased in U.S. Dollars, and labor matters restricted the Company's ability to make and execute decisions related to its Venezuelan operations. As a result, the Company concluded it could no longer make key operational and financial decisions regarding its Venezuelan operations and deconsolidated its Venezuelan operations as of December 31, 2015. As of September 30, 2016, the Company did not have any significant commitments to provide financial support to or for the benefit of the Venezuelan operations, and the carrying value of the Company's investment in Venezuela is nil.

Prior to the deconsolidation of the Venezuelan operations on December 31, 2015, the results of the Company's Venezuelan operations were included in the Company's Condensed Consolidated Statement of Operations. During the nine months ended September 30, 2015, the Company's Venezuelan operations generated $106.4 million of

consolidated net sales and $44.9 million of operating income.

Other Items

The Company holds a 29% investment in Sprue Aegis ("Sprue"). During the three and nine months ended September 30, 2016, the Company's related party sales to Sprue were $7.0 million and $14.3 million, respectively.

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Footnote 2 — Acquisitions

Elmer's

During October 2015, the Company acquired Elmer's Products, Inc. ("Elmer's") for a purchase price of $571.4 million, which is net of $16.8 million of cash acquired. The acquisition of Elmer's was accounted for using the purchase method of accounting and, accordingly, the Company allocated the total purchase price to the identifiable tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the date of acquisition. Based on the purchase price allocation, which is now final, the Company allocated $24.5 million of the purchase price to identified tangible and monetary net assets, $86.6 million to deferred tax liabilities and $262.0 million to identified intangible assets. Approximately $200.0 million was allocated to indefinite-lived intangible assets and approximately $62.0 million was allocated to a definite-lived intangible asset with a weighted-average life of 10 years. The indefinite-lived intangible asset represents the acquired Elmer's® trade name. The Company recorded the excess of the purchase price over the aggregate fair values of net identifiable assets of $371.5 million as goodwill. None of the goodwill is expected to be tax deductible. Elmer's results of operations are included in the Company's Condensed Consolidated Statements of Operations since the acquisition date, including net sales of $76.1 million and $199.8 million for the three and nine months ended September 30, 2016, respectively, and operating income of $19.9 million and $37.7 million for the three and nine months ended September 30, 2016, respectively. Pro forma results of operations of the Company would not be materially different as a result of the acquisition and therefore are not presented.

The Company incurred $0.9 million and $8.0 million of restructuring costs during the three and nine months ended September 30, 2016 associated with the integration of Elmer's.

Jarden Corporation

On April 15, 2016, Jarden became a direct wholly-owned subsidiary of Newell Brands Inc., as a result of a series of merger transactions (the "Jarden Acquisition"). The Jarden Acquisition was effected pursuant to an Agreement and Plan of Merger, dated as of December 13, 2015 (the "Merger Agreement"), among the Company, Jarden and two wholly-owned subsidiaries of the Company. Following the Jarden Acquisition, the Company was renamed Newell Brands Inc. Jarden is a leading, global consumer products company with leading brands, such as Yankee Candle®, Crock-Pot®, FoodSaver®, Mr. Coffee®, Oster®, Coleman®, First Alert®, Rawlings®, Jostens®, K2®, Marker®, Marmot®, Volkl® and many others. The Jarden Acquisition enables the Company to scale the enterprise with leading brands in global markets. The scale of the Company in key categories, channels and geographies enables it to deploy its strategy, which includes advantaged development and commercial capabilities, across a larger set of opportunities to generate accelerated growth and margin expansion. The Jarden Acquisition has been accounted for using the purchase method of accounting, and Jarden's assets, liabilities and results of operations are included in the Company's financial statements from the acquisition date.

Pursuant to the Merger Agreement, each share of Jarden common stock was converted into the right to receive and became exchangeable for merger consideration consisting of (1) 0.862 of a share of the Company's common stock plus (2) $21.00 in cash. On April 15, 2016, the Company provided for the issuance of up to 189.4 million shares of common stock and the payment of up to $4.6 billion for 100% of the outstanding equity interests of Jarden, which represented 219.7 million shares of Jarden common stock outstanding and eligible to receive the merger consideration. As of September 30, 2016, the Company has been notified by Jarden shareholders owning 10.6 million shares of Jarden common stock that they were exercising their dissenters' rights and were seeking an appraisal of such shares, and as a result, the merger consideration issuable to these Jarden shareholders consisting of 9.1 million shares of the Company's common stock had not been issued and $222.2 million in cash had not been paid as of September 30, 2016. The Jarden Acquisition constituted a make-whole fundamental change with respect to Jarden's three series of outstanding convertible notes, making them eligible for conversion into shares of Jarden common stock and eligible to receive the merger consideration based on the number of Jarden shares into which the convertible notes may be converted. Jarden's three series of convertible notes had an aggregate principal amount of $1.5 billion outstanding due in 2018, 2019 and 2034. During the nine months ended September 30, 2016, substantially all of the Jarden convertible note holders elected to convert their notes for the merger consideration and in certain cases, the make-whole premium, consisting of 32.7 million shares of the Company's common stock and $795.9 million of cash.

Based on the closing price of a share of the Company’s common stock on April 15, 2016 of $44.33 per share, the total consideration paid or payable for shares of Jarden common stock was approximately $15.3 billion, including $5.4 billion of cash and $9.9 billion of the Company’s common stock. Upon completion of the Jarden Acquisition, stockholders of Newell Rubbermaid and stockholders and convertible note holders of Jarden immediately before the merger owned 55% and 45%, respectively, of the Company. As of September 30, 2016, the Company had paid $5.2 billion and issued 213.9 million shares valued at $9.5 billion for shares of Jarden common stock tendered in the Jarden Acquisition. With respect to the 10.6 million shares of Jarden common stock held by dissenting shareholders exercising their dissenters’ appraisal rights, the Company accrued the estimated value of the merger

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consideration payable to such shareholders of $626.5 million, and such amount is included in other noncurrent liabilities in the Condensed Consolidated Balance Sheet as of September 30, 2016. In addition, on April 15, 2016, the Company paid $4.1 billion to settle certain of Jarden's outstanding debt obligations, which included accrued interest and change-in-control premiums.

The Company's allocation of the total purchase price for the Jarden Acquisition to assets acquired and liabilities assumed is preliminary as the Company continues to finalize the valuation of property, plant and equipment and identifiable intangible assets (and the related deferred income tax liabilities) and the allocation of goodwill to its operating segments. The table below represents a preliminary allocation of the total purchase price to the identifiable tangible and intangible assets acquired and liabilities assumed in the Jarden Acquisition based on their estimated fair values on the date of acquisition (in millions):

Accounts receivable	$1,369.5
Inventories	2,486.8
Other current assets	187.8
Property, plant and equipment	1,041.3
Goodwill	8,339.2
Identifiable intangible assets	13,403.3
Other assets	146.0
Total assets	$26,973.9
Accounts payable	$671.4
Other current liabilities	872.5
Debt assumed, at fair value	1,198.7
Deferred income tax liabilities	4,875.9
Other noncurrent liabilities	643.2
Total liabilities	$8,261.7
Noncontrolling interests	28.9
Total merger consideration, net of cash acquired	$18,683.3
Debt repayments, net of cash acquired	$3,388.9
Cash paid for the acquisition of Jarden common stock	5,187.6
Total cash paid, net of cash acquired	8,576.5
Accrual for merger consideration	626.5
Fair value of 213.9 million shares of Company common stock issued	9,480.3
Total merger consideration, net of cash acquired	$18,683.3

Approximately $174.8 million of the goodwill is expected to be tax deductible. The goodwill associated with the Jarden Acquisition is primarily related to synergies expected to arise after the acquisition.

The Company's Condensed Consolidated Statements of Operations for the three months ended September 30, 2016 includes $2.4 billion of net sales and of $134.2 million operating income related to Jarden and the nine months ended September 30, 2016 includes $4.7 billion of net sales and $125.1 million of operating income related to Jarden.

The following unaudited pro forma financial information presents the combined results of operations of Newell Rubbermaid and Jarden for the three and nine months ended September 30, 2016 and 2015 as if the Jarden Acquisition had occurred on January 1, 2015. The unaudited pro forma financial information is not intended to represent or be indicative of the Company's consolidated results of operations that would have been reported had the Jarden Acquisition been completed as of January 1, 2015 and should not be taken as indicative of the Company's future consolidated results of operations. The Company expects to incur restructuring and other integration costs that are not included in the pro forma results of operations presented below. Pro forma adjustments are tax-effected at the Company's estimated statutory tax rates.

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	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions, except per share data)	2016	2015	2016	2015
Net sales	$3,954.6	$3,786.3	$11,521.7	$10,348.4
Net income (loss)	273.2	209.3	588.8	(240.9)
Earnings (loss) per share:				
Basic	$0.56	$0.43	$1.23	$(0.50)
Diluted	$0.56	$0.43	$1.22	$(0.50)

The unaudited pro forma financial information for the three months ended September 30, 2016 and 2015 include $52.1 million and $42.4 million, respectively, for the amortization of acquired intangibles, and the unaudited pro forma financial information for the nine months ended September 30, 2016 and 2015 include $155.9 million and $128.6 million, respectively, for the amortization of acquired intangibles from the Jarden Acquisition based on the preliminary purchase price allocation. The unaudited pro forma financial information for the nine months ended September 30, 2015 also includes $911.4 million of non-recurring charges related to the Jarden Acquisition, which are comprised of charges for the fair market value adjustment for manufacturers profit in inventory and other acquisition-related costs.

Footnote 3 — Discontinued Operations and Divestitures

Discontinued Operations

The following table provides a summary of amounts included in discontinued operations for the periods indicated (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net sales	$ —	$ 16.2	$—	$48.5
Income (loss) from discontinued operations before income taxes	$ —	$ 0.4	$(1.3)	$(3.5)
Income tax expense (benefit)	—	0.2	(0.3)	(1.3)
Income (loss) from discontinued operations	—	0.2	(1.0)	(2.2)
Net gain from sale of discontinued operations, net of tax	—	—	0.6	—
Income (loss) from discontinued operations, net of tax	$ —	$ 0.2	$(0.4)	$(2.2)

Divestitures

On June 30, 2016, the Company sold its Décor business, including Levolor® and Kirsch® window coverings and drapery hardware, for net consideration of $232.2 million, subject to customary working capital adjustments expected to be settled during the fourth quarter. The proceeds are net of $2.8 million of transaction expenses and $2.8 million of cash included in the assets sold. The net assets of the Décor business were $72.7 million, including $19.2 million of goodwill, resulting in a pretax gain of $159.5 million, which is included in other (income) expense, net for the nine months ended September 30, 2016.

Held for Sale

In October 2016, the Company announced its intention to divest several businesses and brands to strengthen the portfolio to better align with the long-term growth plan. The affected businesses and brands, which will all be reported in future periods continuing operations, are as follows: the Tools business, including the Irwin®, Lenox®, and hilmor® brands in the Tools segment; the Winter Sports business, including the Völkl® and K2® brands and the Zoot® and Squadra® brands in the Outdoor Solutions segment; the heaters, fans, and humidifiers business with related brands in the Consumer Solutions segment; the Rubbermaid® consumer storage totes business in the Home Solutions segment; the Lehigh business, primarily ropes, cordage and chains under the Lehigh® brand in the Branded

Consumables segment; and the stroller business under the Teutonia® brand in the Baby and Parenting segment.
During October 2016, the Company entered into an agreement to sell the Tools business for an estimated price of $1.95 billion, subject to working capital adjustments. The transaction is expected to close in 2017, subject to certain customary conditions, including regulatory approvals, and the Company anticipates this will result in a pretax gain of approximately $1.0 billion. The Tools business generated 4.5% and 12.4% of the Company’s consolidated net sales for the three months ended September 30, 2016 and 2015, respectively and 5.9% and 12.9% for the nine months ended September 30, 2016 and 2015, respectively.

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The following table presents information related to the major classes of assets and liabilities that were classified as assets and liabilities held for sale in the Condensed Consolidated Balance Sheets as of September 30, 2016 and December 31, 2015 (in millions):

	September 30, 2016	December 31, 2015
Accounts receivable, net	$ 90.9	$ —
Inventories, net	387.9	35.3
Prepaid expenses and other	21.9	2.0
Property, plant and equipment, net	204.3	18.2
Goodwill	762.7	19.2
Other intangible assets, net	242.6	23.7
Other assets	1.5	—
Total Assets	$ 1,711.8	$ 98.4
Accounts payable	$ 104.1	$ 34.8
Accrued compensation	28.6	—
Other accrued liabilities	50.8	8.5
Short-term debt and current portion long-term debt	8.0	—
Other noncurrent liabilities	16.3	—
Total Liabilities	$ 207.8	$ 43.3

Footnote 4 — Stockholders' Equity and Accumulated Other Comprehensive Loss

Share Repurchase Program

In August 2011, the Company announced a three-year share repurchase program (the "SRP"). Under the SRP, the Company may repurchase its own shares of common stock through a combination of 10b5-1 automatic trading plans, discretionary market purchases or in privately negotiated transactions. As expanded and extended in November 2014, the Company may repurchase a total of up to $1.1 billion of its own stock through the end of 2017 pursuant to the SRP. As of September 30, 2016, the Company had $255.9 million available under the SRP for future repurchases.

Accumulated Other Comprehensive Loss

The following tables display the changes in accumulated other comprehensive loss ("AOCI") by component for the nine months ended September 30, 2016 and 2015 (in millions):

	Foreign Currency Translation Loss [(1)]	Unrecognized Pension & Other Postretirement Costs, Net of Tax	Derivative Hedging Gain (Loss), Net of Tax	AOCI
Balance at December 31, 2015	$ (411.7)	$ (422.3)	$ 0.2	$(833.8)
Other comprehensive (loss) income before reclassifications	(23.3)	13.6	(74.5)	(84.2)
Amounts reclassified to earnings	1.8	9.6	25.6	37.0
Net current period other comprehensive (loss) income	(21.5)	23.2	(48.9)	(47.2)
Balance at September 30, 2016	$ (433.2)	$ (399.1)	$ (48.7)	$(881.0)

(1) Includes foreign exchange losses of $5.7 million arising during the nine months ended September 30, 2016 associated with intercompany loans designated as long-term and $2.3 million of foreign exchange gains associated with long-term debt designated as a hedge of a net investment.

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	Foreign Currency Translation Loss [2]	Unrecognized Pension & Other Postretirement Costs, Net of Tax	Derivative Hedging Gain (Loss), Net of Tax	AOCI
Balance at December 31, 2014	$ (287.8)	$ (511.7)	$ 5.1	$(794.4)
Other comprehensive (loss) income before reclassifications	(128.6)	3.5	5.6	(119.5)
Amounts reclassified to earnings	—	12.1	(6.9)	5.2
Net current period other comprehensive (loss) income	(128.6)	15.6	(1.3)	(114.3)
Balance at September 30, 2015	$ (416.4)	$ (496.1)	$ 3.8	$(908.7)

(2) Includes foreign exchange losses of $16.9 million arising during the nine months ended September 30, 2015 associated with intercompany loans designated as long-term.

The following table depicts reclassifications out of AOCI to earnings for the periods indicated (in millions):

	Amount Reclassified to Earnings as Expense (Benefit) in the Statements of Operations				Affected Line Item in the Condensed Consolidated Statements of Operations
	Three Months Ended September 30,		Nine Months Ended September 30,		
	2016	2015	2016	2015	
Foreign currency translation loss:					
Total before tax	$—	$—	$1.8	$—	Other (income) expense, net
Tax effect	—	—	—	—	
Net of tax	$—	$—	$1.8	$—	
Unrecognized pension and other postretirement costs:					
Total before tax	$6.1	$5.7	$13.1	$17.1	(1)
Tax effect	(1.2)	(1.5)	(3.5)	(5.0)	
Net of tax	$4.9	$4.2	$9.6	$12.1	
Derivatives:					
Total before tax	$6.0	$(2.4)	$32.6	$(10.3)	(2)
Tax effect	(1.2)	1.3	(7.0)	3.4	
Net of tax	$4.8	$(1.1)	$25.6	$(6.9)	

(1) These accumulated other comprehensive income (loss) components are included in the computation of net periodic pension and other postretirement benefit costs, which are recorded in the cost of products sold and selling, general and administrative expenses line-items in the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2016 and 2015. See Footnote 11 for further details.

(2) These accumulated other comprehensive income (loss) components are included in cost of products sold, other expense and interest expense line-items in the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2016 and 2015. See Footnote 10 for further details.

Footnote 5 — Restructuring Costs

Restructuring provisions were determined based on estimates prepared at the time the restructuring actions were approved by management and are periodically updated for changes. Restructuring amounts also include amounts recognized as incurred.

Project Renewal

Project Renewal was launched in October 2011 to reduce the complexity of the organization and increase investment in growth platforms within the business. Under Project Renewal, the Company is simplifying and aligning its businesses around two key activities, Brand & Category Development and Market Execution & Delivery; simplifying and streamlining the supply chain and overhead and partnering functions to align with the new structure; and optimizing its selling and trade marketing functions.

Cumulative costs of Project Renewal are expected to be approximately $690.0 million to $725.0 million pretax, with cash costs of approximately $645.0 million to $675.0 million. Approximately 60% to 70% of the total costs are expected to be restructuring costs, a majority of which are expected to be employee-related cash costs, including severance, retirement and other termination benefits and costs. Projects associated with Project Renewal are expected to be complete by the end of 2017, and as a result, cash payments and savings will be realized in 2018 and later years.

The following table depicts the restructuring costs incurred in connection with Project Renewal for the periods indicated (in millions):

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	Three Months Ended September 30,		Nine Months Ended September 30,		Since Inception Through
	2016	2015	2016	2015	September 30, 2016
Facility and other exit costs, including impairments	$(0.1)	$5.5	$1.5	$5.2	$ 28.9
Employee severance, termination benefits and relocation costs	1.4	11.8	(4.0)	40.0	214.5
Exited contractual commitments and other	(1.5)	2.5	15.5	13.4	79.4
	$(0.2)	$19.8	$13.0	$58.6	$ 322.8

The following table depicts the activity in accrued restructuring reserves for Project Renewal for the nine months ended September 30, 2016 (in millions):

	December 31, 2015	Restructuring		September 30, 2016
	Balance	Costs	Costs Incurred	Balance
Facility and other exit costs, including impairments	$ —	$ 1.5	$ (1.5)	$ —
Employee severance, termination benefits and relocation costs	49.3	(4.0)	(21.5)	23.8
Exited contractual commitments and other	17.3	15.5	(12.4)	20.4
	$ 66.6	$ 13.0	$ (35.4)	$ 44.2

Jarden Integration

The Company currently expects to incur up to $500.0 million of restructuring and other costs through 2020 to integrate the legacy Newell Rubbermaid and Jarden businesses (the “Jarden Integration”). Initially, integration projects will primarily be focused on driving cost synergies in procurement, overhead functions and organizational changes designed to redefine the operating model of the Company from a holding company to an operating company. Restructuring costs associated with integration projects are expected to include employee-related cash costs, including severance, retirement and other termination benefits, and contract termination and other costs. In addition, other costs associated with the integration are expected to include advisory and personnel costs for managing and implementing integration projects.

The following table depicts the activity in accrued restructuring reserves for the Jarden Integration for the nine months ended September 30, 2016 (in millions):

	December 31, 2015	Restructuring		September 30, 2016
	Balance	Costs	Costs Incurred	Balance
Facility and other exit costs, including impairments	$ —	$ —	$ —	$ —
Employee severance, termination benefits and relocation costs	—	20.6	(11.6)	9.0
Exited contractual commitments and other	—	—	—	—
	$ —	$ 20.6	$ (11.6)	$ 9.0

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Restructuring Costs

The table below shows restructuring costs recognized for all restructuring activities in continuing operations for the periods indicated, aggregated by reportable business segment (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
Segment	2016	2015	2016	2015
Writing	$1.1	$6.8	$12.1	$10.4
Home Solutions	(0.5)	(0.6)	(1.9)	4.5
Tools	0.4	2.1	0.5	2.9
Commercial Products	—	0.8	—	1.9
Baby & Parenting	(1.8)	1.3	3.1	3.4
Branded Consumables	2.8	—	2.8	—
Consumer Solutions	1.0	—	1.2	—
Outdoor Solutions	3.4	—	3.8	—
Process Solutions	—	—	—	—
Corporate	6.6	10.6	20.1	38.5
	$13.0	$21.0	$41.7	$61.6

Cash paid for all restructuring activities was $10.8 million and $11.2 million for the three months ended September 30, 2016 and 2015, respectively, and $41.6 million and $41.4 million for the nine months ended September 30, 2016 and 2015, respectively.

Footnote 6 — Inventories, Net

Inventories are stated at the lower of cost or market value. The components of net inventories were as follows (in millions):

	September 30, 2016	December 31, 2015
Materials and supplies	$ 414.4	$ 117.3
Work in process	234.3	108.0
Finished products	1,785.4	496.5
	$ 2,434.1	$ 721.8

Footnote 7 — Property, Plant & Equipment, Net

Property, plant and equipment, net, consisted of the following, (in millions):

	September 30, 2016	December 31, 2015
Land	$107.1	$ 20.2
Buildings and improvements	654.3	350.8
Machinery and equipment	2,404.6	1,743.7
	3,166.0	2,114.7
Accumulated depreciation	(1,652.3)	(1,515.5)
	$1,513.7	$ 599.2

Depreciation expense for continuing operations was $62.8 million and $23.7 million for the three months ended September 30, 2016 and 2015, respectively, and $152.9 million and $69.6 million for the nine months ended September 30, 2016 and 2015, respectively.

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Footnote 8 — Goodwill and Other Intangible Assets, Net

A summary of changes in the Company's goodwill by reportable business segment is as follows (in millions):

Segment	December 31, 2015 Balance	Acquisitions[1]	Other Adjustments [2]	Foreign Currency	September 30, 2016 Balance
Writing	$ 1,359.0	$ 486.6	$ —	$ 12.5	$ 1,858.1
Home Solutions	361.1	578.4	—	—	939.5
Tools	474.4	249.6	(713.6)	(1.8)	8.6
Commercial Products	387.3	239.3	—	(0.6)	626.0
Baby & Parenting	209.4	375.5	—	4.2	589.1
Branded Consumables	—	3,131.2	—	—	3,131.2
Consumer Solutions	—	614.4	—	—	614.4
Outdoor Solutions	—	2,214.4	(49.1)	—	2,165.3
Process Solutions	—	503.9	—	—	503.9
	$ 2,791.2	$ 8,393.3	$ (762.7)	$ 14.3	$ 10,436.1

(1) Amounts primarily represent the preliminary estimate of goodwill attributable to the Jarden Acquisition and the preliminary allocation of goodwill to the Company's segments.

(2) Includes amounts reclassified to assets held for sale.

In connection with the Jarden Acquisition, the Company acquired intangible assets primarily consisting of trademarks, trade names, customer relationships and distributor channels. Based on the preliminary purchase price allocation, the Company allocated $13,403.3 million of the purchase price for the Jarden Acquisition to identified intangible assets. The preliminary amounts included in the Gross Carrying Amount in the table below attributable to the Jarden Acquisition are as follows: trade names - indefinite life - $9,478.0 million; trade names - other - $246.4 million; capitalized software - $62.8 million; customer relationships & distributor channels - $3,501.5 million; and, other intangible assets - $114.6 million. Intangible assets, net consisted of the following as of the dates indicated (in millions):

	September 30, 2016			December 31, 2015		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Trade names — indefinite life	$9,957.6	$ —	$9,957.6	$653.4	$ —	$653.4
Trade names — other	286.4	(28.8)	257.6	46.0	(30.0)	16.0
Capitalized software	466.5	(238.8)	227.7	465.6	(252.7)	212.9
Patents and intellectual property	230.0	(98.0)	132.0	142.8	(89.9)	52.9
Customer relationships & distributor channels	3,711.6	(170.6)	3,541.0	231.9	(104.5)	127.4
Other	26.4	(9.8)	16.6	4.2	(3.1)	1.1
	$14,678.5	$ (546.0)	$14,132.5	$1,543.9	$ (480.2)	$1,063.7

The table below summarizes the Company's amortization periods for other intangible assets, including capitalized software, as of September 30, 2016:

	Amortization Periods (in years)
Trade names — indefinite life	N/A
Trade names — other	3–30 years
Capitalized software	3–12 years
Patents and intellectual property	3–14 years
Customer relationships & distributor channels	3–30 years
Other	3–5 years

Amortization expense for intangible assets for continuing operations was $75.1 million and $18.8 million for the three months ended September 30, 2016 and 2015, respectively, and $154.3 million and $57.2 million for the nine months ended September 30, 2016 and 2015, respectively.

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As of September 30, 2016 , the aggregate estimated intangible amortization amounts for the three months ending December 31, 2016 and succeeding four years ending December 31, are as follows (in millions):

2016	2017	2018	2019	2020
$73.2	$311.7	$307.0	$287.1	$235.6

Actual amortization expense to be reported in future periods could differ materially from these estimates as a result of finalizing the purchase price allocation of the Jarden Acquisition, future acquisitions, changes in useful lives and other relevant factors.

Footnote 9 — Debt

The following is a summary of outstanding debt (in millions):

	September 30, 2016	December 31, 2015
Medium-term notes (original maturities up to 10 years)	$ 9,061.8	$ 2,674.1
Long-term notes (original maturities more than 10 years)	2,221.7	—
Term loan	748.9	—
Commercial paper	187.0	—
Receivables facilities	449.4	350.0
Other debt	79.0	33.8
Total debt	12,747.8	3,057.9
Short-term debt and current portion of long-term debt	(704.5)	(388.8)
Long-term debt	$ 12,043.3	$ 2,669.1

Medium-term and Long-term Notes

In March 2016, the Company completed the offering and sale of $8.0 billion principal amount of unsecured senior notes, consisting of $1.0 billion of aggregate principal amount of 2.60% notes due March 2019 (the “2019 Notes”), $1.0 billion of aggregate principal amount of 3.15% notes due April 2021 (the “2021 Notes”), $1.75 billion of aggregate principal amount of 3.85% notes due April 2023 (the “2023 Notes”), $2.0 billion of aggregate principal amount of 4.20% notes due April 2026 (the “2026 Notes”), $500.0 million of aggregate principal amount of 5.375% notes due April 2036 (the “2036 Notes”) and $1.75 billion of aggregate principal amount of 5.50% notes due April 2046 (the “2046 Notes” and, together with the 2019 Notes, the 2021 Notes, the 2023 Notes, the 2026 Notes and the 2036 Notes, the “Notes”). The aggregate net proceeds from the issuance of the Notes were $7.9 billion, which were used to pay the cash portion of the merger consideration in the Jarden Acquisition and to repay a significant portion of Jarden’s outstanding debt at closing. The Notes are senior obligations of the Company and rank equally with all of its other unsecured and unsubordinated indebtedness from time to time outstanding. At the Company’s option, all or any portion of the 2019 Notes may be redeemed at any time, all or any portion of the 2021 Notes may be redeemed at any time prior to March 1, 2021 (the date that is one month prior to the maturity date), all or any portion of the 2023 Notes may be redeemed at any time prior to February 1, 2023 (the date that is two months prior to the maturity date), all or any portion of the 2026 Notes may be redeemed at any time prior to January 1, 2026 (the date that is three months prior to the maturity date), all or any portion of the 2036 Notes may be redeemed at any time prior to October 1, 2035 (the date that is six months prior to the maturity date), and all or any portion of the 2046 Notes may be redeemed at any time prior to October 1, 2045 (the date that is six months prior to the maturity date) (each such date the applicable “par call date”). The redemption price for the Notes is equal to the greater of (1) 100% of the principal amount of the Notes being redeemed on the redemption date or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes being redeemed (in the case of the 2026 Notes, assuming that the 2026 Notes matured on the par call date) (not including any portion of any payments of interest accrued to the redemption date), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate, plus an applicable premium; plus in each case, accrued and unpaid interest on the Notes being redeemed to the redemption date. If the 2021 Notes are redeemed on or after a date that is one month prior to the maturity date of the 2021 Notes, the 2023 Notes are redeemed on or after a date that is two months prior to the maturity date of the 2023 Notes, the 2026 Notes are redeemed on or after a date that is three months prior to the maturity date of the 2026 Notes, or the 2036 Notes or the 2046 Notes are redeemed on or after a date that is six

months prior to the maturity date of such notes, then the redemption price of such notes will be equal to 100% of the principal amount of the notes so redeemed plus accrued interest to such redemption date. The interest rate payable on each series of Notes will be subject to adjustment if either of two credit rating agencies downgrade (or subsequently upgrade) its rating assigned to the Notes, but in no event shall the interest rate payable on each series of Notes be less than the stated interest rate or more than 200 basis points greater than the stated interest rate on each series of Notes as a result of such credit rating agencies downgrades or upgrades.

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In October 2015, the Company completed the offering and sale of $600.0 million of unsecured senior notes, consisting of $300.0 million aggregate principal amount of 2.15% notes due October 2018 (the "2018 Notes") and $300.0 million aggregate principal amount of 3.90% notes due November 2025 (the "2025 Notes"). The aggregate net proceeds from the issuance of the 2018 Notes and 2025 Notes were $594.6 million, which were used for the acquisition of Elmer's and for general corporate purposes.

Receivables-Related Borrowings

As extended and expanded, the Company's receivables facility expired in October 2016, and until September 30, 2016 was used to provide for available borrowings of up to $400.0 million (the "Receivables Facility"). Under the Receivables Facility, the Company and certain operating subsidiaries (collectively, the "Originators") sell their receivables to a financing subsidiary as the receivables are originated. The financing subsidiary is wholly-owned by the Company and is the owner of the purchased receivables and the borrower under the Receivables Facility. The assets of the financing subsidiary are restricted as collateral for the payment of debt or other obligations arising under the Receivables Facility, and the financing subsidiary's assets and credit are not available to satisfy the debts and obligations owed to the Company's or any other Originator's creditors. The Company includes the financing subsidiary's assets, liabilities and results of operations in its Condensed Consolidated Financial Statements. The Receivables Facility, as amended, requires, among other things, that the Company maintain a certain interest coverage ratio, and the Company was in compliance with such requirements under the Receivables Facility as of September 30, 2016. The financing subsidiary owned $928.0 million of outstanding accounts receivable as of September 30, 2016, and these amounts are included in accounts receivable, net in the Company's Condensed Consolidated Balance Sheet at September 30, 2016. The Company had $330.0 million of outstanding borrowings under the Receivables Facility as of September 30, 2016.

Prior to completion of the Jarden Acquisition in April 2016, Jarden maintained a $500.0 million receivables purchase agreement (the "Securitization Facility") that matured in October 2016 pursuant to which a substantial portion of Jarden's U.S. accounts receivable were sold to a wholly-owned subsidiary of Jarden. Jarden's wholly-owned subsidiary funded these purchases with borrowings under a loan agreement, and such borrowings were secured by the purchased accounts receivable. Upon completion of the Jarden Acquisition in April 2016, the Securitization Facility was amended to provide for borrowings to a subsidiary of the Company on terms substantially similar to those under the Securitization Facility, and borrowings by the Company's subsidiary under the Securitization Facility are collateralized by a portion of the Company's U.S. accounts receivable. The outstanding accounts receivable provided as collateral for the Securitization Facility totaled $888.2 million as of September 30, 2016, and these amounts are included in accounts receivable, net in the Company's Condensed Consolidated Balance Sheet at September 30, 2016. The Company had $119.4 million of outstanding borrowings and $7.1 million of standby letters of credit issued under the Securitization Facility as of September 30, 2016.

Effective October 3, 2016, the Company terminated both its Receivable Facility and Jarden's Securitization Facility. On October 3, 2016, the Company and Jarden Receivables, LLC ("Jarden Receivables"), a wholly-owned subsidiary of the Company, entered into a loan and servicing agreement (the "Loan and Servicing Agreement"), among Jarden Receivables, as borrower, the Company, as servicer, the conduit lenders, the committed lenders and the managing agents named therein, Wells Fargo Bank, National Association, as issuing lender, PNC Bank, National Association, as administrative agent, and PNC Capital Markets LLC, as structuring agent. The Loan and Servicing Agreement and related receivables sale and contribution agreement and performance undertaking (collectively, the "New Securitization Documents") were entered into in order to, among other things, replace the existing securitization programs ("Receivable Facility" and the "Securitization Facility") of the Company and certain of its subsidiaries with a new $950.0 million, three-year securitization program. Pursuant to the terms of the New Securitization Documents, the Company and certain operating subsidiaries (collectively, the "Originators") will sell, on an ongoing basis, their receivables to Jarden Receivables and Jarden Receivables will acquire such receivables through loans received under the Loan and Servicing Agreement. Jarden Receivables is wholly-owned by the Company and will be the owner of the purchased receivables and is the borrower under the Loan and Servicing Agreement. The assets of Jarden Receivables will be restricted as collateral for the payment of debt or other obligations arising under the facility, and Jarden Receivables' assets and credit are not available to satisfy the debts and obligations owed to the Company's or any other Originator's

creditors. The Company includes Jarden Receivables' assets, liabilities and results of operations in its consolidated financial statements. Interest accrues at a rate based on (i) LIBOR or commercial paper interest rates plus an applicable spread or (ii) a base rate equal to the highest of (x) the prime rate, (y) the federal funds rate plus 0.50% or (z) one month LIBOR plus 1.00%. The Company will provide a guarantee of all obligations of each of the Originators under the New Securitization Documents. The Loan and Servicing Agreement contains customary events of termination, representations and warranties and affirmative and negative covenants for facilities of this type, including the obligation of the Company to maintain the same total indebtedness to total capital ratio as it is required to maintain under its revolving credit facility.

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Revolving Credit Facility and Commercial Paper

In January 2016, the Company entered into a five-year revolving credit agreement (the “Revolving Credit Agreement”) with a syndicate of banks. The Revolving Credit Agreement amends and restates in its entirety the Company’s previous revolving credit facility. The Revolving Credit Agreement provides for an unsecured syndicated revolving credit facility with a maturity date of January 2021, and an aggregate commitment at any time outstanding of up to $1.25 billion (the “Facility”). The Company may from time to time request increases in the aggregate commitment to up to $1.75 billion upon the satisfaction of certain conditions. The Company may request extensions of the maturity date of the Facility (subject to lender approval) for additional one-year periods. Borrowings under the Facility will be used for general corporate purposes, and the Facility provides the committed backup liquidity required to issue commercial paper. Accordingly, commercial paper may be issued only up to the amount available for borrowing under the Facility. Under the Facility, the Company may borrow funds on a variety of interest rate terms. The Revolving Credit Agreement, as amended, requires, among other things, that the Company maintain certain interest coverage and debt-to-total capitalization ratios, and the Company was in compliance with such requirements under the Revolving Credit Agreement as of September 30, 2016. The Facility also provides for the issuance of up to $100.0 million of letters of credit, so long as there is a sufficient amount available for borrowing under the Facility. The Company may borrow, prepay and re-borrow amounts under the Facility at any time prior to termination of the Facility. As of September 30, 2016, there were no borrowings outstanding and $44.0 million of standby letters of credit issued under the Facility. As of September 30, 2016, the Company had outstanding commercial paper obligations of $187.0 million, resulting in $1,019.0 million of borrowing capacity under the Facility.

In addition to the committed portion of the Facility, the Revolving Credit Agreement provides for extensions of competitive bid loans from one or more lenders (at the lenders’ discretion) of up to $500.0 million, which are not a utilization of the amount available for borrowing under the Facility.

Bridge Credit Facility

On December 13, 2015, the Company entered into a commitment letter with a lender. The lender committed to provide financing for the Jarden transaction, consisting of a $10.5 billion senior unsecured bridge facility (the “Jarden Bridge Facility”). The availability under the Jarden Bridge Facility was subject to reduction in equivalent amounts upon the completion of any issuance of debt securities by the Company and upon other specified events. Due to the Company entering into the term loan credit agreement as described below, completing the issuance of the Notes in March 2016 and other considerations, the Jarden Bridge Facility was terminated. Other current assets as of December 31, 2015 included $45.9 million of unamortized origination fees associated with the commitment letter contemplating the Jarden Bridge Facility. Upon cancellation of the Jarden Bridge Facility, the $45.9 million of issuance costs were written off and recorded as a loss related to termination of credit facility in the Condensed Consolidated Statement of Operations for the nine months ended September 30, 2016.

Term Loan Credit Agreement

On January 26, 2016, the Company entered into a credit agreement (the “Term Loan Credit Agreement”) for a $1.5 billion senior unsecured term loan facility with a syndicate of banks. In April 2016, the Company borrowed $1.5 billion pursuant to the Term Loan Credit Agreement, and the borrowings were used to pay a portion of the cash portion of the merger consideration in connection with the Jarden Acquisition. The Term Loan Credit Agreement provides for a maturity date of three years from the closing date of the Jarden Acquisition and requires the Company to repay 5% of the initial borrowings by each of April 2017 and April 2018, 45% of the borrowings by October 2018 and the remaining 45% of the borrowings by April 2019. At the Company’s election, borrowings under the Term Loan Credit Agreement bear interest either at (i) the eurodollar rate plus an applicable margin, or (ii) the base rate plus an applicable margin. During the nine months ended September 30, 2016, the Company repaid $750.0 million of the borrowings outstanding under the Term Loan Credit Agreement. As of September 30, 2016, the Company had outstanding borrowings of $750.0 million under the Term Loan Credit Agreement which bear interest at an average rate of 2.0625%.

Notes Exchange

In March 2016, the Company commenced exchange offers (the “Exchange Offers”) pursuant to which the Company offered to issue new senior notes (the “Newell Notes”) in exchange for €300.0 million aggregate principal amount of the

outstanding 3.75% senior notes due October 2021 issued by Jarden and of the $300.0 million aggregate principal amount of the outstanding 5.00% senior notes due November 2023 issued by Jarden (collectively, the “Existing Jarden Notes”) and concurrently solicited consents (the “Consent Solicitations”) from the eligible holders of the Existing Jarden Notes to amend the related indentures. The Exchange Offers and Consent Solicitations expired and were settled in April 2016. The aggregate principal amount of each series of Newell Notes issued in the Exchange Offers totaled €271.9 million of 3.75% senior notes due October 2021 (the “Euro Notes”) and $295.1 million 5.00% senior notes due November 2023 (“the “USD Notes”). The Newell Notes are senior unsecured obligations of the Company and rank equally in right of payment with all of its other existing or future senior unsecured debt, and are structurally subordinated to the secured and unsecured debt of the Company’s subsidiaries, including any debt of Jarden that remains outstanding.

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The Exchange Offers were not registered under the Securities Act of 1933, as amended (the “Securities Act”), and as a result, the Newell Notes may not be offered or sold in the U.S. absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws. In connection with the completion of the Exchange Offers, the Company entered into a registration rights agreement pursuant to which the Company agreed to use its commercially reasonable efforts to file a registration statement before January 2017 relating to an offer to exchange the Newell Notes for registered notes of the Company having substantially the same terms as the Newell Notes. The Company completed the required registered exchange offer on October 26, 2016 and exchanged 95.61% of the Euro Notes and 100% of the USD Notes for registered notes, in each case, having substantially identical terms.

Following the consummation of the Exchange Offers, Jarden had outstanding approximately (i) €28.1 million in aggregate principal amount of its 3.75% senior notes due October 2021 (the “Jarden Euro Notes”) and (ii) $4.9 million in aggregate principal amount of its 5.00% senior notes due November 2023 (the “Jarden USD Notes” and, together with the Jarden Euro Notes, the “Remaining Existing Jarden Notes”). In April 2016, Jarden entered into supplemental indentures related to the Remaining Existing Jarden Notes that eliminated substantially all of the restrictive covenants, eliminated the cross-default under Jarden’s indebtedness as an event of default, released the guarantees of any guarantors on the Remaining Existing Jarden Notes and evidenced the assumption of the obligations of the Remaining Existing Jarden Notes by a wholly-owned subsidiary of the Company. The Remaining Existing Jarden Notes are the senior unsecured obligations of a wholly-owned subsidiary of the Company.

Net Investment Hedge

The Company has designated the €300.0 million principal balance of the 3.75% senior notes due October 2021 as a net investment hedge of the foreign currency exposure of its net investment (the “Hedging Instrument”) in certain Euro-functional currency subsidiaries with Euro-denominated net assets. Foreign currency gains and losses on the Hedging Instrument, which was a $2.3 million gain during the three months ended September 30, 2016, are recorded as an adjustment to AOCI. See Footnote 10 for disclosures regarding the Company’s derivative financial instruments.

Footnote 10 — Derivatives

The use of financial instruments, including derivatives, exposes the Company to market risk related to changes in interest rates, foreign currency exchange rates and commodity prices. The Company primarily uses derivatives to manage its interest rate exposure, to achieve a desired proportion of variable and fixed-rate debt, to manage the risk associated with the volatility of future cash flows denominated in foreign currencies, to manage changes in fair value resulting from changes in foreign currency exchange rates and to manage the risk associated with the volatility of future cash flows associated with changes in commodity prices. The Company does not use derivative instruments for speculative or trading purposes.

Fair Value Hedges-Interest Rate Swap Agreements

The Company generally enters into interest rate swap agreements related to existing debt obligations with initial maturities ranging from 5 to 10 years, although the Company may enter into interest rate swap agreements with respect to debt obligations with shorter or longer maturities. The Company’s interest rate swap agreements have the economic effect of modifying the fixed interest obligations associated with approximately $596.0 million of the medium-term notes so that the interest payable on these medium-term notes effectively became variable. The Company uses these interest rate swap agreements to manage its interest rate exposure and to achieve a desired proportion of variable and fixed-rate debt. The critical terms of the interest rate swap agreements match the critical terms of the medium-term notes that the interest rate swap agreements pertain to, including the notional amounts and maturity dates. These transactions are characterized as fair value hedges for accounting purposes because they protect the Company against changes in the fair values of certain fixed-rate borrowings due to benchmark interest rate movements. The changes in fair values of these interest rate swap agreements are recognized as interest expense in the Condensed Consolidated Statements of Operations with the corresponding amounts included in other assets or other noncurrent liabilities in the Condensed Consolidated Balance Sheets. The amount of net gain (loss) attributable to the risk being hedged is recognized as interest expense in the Condensed Consolidated Statements of Operations with the corresponding amount included in current portion of long-term debt and long-term debt. The periodic interest settlements for the interest rate swap agreements are recorded as interest expense and are included as a part of cash

flows from operating activities.

Cash Flow Hedges-Forward-Starting Interest Rate Swaps

The Company also uses derivatives to hedge interest rates on anticipated issuances of medium-term and long-term notes. The Company generally uses these instruments to hedge interest rates on anticipated debt issuances occurring within one year or less of the inception date of the derivative, although the Company may use such instruments to hedge interest rates on anticipated issuances occurring beyond one year of the inception date of the derivative. The Company uses these instruments to reduce the volatility in future interest payments that would be made pursuant to the anticipated issuances of the notes. These derivatives are designated as cash flow hedges. The changes in fair values of these instruments are recognized in other comprehensive income

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(loss), and after the notes are issued and the derivative instruments are settled, the amount in other comprehensive income (loss) is amortized to interest expense in the Condensed Consolidated Statements of Operations over the term of the related notes. The cash paid or received from the settlement of forward-starting interest rate swaps is included in cash flows from operating activities.

Cash Flow Hedges-Cross-Currency Interest Rate Swap Agreements

The Company's foreign exchange risk management policy emphasizes hedging foreign currency intercompany financing activities with derivatives, and the hedges and related intercompany financing arrangements generally have maturity dates of 3 years or less from inception. The Company may use such instruments to hedge intercompany financing arrangements with maturities of more than three years. The Company uses derivative instruments, such as cross-currency interest rate swap agreements, to hedge currency risk associated with foreign currency-denominated assets and liabilities associated with intercompany financing activities. In connection with intercompany financing arrangements entered into in April 2015, the Company entered into two cross-currency interest rate swap agreements to manage the related foreign currency exchange risk of the intercompany financing arrangements. As of September 30, 2016, the notional value of outstanding cross-currency interest rate swaps was $188.0 million, and the cross-currency interest rate swaps are intended to eliminate uncertainty in cash flows in U.S. Dollars and British Pounds in connection with the intercompany financing arrangements. The cross-currency interest rate swap agreements have been designated as qualifying hedging instruments and are accounted for as cash flow hedges. The critical terms of the cross-currency interest rate swap agreements correspond to the terms of the intercompany financing arrangements, including the annual principal and interest payments being hedged, and the cross-currency interest rate swap agreements mature at the same time as the intercompany financing arrangements.

The Company uses the hypothetical derivative method to measure the effectiveness of its cross-currency interest rate swap agreements. The fair values of these cross-currency interest rate swap agreements are recognized as other assets or other noncurrent liabilities in the Condensed Consolidated Balance Sheets. The effective portions of the changes in fair values of these cross-currency interest rate swap agreements are reported in accumulated other comprehensive income (loss) in the Condensed Consolidated Balance Sheets and an amount is reclassified out of accumulated other comprehensive income (loss) into other expense, net, in the same period that the carrying value of the underlying foreign currency intercompany financing arrangements are remeasured. The ineffective portion of the unrealized gains and losses on these cross-currency interest rate swaps, if any, is recorded immediately to other expense, net. The Company evaluates the effectiveness of its cross-currency swap agreements on a quarterly basis, and the Company did not record any ineffectiveness for the nine months ended September 30, 2016 and 2015. The cash flows related to the cross-currency interest rate swap agreements, including amounts related to the periodic interest settlements and the principal balances, are included in cash flows from operating activities.

Foreign Currency Forward Contracts

A portion of our revenues, costs and earnings in foreign affiliates is exposed to changes in foreign exchange rates. The Company seeks to manage such foreign exchange risk, in part, through operational means, including managing same-currency revenues in relation to same-currency costs and same-currency assets in relation to same-currency liabilities. Depending on market conditions, foreign exchange risk also is managed through the use of derivative financial instruments.

All derivative contracts used to manage foreign currency risk are measured at fair value and are reported as assets or liabilities on the consolidated balance sheet. Changes in fair value are reported in earnings or in Other comprehensive income/(loss) ("OCI"), depending on the nature and purpose of the financial instrument (offset or hedge relationship) and the effectiveness of the hedge relationships, as follows:

- The Company records in OCI the effective portion of the gains or losses on foreign currency forward-exchange contracts that are designated as cash flow hedges and reclassify those amounts, as appropriate, into earnings in the same period or periods during which the hedged transaction affects earnings.
- The Company recognizes the gains and losses on foreign currency forward-exchange contracts that are used to offset the same foreign currency assets or liabilities immediately into earnings along with the earnings impact of the items they generally offset. These contracts essentially take the opposite currency position of that reflected in the month-end balance sheet to counterbalance the effect of any currency movement. Such contracts are not designated as hedges.

As of September 30, 2016, the notional amount of contracts designated as hedges was $381.9 million and the notional amount of contracts not designated as hedges was $1.0 billion.

Hedging instruments are not available for certain currencies in countries in which the Company has operations. In these cases, the Company uses alternative means in an effort to achieve an economic offset to the local currency exposure such as invoicing and/or paying intercompany and third party transactions in U.S. Dollars.

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The Company reports its derivative positions in the Condensed Consolidated Balance Sheets on a gross basis and does not net asset and liability derivative positions with the same counterparty. The Company monitors its positions with, and the credit quality of, the financial institutions that are parties to its financial transactions.

Commodity Contracts

The Company enters into commodity-based derivatives in order to mitigate the risk associated with the impact changes in prices of commodities could have on the cost of certain of the Company's raw materials. These commodity-based derivatives provide the Company with cost certainty, and in certain instances, allow the Company to benefit should the cost of the commodity fall below certain dollar thresholds. At September 30, 2016, the Company had approximately $7.2 million notional amount outstanding of commodity-based derivatives that are not designated as effective hedges for accounting purposes and have maturity dates through June 2017. Fair market value gains or losses associated with commodity derivative instruments are included in the results of operations and are classified in cost of products sold.

The following table summarizes the Company's outstanding derivative instruments designated as hedges and their effects on the Condensed Consolidated Balance Sheets as of September 30, 2016 and December 31, 2015 (in millions):

Derivatives designated as hedging instruments	Balance Sheet Location	Assets September 30, 2016	Assets December 31, 2015	Balance Sheet Location	Liabilities September 30, 2016	Liabilities December 31, 2015
Interest rate swaps	Other assets	$ 18.9	$ 2.2	Other noncurrent liabilities	$ —	$ 5.3
Forward-starting interest rate swaps	Prepaid expenses and other	—	0.1	Other accrued liabilities	—	3.2
Cross-currency interest rate swaps	Other assets	—	0.6	Other noncurrent liabilities	32.0	3.3
Foreign exchange contracts on forecasted transactions	Prepaid expenses and other and other assets	2.5	6.6	Other accrued liabilities	1.7	0.1
Foreign exchange contracts on intercompany borrowings	Prepaid expenses and other	—	—	Other accrued liabilities	—	1.6
Total assets		$ 21.4	$ 9.5	Total liabilities	$ 33.7	$ 13.5

The Company is not a party to any derivatives that require collateral to be posted prior to settlement.

Fair Value Hedges

The following table presents the pretax effects of derivative instruments designated as fair value hedges on the Company's Condensed Consolidated Statements of Operations (in millions):

Derivatives in fair value hedging relationships	Location of gain (loss) recognized in income	Amount of gain (loss) recognized in income			
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2016	2015	2016	2015
Interest rate swaps	Interest expense, net	$ (5.3)	$ 17.5	$ 22.0	$ 16.6
Fixed-rate debt	Interest expense, net	$ 5.3	$ (17.5)	$ (22.0)	$ (16.6)

The Company did not realize any ineffectiveness related to fair value hedges during the three and nine months ended September 30, 2016 and 2015.

Cash Flow Hedges

The following table presents the pretax effects of derivative instruments designated as cash flow hedges on the Company's Condensed Consolidated Statements of Operations and AOCI (in millions):

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Derivatives in cash flow hedging relationships	Location of gain (loss) recognized in income	Amount of gain (loss) reclassified from AOCI into income			
		Three Months Ended		Nine Months Ended	
		September 30,		September 30,	
		2016	2015	2016	2015
Forward-starting interest rate swaps	Interest expense, net	$ (2.4)	$ (0.2)	$ (5.1)	$ (0.6)
Cross-currency interest rate swaps on intercompany borrowings	Other expense, net	(5.2)	(2.0)	(29.6)	(2.0)
Foreign exchange contracts on forecasted transactions	Cost of products sold	1.9	4.8	2.1	13.1
Foreign exchange contracts on intercompany borrowings	Other expense, net	(0.3)	(0.2)	—	(0.2)
		$ (6.0)	$ 2.4	$ (32.6)	$ 10.3

Derivatives in cash flow hedging relationships	Amount of gain (loss) recognized in AOCI			
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Forward-starting interest rate swaps	$ —	$ —	$ (88.1)	$ —
Cross-currency interest rate swaps on intercompany borrowings	(3.7)	(6.0)	(29.3)	(2.9)
Foreign exchange contracts on forecasted transactions	0.1	8.3	7.3	12.3
Foreign exchange contracts on intercompany borrowings	(0.8)	(1.4)	—	0.5
	$ (4.4)	$ 0.9	$ (110.1)	$ 9.9

During December 2015, the Company entered into forward-starting interest rate swaps for an aggregate $1.0 billion notional amount for the anticipated issuance of notes to finance the Jarden Acquisition (the “2015 Swaps”). During January 2016, the Company entered into additional forward-starting interest rate swaps for an aggregate $1.3 billion notional amount (the “2016 Swaps,” and together with the 2015 Swaps, the “Swaps”). The total notional amount of the Swaps relating to the anticipated issuance of medium-term and long-term notes for the Jarden Acquisition was $2.3 billion. In March 2016, the Company completed the offering and sale of the Notes (see Footnote 9 for additional information) and settled the Swaps. The net pretax loss and net amount paid upon settlement of the Swaps was $91.2 million, which was recorded in AOCI net of tax and is included in cash flows from operating activities in the Condensed Consolidated Statement of Cash Flows for the nine months ended September 30, 2016. As the Swaps hedged the benchmark rates associated with the anticipated issuances of the Notes, the losses associated with the Swaps will be reclassified from AOCI to interest expense over the terms of the Notes the Swaps were designated to hedge.

The Company recognized income of $0.4 million and expense of $1.6 million in other (income) expense during the three and nine months ended September 30, 2016, respectively, related to the ineffectiveness of certain cash flow hedges. The Company did not realize any ineffectiveness related to cash flow hedges during the three and nine months ended September 30, 2015. As of September 30, 2016, the Company expects to reclassify net pretax gains of $9.2 million from AOCI into earnings during the next 12 months, which primarily represents foreign currency-related gains offset by $9.7 million of losses related to the Swaps.

Derivatives Not Designated as Hedging Instruments

The following table summarizes the Company’s outstanding derivative instruments that are not designated as hedging instruments and their effects on the Condensed Consolidated Balance Sheets as of September 30, 2016 and December 31, 2015 (in millions):

Derivatives not designated as hedging instruments	Balance Sheet Location	Assets		Balance Sheet Location	Liabilities	
		September 30, 2016	December 31, 2015		September 30, 2016	December 31, 2015
Foreign exchange contracts		$ 15.1	$ —		$ 16.9	$ —

	Prepaid expenses and other			Other accrued liabilities		
Commodity contracts	Prepaid expenses and other	—	—	Other accrued liabilities	1.7	—
Total assets		$ 15.1	$ —	Total liabilities	$ 18.6	$ —

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The Company recognized income of $0.8 million and $4.1 million in other (income) expense during the three and nine months ended September 30, 2016, respectively, related to derivatives that are not designated as hedging instruments. The amounts of gains (losses) from changes in the fair value of derivatives not designated as hedging instruments was not material for the three and nine months ended September 30, 2015.

Footnote 11 — Employee Benefit and Retirement Plans

The following table presents the components of the Company's pension cost, including supplemental retirement plans, for the three months ended September 30, (in millions):

	U.S.		International	
	2016	2015	2016	2015
Service cost-benefits earned during the period	$0.6	$0.8	$ 1.9	$ 1.5
Interest cost on projected benefit obligation	12.2	10.3	4.7	5.0
Expected return on plan assets	(18.8)	(14.4)	(5.7)	(5.7)
Amortization of prior service cost, actuarial loss and other	5.5	6.8	3.5	0.9
Net periodic pension cost	$(0.5)	$3.5	$ 4.4	$ 1.7

The following table presents the components of the Company's pension cost, including supplemental retirement plans, for the nine months ended September 30, (in millions):

	U.S.		International	
	2016	2015	2016	2015
Service cost-benefits earned during the period	$2.0	$2.4	$ 5.0	$ 4.5
Interest cost on projected benefit obligation	32.3	30.9	14.2	15.0
Expected return on plan assets	(49.4)	(43.2)	(17.0)	(17.1)
Amortization of prior service cost, actuarial loss and other	16.3	20.4	4.9	2.7
Net periodic pension cost	$1.2	$10.5	$ 7.1	$ 5.1

The following table presents the components of the Company's other postretirement benefit costs for the periods indicated (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Service cost-benefits earned during the period	$0.1	$0.1	$0.1	$0.3
Interest cost on projected benefit obligation	0.6	0.8	1.6	2.4
Amortization of prior service benefit and actuarial gains	(2.7)	(1.9)	(7.9)	(5.7)
Net other postretirement benefit cost (benefit)	$(2.0)	$(1.0)	$(6.2)	$(3.0)

The Company made cash contributions to the Company-sponsored profit sharing plan of $16.4 million during each of the nine months ended September 30, 2016 and 2015. The Company made a voluntary cash contribution of $70.0 million to its U.S. defined benefit plan in January 2015.

Jarden Acquisition

In connection with the Jarden Acquisition, the Company assumed the following benefit obligations and plan assets of U.S. and international defined benefit plans. The net defined benefit plan liabilities in the table below are primarily included in other noncurrent liabilities in the summary of assets acquired and liabilities assumed in the Jarden Acquisition in Footnote 2.

	U.S.	International
Projected benefit obligations	$728.5	$ 67.8
Plan assets	523.3	34.3
Net defined benefit plan liabilities	$205.2	$ 33.5

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Footnote 12 — Income Taxes

At the end of each interim period, the Company makes its best estimate of the effective tax rate expected to be applicable for the full fiscal year. This estimate reflects, among other items, the Company's best estimate of operating results and foreign currency exchange rates. The Company's quarterly income tax rate may differ from its estimated annual effective tax rate because accounting standards require the Company to exclude the actual results of certain entities expected to generate a pretax loss when applying the estimated annual effective tax rate to the Company's consolidated pretax results in interim periods. In estimating the annual effective tax rate, the Company does not include the estimated impact of unusual and/or infrequent items, including the reversal of certain valuation allowances, which may cause significant variations in the customary relationship between income tax expense (benefit) and pretax income (loss) in quarterly and year-to-date periods. The income tax expense (benefit) for such unusual and/or infrequent items is recorded in the quarterly period such items are incurred.

The Company routinely reviews valuation allowances recorded against deferred tax assets on a more likely than not basis in evaluating whether the Company has the ability to realize the deferred tax assets. In making such a determination, the Company takes into consideration all available and appropriate positive and negative evidence, including projected future taxable income, future reversals of existing taxable temporary differences, available tax planning strategies and taxable income in prior carryback years, if available. Considering these factors, a possibility exists that the Company may record or release a portion of a valuation allowance against some deferred tax assets each quarterly period, which could create volatility in the Company's future effective tax rate.

The Company's income tax expense and resulting effective tax rate are based upon the respective estimated annual effective tax rates applicable for the respective periods adjusted for the effects of items required to be treated as discrete to the period, including changes in tax laws, changes in estimated exposures for uncertain tax positions and other items.

The Company's effective tax rate of 14.1% for the nine months ended September 30, 2016 was impacted by the acquisition of Jarden, the geographical mix of earnings, a reduction in the valuation allowance of $19.4 million related to certain deferred tax assets of its international operations, and $33.8 million for the resolution of certain income tax contingencies. The Company's effective tax rate of 21.2% for the nine months ended September 30, 2015 was impacted by the geographical mix of earnings and the strengthening of the U.S. Dollar against foreign currencies offset by increased tax benefit from the generation of foreign tax credits.

The Company anticipates recording a deferred tax charge in the fourth quarter in the range of $130 to $150 million, relating to the difference between the book and tax basis in the shares of the Company's subsidiaries that will be sold as part of the pending Tools divestiture. This range is subject to change based on final transaction structure and goodwill allocations primarily related to synergies from the Jarden acquisition. There will be an additional tax charge associated with the gain on the sale of the Tools business recorded upon completion of the actual sale.

Footnote 13 — Earnings Per Share

The calculation of basic and diluted earnings per share is as follows (in millions, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Numerator for basic and diluted earnings per share:				
Income from continuing operations	$186.5	$134.0	$362.6	$339.0
(Loss) income from discontinued operations, net of tax	—	0.2	(0.4)	(2.2)
Net income	$186.5	$134.2	$362.2	$336.8
Dividends and equivalents for share-based awards expected to be forfeited	—	0.1	—	0.1
Net income for basic and diluted earnings per share	$186.5	$134.3	$362.2	$336.9
Denominator for basic and diluted earnings per share:				
Weighted-average shares outstanding	482.3	267.5	396.9	268.2
Share-based payment awards classified as participating securities	1.7	1.3	1.4	1.4
Denominator for basic earnings per share	484.0	268.8	398.3	269.6

Dilutive securities [1]	2.2	2.2	1.8	2.2
Denominator for diluted earnings per share	486.2	271.0	400.1	271.8

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(1) Dilutive securities include "in the money" options, non-participating restricted stock units and performance stock units. The weighted-average shares outstanding for the nine months ended September 30, 2016 and 2015 exclude the weighted average effect of 0.1 million and 0.2 million outstanding performance stock units, respectively, because the securities were anti-dilutive.

As of September 30, 2016, there were 9.1 million shares of the Company's common stock that had not been issued to the former holders of 10.6 million of Jarden shares who are exercising their right to judicial appraisal under Delaware law. Absent consent by the Company, these dissenting shareholders are no longer entitled to the merger consideration, but are instead entitled only to the judicially determined fair value of their shares, plus interest accruing from the date of the Jarden Acquisition, payable in cash. However, it is possible that the Company could issue a consent to or reach agreement with one or more of these shareholders resulting in the issuance of Company shares (in lieu of or along with the payment of cash) in settlement of the dissenters' claims.

Footnote 14 — Stock-Based Compensation

The Company measures compensation cost for all stock awards at fair value on the date of grant and recognizes compensation cost, net of estimated forfeitures, over the requisite service period for awards expected to vest. The Company recognized pretax stock-based compensation expense of $18.7 million and $7.9 million during the three months ended September 30, 2016 and 2015, respectively, and $47.8 million and $22.0 million during the nine months ended September 30, 2016 and 2015, respectively.

The following table summarizes the changes in the number of outstanding restricted stock units for the nine months ended September 30, 2016 (shares in millions):

	Restricted Stock Units	Weighted-Average Grant Date Fair Value
Outstanding at December 31, 2015	2.9	$ 34
Granted	2.6	55
Vested	(1.0)	27
Forfeited	(0.2)	44
Outstanding at September 30, 2016	4.3	$ 48

During 2014, 2015 and 2016, the Company awarded performance stock units which entitle recipients to shares of the Company's stock at the end of a three-year vesting period if specified performance or market conditions are achieved ("PSUs"). The PSUs generally entitle recipients to shares of common stock equal to 0% up to 200% of the number of units granted at the vesting date depending on the level of achievement of the specified performance, market and service conditions. As of September 30, 2016, 2.1 million PSUs were outstanding. Based on performance through September 30, 2016, holders of unvested PSUs would be entitled to approximately 3.8 million shares at the vesting date. The PSUs are included in the preceding table as if the holders of PSUs earn shares equal to 100% of the units granted.

During the nine months ended September 30, 2016, the Company awarded performance stock units which entitle recipients to shares of the Company's stock at the end of a two- to five-year vesting period if specified cost savings targets are achieved ("Cost Savings PSUs"). The Cost Savings PSUs generally entitle recipients to shares of common stock equal to 100% of the number of units granted at the vesting date subject to achievement of the specified performance and service conditions. As of September 30, 2016, 0.5 million Cost Savings PSUs were outstanding. Based on performance through September 30, 2016, the holders of Cost Savings PSUs would not have vested in the Cost Savings PSUs.

During the nine months ended September 30, 2016, pursuant to agreements certain Jarden employees entered into with Jarden prior to the Jarden Acquisition, the Jarden employees exchanged 0.8 million unvested restricted shares of Jarden on April 15, 2016 for 1.0 million unvested restricted shares of Newell Brands (the "Jarden Rollover Shares"). The Jarden Rollover Shares were subject to vesting conditions that were dependent on the Company's stock price. The value of the Jarden Rollover Shares was estimated at $42.1 million and is included in the merger consideration in Footnote 2. The Jarden Rollover Shares vested during the nine months ended September 30, 2016 upon the

achievement of the stock price-based performance conditions. The Jarden Rollover Shares are not included in the preceding table.

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Footnote 15 — Fair Value Disclosures

Recurring Fair Value Measurements

The following tables present the Company's non-pension financial assets and liabilities which are measured at fair value on a recurring basis (in millions):

Fair Value as of September 30, 2016	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investment securities, including mutual funds	$12.7	$ 4.8	$ 7.9	$ —
Derivatives	36.5	—	36.5	—
Total	$49.2	$ 4.8	$ 44.4	$ —
Liabilities				
Derivatives	52.3	—	52.3	—
Total	$52.3	$ —	$ 52.3	$ —
Fair Value as of December 31, 2015				
Assets				
Investment securities, including mutual funds	$6.9	$ 4.5	$ 2.4	$ —
Derivatives	9.5	—	9.5	—
Total	$16.4	$ 4.5	$ 11.9	$ —
Liabilities				
Derivatives	13.5	—	13.5	—
Total	$13.5	$ —	$ 13.5	$ —

For publicly-traded mutual funds, fair value is determined on the basis of quoted market prices and, accordingly, such investments have been classified as Level 1. Other investment securities are valued at the net asset value per share or unit multiplied by the number of shares or units held as of the measurement date and have been classified as Level 2. The Company determines the fair value of its derivative instruments using standard pricing models and market-based assumptions for all significant inputs, such as yield curves and quoted spot and forward exchange rates. Accordingly, the Company's derivative instruments are classified as Level 2.

Nonrecurring Fair Value Measurements

The Company's nonfinancial assets which are measured at fair value on a nonrecurring basis include property, plant and equipment, goodwill, intangible assets and certain other assets. During the nine months ended September 30, 2016, impairments associated with plans to dispose of certain property, plant and equipment were not material. In the absence of a definitive sales price for these and similar types of assets, the Company generally uses projected cash flows, discounted as necessary, or market multiples to estimate the fair values of the impaired assets using key inputs such as management's projections of cash flows on a held-and-used basis (if applicable), management's projections of cash flows upon disposition and discount rates. Key inputs into the market multiple approach include identifying companies comparable to the Company's business and estimated control premiums. Accordingly, these fair value measurements fall in Level 3 of the fair value hierarchy. These assets and certain liabilities are measured at fair value on a nonrecurring basis as part of the Company's impairment assessments and as circumstances require. During the nine months ended September 30, 2016, no material nonrecurring fair value measurements were required for testing assets for impairment.

During the nine months ended September 30, 2016, the Company's nonrecurring fair value measurements included valuations of inventory, property, plant and equipment and intangible assets, among other items, acquired in connection with the Jarden Acquisition. To estimate the fair value of inventory, the Company evaluated the historical profit margins associated with the manufacturing and procurement process and the selling process. To estimate the fair value of property, plant and equipment, the Company considered the historical cost of the assets, the condition of the assets and sales prices of comparable assets, as necessary. To estimate the fair value of intangible assets, the Company generally used projected cash flows, discounted as necessary, using key inputs such as management's projections of

cash flows on a held-and-used basis and discount rates. Accordingly, these fair value measurements fall in Level 3 of the fair value hierarchy.

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Financial Instruments

The Company’s financial instruments include cash and cash equivalents, accounts receivable, accounts payable, derivative instruments, notes payable and short and long-term debt. The carrying values for current financial assets and liabilities, including cash and cash equivalents, accounts receivable, accounts payable and short-term debt approximate fair value due to the short maturity of such instruments. The fair values of the Company’s derivative instruments are recorded in the Condensed Consolidated Balance Sheets and are disclosed in Footnote 10.

The fair values of the Company’s medium-term and long-term notes are based on quoted market prices (Level 1) and are as follows (in millions):

	September 30, 2016		December 31, 2015	
	Fair Value	Book Value	Fair Value	Book Value
Medium-term and long-term notes	$12,352.8	$ 11,283.5	$2,660.7	$ 2,674.1

The carrying amounts of all other significant debt approximates fair value.

Footnote 16 — Segment Information

On April 15, 2016, Jarden became a direct wholly-owned subsidiary of Newell Brands Inc. Jarden is a global consumer products company with brands such as Yankee Candle®, Crock-Pot®, FoodSaver®, Mr. Coffee®, Oster®, Coleman®, First Alert®, Rawlings®, Jostens®, K2®, Marker®, Marmot®, Völkl® and many others. The segment information includes results of operations of Jarden since the acquisition date in the following Jarden segments: Branded Consumables, Consumer Solutions, Outdoor Solutions and Process Solutions.

The Company’s reportable segments as of September 30, 2016 are as follows:

Segment	Key Brands	Description of Primary Products
Writing	Sharpie®, Paper Mate®, Expo®, Prismacolor®, Mr. Sketch®, Elmer’s®, X-Acto®, Parker®, Waterman®, Dymo® Office	Writing instruments, including markers and highlighters, pens and pencils; art products; activity-based adhesive and cutting products; fine writing instruments; labeling solutions
Home Solutions	Rubbermaid®, Contigo®, bubba®, Calphalon®, Goody®	Indoor/outdoor organization, food storage and home storage products; durable beverage containers; gourmet cookware, bakeware and cutlery; hair care accessories
Tools	Irwin®, Lenox®, hilmor,™ Dymo® Industrial	Hand tools and power tool accessories; industrial bandsaw blades; tools for HVAC systems; label makers and printers for industrial use
Commercial Products	Rubbermaid Commercial Products®	Cleaning and refuse products; hygiene systems; material handling solutions
Baby & Parenting	Graco®, Baby Jogger®, Aprica®, Teutonia®	Infant and juvenile products such as car seats, strollers, highchairs and playards
Branded Consumables	Yankee Candle®, Waddington, Ball®, Diamond®, First Alert®, NUK®, Pine Mountain®	Branded consumer products; consumable and fundamental household staples
Consumer Solutions	Crock-Pot®, FoodSaver®, Holmes®, Mr. Coffee®, Oster®, Rainbow®, Sunbeam®	Household products, including kitchen appliances and home environment products
Outdoor Solutions	Coleman®, Jostens®, Berkley®, Shakespeare®, Rawlings®, Völkl®, K2®, Marmot®	Products for outdoor and outdoor-related activities
Process Solutions	Jarden Plastic Solutions, Jarden Applied Materials, Jarden Zinc Products	Plastic products, including closures, contact lens packaging, medical disposables, plastic cutlery and rigid packaging

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The Company's segment and geographic results are as follows for the periods indicated (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net Sales [1]				
Writing	$526.3	$459.5	$1,479.5	$1,297.2
Home Solutions	371.8	459.4	1,177.4	1,262.4
Tools	185.5	196.7	562.6	582.3
Commercial Products	199.2	206.8	567.7	602.6
Baby & Parenting	231.1	207.6	677.8	610.4
Branded Consumables	957.3	—	1,734.6	—
Consumer Solutions	650.0	—	1,056.6	—
Outdoor Solutions	731.9	—	1,685.3	—
Process Solutions	101.5	—	186.6	—
	$3,954.6	$1,530.0	$9,128.1	$4,354.9
Operating Income (Loss) [2]				
Writing	$131.5	$114.1	$369.4	$329.0
Home Solutions	56.1	76.0	133.9	183.2
Tools	22.1	20.5	63.0	66.1
Commercial Products	33.7	29.5	81.5	75.4
Baby & Parenting	34.6	10.2	82.1	27.4
Branded Consumables	122.3	—	96.3	—
Consumer Solutions	38.0	—	21.5	—
Outdoor Solutions	(18.7)	—	36.7	—
Process Solutions	7.4	—	6.0	—
Restructuring costs	(13.0)	(21.0)	(41.7)	(61.6)
Corporate	(90.1)	(42.7)	(261.7)	(120.0)
	$323.9	$186.6	$587.0	$499.5

	September 30, 2016	December 31, 2015
Total Assets		
Writing	$ 1,354.1	$ 1,286.5
Home Solutions	834.6	776.7
Tools	550.0	578.8
Commercial Products	344.6	351.7
Baby & Parenting	444.9	485.1
Branded Consumables	8,271.1	—
Consumer Solutions	4,505.2	—
Outdoor Solutions	5,143.8	—
Process Solutions	626.5	—
Corporate [3]	12,340.7	3,742.2
	$ 34,415.5	$ 7,221.0

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Geographic Area Information

(in millions)	Three Months Ended September 30, 2016	2015	Nine Months Ended September 30, 2016	2015
Net Sales [(1), (4)]				
North America	$3,023.9	$1,184.4	$7,123.0	$3,333.7
Europe, Middle East and Africa	509.4	143.1	1,092.1	437.7
Latin America	195.4	109.6	410.8	313.6
Asia Pacific	225.9	92.9	502.2	269.9
Total International	930.7	345.6	2,005.1	1,021.2
	$3,954.6	$1,530.0	$9,128.1	$4,354.9

(1) All intercompany transactions have been eliminated. Sales to Wal-Mart Stores, Inc. and subsidiaries amounted to approximately 13.6% and 12.6% of consolidated net sales in the three months ended September 30, 2016 and 2015, respectively, and approximately 13.0% and 11.5% of consolidated net sales in the nine months ended September 30, 2016 and 2015, respectively.

(2) Operating income (loss) by segment is net sales less cost of products sold and SG&A expenses for continuing operations. Certain headquarters expenses of an operational nature are allocated to business segments primarily on a net sales basis. Corporate depreciation and amortization is allocated to the segments on a percentage of sales basis, and the allocated depreciation and amortization is included in segment operating income.

(3) Corporate assets primarily include capitalized software, cash, benefit plan assets, deferred tax assets, assets held for sale and all of the Company's goodwill.

(4) Geographic sales information is based on the region from which the products are shipped and invoiced.

Footnote 17 — Other Accrued Liabilities

Other accrued liabilities included the following (in millions):

	September 30, 2016	December 31, 2015
Customer accruals	$ 411.6	$ 314.8
Accruals for manufacturing, marketing and freight expenses	86.8	73.0
Accrued self-insurance liabilities, contingencies and warranty	240.7	94.2
Accrued retirement and other employee benefits	18.7	49.7
Accrued restructuring	66.1	67.4
Accrued income taxes	2.6	67.4
Accrued other taxes	74.9	10.1
Accrued interest expense	195.1	18.1
Other	271.1	34.2
Other accrued liabilities	$ 1,367.6	$ 728.9

Customer accruals are promotional allowances and rebates, including cooperative advertising, given to customers in exchange for their selling efforts and volume purchased as well as allowances for returns. Payments for annual rebates and other customer programs are generally made in the first quarter of the year. Self-insurance liabilities relate to casualty liabilities such as workers' compensation, general and product liability and auto liability and are estimated based upon historical loss experience combined with actuarial evaluation methods, review of significant individual files and the application of risk transfer programs.

Footnote 18 — Litigation and Contingencies

The Company is involved in legal proceedings in the ordinary course of its business. These proceedings include claims for damages arising out of use of the Company's products, allegations of infringement of intellectual property, commercial disputes and employment matters, as well as environmental matters. Some of the legal proceedings include claims for punitive as well as compensatory damages, and certain proceedings may purport to be class actions. The Company, using current product sales data and historical trends, actuarially calculates the estimate of its exposure for product liability. The Company had product liability reserves of $91.0 million and $41.2 million as of September 30, 2016 and December 31, 2015, respectively. The Company is insured for product liability claims for amounts in excess of established deductibles and accrues for the estimated liability as described up to the limits of the deductibles. All other claims and lawsuits are handled on a case-by-case basis.

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The Company recognizes warranty costs based on an estimate of amounts required to meet future warranty obligations arising as part of the sale of its products. The Company accrues an estimated liability at the time of a product sale based on historical claim rates applied to current period sales, as well as any information applicable to current product sales that may indicate a deviation from such historical claim rate trends.

Warranty reserve activity for the nine months ended September 30, 2016 is as follows (in millions):

Warranty reserve at January 1, 2016	$14.7
Provision for warranties issued	70.9
Warranty claims paid	(59.0)
Acquisitions, divestitures and other adjustments	78.8
Warranty reserve at September 30, 2016	$105.4

Recall of Harness Buckles on Select Car Seats

In February 2014, Graco, a subsidiary of the Company, announced a voluntary recall in the U.S. of harness buckles used on approximately 4 million toddler car seats manufactured between 2006 and 2013. In July 2014, Graco announced that it had agreed to expand the recall to include certain infant car seats manufactured between July 2010 and May 2013. There have been no reported injuries associated with the recalled harness buckles used on these toddler or infant car seats. In December 2014, the National Highway Traffic Safety Administration (the "NHTSA") announced an investigation into the timeliness of the recall, and in March 2015, the investigation concluded with Graco entering into a consent order with NHTSA pursuant to which Graco committed to spend $7.0 million in total over a five-year period to enhance child passenger safety and make a $3.0 million payment to NHTSA, which was paid in the three months ended September 30, 2015. With respect to the $7.0 million required to be spent over five years, the Company has spent approximately $1.7 million to date. The Company recorded the $10.0 million of costs associated with the consent order in the three months ended March 31, 2015.

Legal Matters

A putative class action lawsuit (Vincent A. Hirsch v. James E. Lillie, Martin E. Franklin, Ian G.H. Ashken, Michael S. Gross, Robert L. Wood, Irwin D. Simon, William P. Lauder, Ros L'esperance, Peter A. Hochfelder, Newell Rubbermaid Inc., NCPF Acquisition Corp. I and NCPF Acquisition Corp. II, Case No. 9:16-CV-80258 (United States District Court for the Southern District of Florida)) was filed on February 24, 2016, purportedly on behalf of Jarden shareholders against the individually named director defendants, who were directors of Jarden. The Company and its subsidiaries NCPF Acquisition Corp. I and NCPF Acquisition Corp. II were also named as defendants. The Complaint alleges claims under § 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), SEC Rule 14a-9 against all defendants, and Section 20(a) of the Exchange Act against the individual director defendants. Plaintiff alleges that the joint proxy/prospectus of the Company and Jarden concerning the proposed merger contemplated by the Merger Agreement omitted certain information. In March 2016, the parties entered into a settlement term sheet, pursuant to which the Company added certain disclosures to its Registration Statement on Form S-4. Thereafter, on July 19, 2016, the parties executed a Stipulation of Settlement, and the lead plaintiff and lead counsel contemporaneously filed an Unopposed Motion for Preliminary Approval of the Proposed Class Action Settlement. That motion was later withdrawn, and lead counsel has filed a motion to appoint new lead counsel. The Company and its subsidiaries have subsequently been voluntarily dismissed from the action. The action remains pending against the individual defendants.

A second putative class action lawsuit (Jessica Paree v. Martin E. Franklin, et al (Circuit Court of the Fifteenth Judicial District in and for Palm Beach County, Florida)) was filed on March 10, 2016, purportedly on behalf of Jarden stockholders, against the individually named director defendants, all of whom were directors of Jarden. The Company and two of its subsidiaries are also named as defendants. The complaint generally alleges that the director defendants breached their fiduciary duties owed to Jarden stockholders regarding the merger consideration agreed to and the process undertaken by the director defendants in connection with the Jarden transaction, and that the Company and two of its subsidiaries aided and abetted such breaches. Plaintiff further alleges that defendants have (i) solicited stockholder action pursuant to a materially false and misleading joint proxy statement/prospectus, (ii) failed to include all material information concerning the unfair sales process that resulted in the merger transactions, and (iii) materially omitted certain information related to the financial analyses performed by Jarden's financial advisor. Plaintiff seeks,

among other things, preliminary and permanent injunctive relief enjoining the merger transactions, rescission or rescissory damages in the event the Jarden transaction is consummated, an award of attorneys' and experts' fees and costs, and a direction from the court that Jarden's individual board members account for all damages allegedly suffered as a result of their alleged wrongdoing. On March 28, 2016, the parties filed an Agreed Joint Motion to Stay Proceedings, seeking a stay of the litigation, pending the outcome of the above described Hirsch v. Lillie action. The court entered an order staying the proceedings on March 31, 2016, and the case remains stayed at this time, per the parties' request.

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Jarden Acquisition

Under the Delaware General Corporation Law (“DGCL”), any Jarden stockholder who did not vote in favor of adoption of the Merger Agreement, and otherwise complies with the provisions of Section 262 of the DGCL, is entitled to seek an appraisal of its shares of Jarden common stock by the Court of Chancery of the State of Delaware as provided under Section 262 of the DGCL. As of September 30, 2016, dissenting stockholders collectively holding approximately 10.6 million shares of Jarden common stock have delivered (and not withdrawn) to Jarden written demands for appraisal. Two separate appraisal petitions, styled Dunham Monthly Distribution Fund v. Jarden Corporation, Case No. 12454-VCS (Court of Chancery of the State of Delaware) and Merion Capital LP v. Jarden Corporation, Case No. 12456-VCS (Court of Chancery of the State of Delaware), respectively, were filed on June 14, 2016 by a total of ten purported Jarden stockholders seeking an appraisal of the fair value of their shares of Jarden common stock pursuant to Section 262 of the DGCL. A third appraisal petition (Fir Tree Value Master Fund, LP v. Jarden Corporation, Case No. 12546-VCS (Court of Chancery of the State of Delaware)) was filed on July 8, 2016 by two purported Jarden stockholders seeking an appraisal of the fair value of their shares of Jarden common stock pursuant to Section 262 of the DGCL. A fourth appraisal petition (Veritian Partners Master Fund LTP v. Jarden Corporation, Case No. 12650-VCS (Court of Chancery of the State of Delaware)) was filed on August 12, 2016 by two purported Jarden stockholders seeking an appraisal of the fair value of their shares of Jarden common stock pursuant to Section 262 of the DGCL.These cases remain pending, and litigation is ongoing. The fair value of the Jarden common shares, as determined by the court, could be lower or higher than and/or may include a greater amount of cash than the merger consideration to which such Jarden stockholder would have been entitled under the Merger Agreement.

Environmental Matters

The Company is involved in various matters concerning federal and state environmental laws and regulations, including matters in which the Company has been identified by the U.S. Environmental Protection Agency (“U.S. EPA”) and certain state environmental agencies as a potentially responsible party (“PRP”) at contaminated sites under the Federal Comprehensive Environmental Response, Compensation and Liability Act (the “CERCLA”) and equivalent state laws.

In assessing its environmental response costs, the Company has considered several factors, including the extent of the Company’s volumetric contribution at each site relative to that of other PRPs; the kind of waste; the terms of existing cost sharing and other applicable agreements; the financial ability of other PRPs to share in the payment of requisite costs; the Company’s prior experience with similar sites; environmental studies and cost estimates available to the Company; the effects of inflation on cost estimates; and the extent to which the Company’s, and other parties’, status as PRPs is disputed.

The Company’s estimate of environmental remediation costs associated with these matters as of September 30, 2016 was $42.9 million, which is included in other accrued liabilities and other noncurrent liabilities in the Condensed Consolidated Balance Sheet. No insurance recovery was taken into account in determining the Company’s cost estimates or reserves, nor do the Company’s cost estimates or reserves reflect any discounting for present value purposes, except with respect to certain long-term operations and maintenance CERCLA matters.

Lower Passaic River Matter

U.S. EPA has issued General Notice Letters (“GNLs”) to over 100 entities, including the Company and Berol Corporation, a subsidiary of the Company (“Berol”), alleging that they are PRPs at the Diamond Alkali Superfund Site, which includes a 17-mile stretch of the Lower Passaic River and its tributaries. Seventy-two of the GNL recipients, including the Company on behalf of itself and its subsidiaries, Goody Products, Inc. and Berol (the “Company Parties”), have taken over the performance of the remedial investigation (“RI”) and feasibility study (“FS”) for the Lower Passaic River. On April 11, 2014, while work on the RI/FS remained underway, U.S. EPA issued a Source Control Early Action Focused Feasibility Study (“FFS”), which proposed four alternatives for remediation of the lower 8.3 miles of the Lower Passaic River. U.S. EPA’s cost estimates for its cleanup alternatives ranged from $315.0 million to approximately $3.2 billion in capital costs plus from $0.5 million to $1.8 million in annual maintenance costs for 30 years, with its preferred alternative carrying an estimated cost of approximately $1.7 billion plus an additional $1.6 million in annual maintenance costs for 30 years. In February 2015, the participating parties submitted to the U.S.

EPA a draft RI, followed by submission of a draft FS in April 2015. The draft FS sets forth various alternatives for remediating the lower 17 miles of the Passaic River, ranging from a "no action" alternative, to targeted remediation of locations along the entire lower 17 mile stretch of the river, to remedial actions consistent with U.S. EPA's preferred alternative as set forth in the FFS for the lower 8.3 miles coupled with monitored natural recovery and targeted remediation in the upper 9 miles. The estimated cost estimates for these alternatives range from approximately $28.0 million to $2.7 billion, including related operation maintenance and monitoring costs. The draft RI/FS remains under review by U.S. EPA.

U.S. EPA issued its final Record of Decision for the lower 8.3 miles of the Lower Passaic (the "ROD") in March 2016, which, in the language of the document, finalizes as the selected remedy the preferred alternative set forth in the FFS, which U.S. EPA estimates will cost $1.4 billion. Subsequent to the release of the ROD in March 2016, U.S. EPA issued GNLs for the lower 8.3

miles of the Passaic River (the “2016 GNL”) to numerous entities, apparently including all previous recipients of the initial GNL as well as several additional entities. As with the initial GNL, the Company and Berol were among the recipients of the 2016 GNL. The 2016 GNL states that U.S. EPA would like to determine whether one entity, Occidental Chemical Corporation (“OCC”), will voluntarily perform the remedial design for the selected remedy for the lower 8.3 miles, and that following execution of an agreement for the remedial design, U.S. EPA plans to begin negotiation of a remedial action consent decree “under which OCC and the other major PRPs will implement and/or pay for U.S. EPA’s selected remedy for the lower 8.3 miles of the Lower Passaic River and reimburse U.S. EPA’s costs incurred for the Lower Passaic River.” The letter “encourage[s] the major PRPs to meet and discuss a workable approach to sharing responsibility for implementation and funding of the remedy" without indicating who may be the “major PRPs.” Finally, U.S. EPA states that it “believes that some of the parties that have been identified as PRPs under CERCLA, and some parties not yet named as PRPs, may be eligible for a cash out settlement with U.S. EPA for the lower 8.3 miles of the Lower Passaic River. U.S. EPA intends to provide separate notice of the opportunity to discuss a cash out settlement at a later date.” In September 2016, OCC and EPA entered into an Administrative Order on Consent for performance of the remedial design. At this time, it is unclear how the cost of any cleanup would be allocated among any of the parties, including the Company Parties or any other entities. The site is also subject to a Natural Resource Damage Assessment.

OCC has asserted that it is entitled to indemnification by Maxus Energy Corporation (“Maxus”) for its liability in connection with the Diamond Alkali Superfund Site. OCC has also asserted that Maxus’s parent company, YPF, S.A., and certain other affiliates (the “YPF Entities”) similarly must indemnify OCC, including on an “alter ego” theory. On June 17, 2016, Maxus and certain of its affiliates commenced a chapter 11 bankruptcy case in the U.S. Bankruptcy Court for the District of Delaware. In connection with that proceeding, the YPF Entities are attempting to resolve any liability they may have to Maxus and the other Maxus entities undergoing the chapter 11 bankruptcy.

Given the uncertainties pertaining to this matter, including that U.S. EPA is still reviewing the draft RI and FS, that no framework for or agreement on allocation for the investigation and ultimate remediation has been developed, and that there exists the potential for further litigation regarding costs and cost sharing, the extent to which the Company Parties may be held liable or responsible is not yet known. Accordingly, it is not possible at this time for the Company to estimate its ultimate liability related to this matter. Based on currently known facts and circumstances, the Company does not believe that this matter is reasonably likely to have a material impact on the Company’s results of operations, including, among other factors, because the Company Parties’ facilities are not even alleged to have discharged the contaminants which are of the greatest concern in the river sediments, and because there are numerous other parties who will likely share in any costs of remediation and/or damages. However, in the event of one or more adverse determinations related to this matter, it is possible that the ultimate liability resulting from this matter and the impact on the Company’s results of operations could be material.

Because of the uncertainties associated with environmental investigations and response activities, the possibility that the Company could be identified as a PRP at sites identified in the future that require the incurrence of environmental response costs and the possibility that sites acquired in business combinations may require environmental response costs, actual costs to be incurred by the Company may vary from the Company’s estimates.

Clean Air Act Labeling Matter

In April 2015, the Company became aware that two beverage container products, one product of its recently acquired bubba brands business and one product of its recently acquired Ignite business, contained closed cell rigid polyurethane foam insulation that was blown with HCFC-141b, which is listed as a Class II ozone-depleting substance under the Montreal Protocol on Substances that Deplete the Ozone Layer. Under the Clean Air Act and U.S. EPA’s regulations promulgated thereunder, as of January 1, 2015, certain products made with or containing ozone depleting substances, including HCFC-141b, must bear a specific warning label. The Company discovered that the affected products imported in early 2015 did not display the required label. While the affected product lines were not compliant with applicable environmental regulations regarding ozone depleting substances, use of the products is safe and poses no risk to consumers. Upon discovery, the Company self-reported the violations to the U.S. EPA and replaced the blowing agent in the products. The Company is in the process of negotiating a settlement with U.S. EPA which would include payment of a penalty; although settlement negotiations are at an early stage, the Company does

not expect that the penalty will exceed $110,000.
Other Matters
Although management of the Company cannot predict the ultimate outcome of these proceedings with certainty, it believes that the ultimate resolution of the Company's proceedings, including any amounts it may be required to pay in excess of amounts reserved, will not have a material effect on the Company's Consolidated Financial Statements, except as otherwise described above.
In the normal course of business and as part of its acquisition and divestiture strategy, the Company may provide certain representations and indemnifications related to legal, environmental, product liability, tax or other types of issues. Based on the

nature of these representations and indemnifications, it is not possible to predict the maximum potential payments under all of these agreements due to the conditional nature of the Company's obligations and the unique facts and circumstances involved in each particular agreement. Historically, payments made by the Company under these agreements did not have a material effect on the Company's business, financial condition or results of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of Newell Brands Inc.'s ("Newell Brands," the "Company," "we," "us" or "our") consolidated results of operations and financial condition. The discussion should be read in conjunction with the accompanying condensed consolidated financial statements and notes thereto.

Business Overview

Newell Brands is a global marketer of consumer and commercial products that help people get more out of life every day, where they live, learn, work and play. Our products are marketed under a strong portfolio of leading brands, including Paper Mate®, Sharpie®, Dymo®, EXPO®, Parker®, Elmer's®, Coleman®, Jostens®, Marmot®, Rawlings®, Irwin®, Lenox®, Oster®, Sunbeam®, FoodSaver®, Mr. Coffee®, Rubbermaid Commercial Products®, Graco®, Baby Jogger®, NUK®, Calphalon®, Rubbermaid®, Contigo®, First Alert®, Waddington and Yankee Candle®.

Acquisition of Jarden Corporation

On April 15, 2016, Jarden Corporation ("Jarden") became a direct wholly-owned subsidiary of Newell Brands, as a result of a series of merger transactions (the "Jarden Acquisition"). The Jarden Acquisition was effected pursuant to an Agreement and Plan of Merger, dated as of December 13, 2015 (the "Merger Agreement") between the Company, Jarden and two wholly-owned subsidiaries of the Company. Following the Jarden Acquisition, the Company was renamed Newell Brands Inc. Jarden is a leading, global consumer products company with leading brands such as Yankee Candle®, Crock-Pot®, FoodSaver®, Mr. Coffee®, Oster®, Coleman®, First Alert®, Rawlings®, Jostens®, K2®, Marker®, Marmot®, Völkl® and many others.

The transformative transaction created a global consumer goods company named Newell Brands with estimated annual sales of $16 billion and a portfolio of leading brands in large, growing, unconsolidated, global markets. The scaled enterprise is expected to accelerate profitable growth with leading brands in a global market that exceeds $100 billion, with business and capability development supported by the efficiencies of the combined company. Management believes the scale of Newell Brands in key categories, channels and geographies creates a much broader opportunity to deploy the Company's advantaged set of brand development and commercial capabilities for accelerated growth and margin expansion. The Company's intent is to design a benchmarked, efficient set of structures that support long-term business development.

The Company anticipates significant annualized cost synergies will be realized by Newell Brands, driven by efficiencies of scale and efficiencies in procurement, cost to serve and infrastructure. The Company anticipates incremental annualized cost synergies of at least $500 million over four years, driven by efficiencies of scale and new efficiencies in procurement, cost to serve and infrastructure that the combination unlocks. The Company currently expects to incur approximately $500 million of restructuring and integration-related costs over the same period to generate and unlock the more than $500 million of annualized cost synergies.

Pursuant to the Merger Agreement, each share of Jarden common stock was converted into the right to receive and became exchangeable for merger consideration consisting of (1) 0.862 of a share of the Company's common stock plus (2) $21.00 in cash. On April 15, 2016, the Company provided for the issuance of up to 189.4 million shares of common stock and the payment of up to $4.6 billion for 100% of the outstanding equity interests of Jarden, which consisted of 219.7 million shares of Jarden common stock outstanding and eligible to receive the merger consideration. Based on the closing price of a share of the Company's common stock on April 15, 2016 of $44.33 per share and after conversion of substantially all of Jarden's convertible notes, the total consideration paid or payable for shares of Jarden common stock was approximately $15.3 billion, including $5.4 billion of cash and $9.9 billion of common stock. Stockholders of Newell Rubbermaid and former Jarden stockholders (including holders of Jarden convertible notes) owned 55% and 45%, respectively, of Newell Brands upon completion of the merger. In addition, on April 15, 2016, the Company paid $4.1 billion to settle certain of Jarden's outstanding debt obligations.

The Company financed the $5.4 billion cash portion of the merger consideration and the repayment of $4.1 billion of outstanding Jarden debt with proceeds from the issuance of $8.0 billion of medium-term and long-term notes in March 2016 and $1.5 billion of borrowings under a term loan facility. See Footnote 9 of the Notes to Condensed Consolidated Financial Statements for further information. The Company is committed to maintaining its investment grade credit rating by using strong cash flow from the combined enterprise to prioritize debt reduction in the short term, while simultaneously investing in the Company's growth platforms and maintaining its dividend per share.

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The Jarden Acquisition was accounted for using the purchase method of accounting, and Jarden's assets, liabilities and results of operations are included in the Company's financial statements from the acquisition date of April 15, 2016.

Business Strategy

Prior to the Jarden Acquisition, the Company was executing its Growth Game Plan, a strategy to simplify the organization and free up resources to invest in growth initiatives and strengthened capabilities in support of our brands. The Company considered the changes implemented in the execution of the Growth Game Plan to be key enablers to building a bigger, faster-growing, more global and more profitable company. The changes that have been implemented were the foundation of Project Renewal and included simplifying and aligning the businesses around two key activities, Brand & Category Development and Market Execution & Delivery; simplifying and streamlining the supply chain and overhead and partnering functions to align with the new structure; and optimizing the selling and trade marketing functions.

The Company recently announced an update of its corporate strategy designed to capture the unique value creation opportunity related to its new larger portfolio and broader geographic and retail presence. As part of this new strategy, the company plans to transform Newell Brands from a holding company to an operating company, consolidating 32 business units to 16 Global Divisions while investing to extend its design, innovation and brand development capabilities across a broader set of categories. The organization changes were initiated in the third quarter and this major phase of the transformation will be completed by year end. The 16 Global Divisions will become the key commercial nodes in the company, including a new Global eCommerce Division, which will have responsibility for all ecommerce activity across the enterprise. The Divisions will generally align to the four areas of strategic focus for the company of Live, Learn, Work, and Play. The new structure will be effective January 1, 2017.

Organizational Structure

The Company's nine business segments, including four legacy Jarden segments (Branded Consumables, Consumer Solutions, Outdoor Solutions and Process Solutions), as of September 30, 2016 and the key brands included in each segment are as follows:

Segment	Key Brands	Description of Primary Products
Writing	Sharpie®, Paper Mate®, Expo®, Prismacolor®, Mr. Sketch®, Elmer's®, X-Acto®, Parker®, Waterman®, Dymo® Office	Writing instruments, including markers and highlighters, pens and pencils; art products; activity-based adhesive and cutting products; fine writing instruments; labeling solutions
Home Solutions	Rubbermaid®, Contigo®, bubba®, Calphalon®, Goody®	Indoor/outdoor organization, food storage and home storage products; durable beverage containers; gourmet cookware, bakeware and cutlery; hair care accessories
Tools	Irwin®, Lenox®, hilmor™, Dymo® Industrial	Hand tools and power tool accessories; industrial bandsaw blades; tools for HVAC systems; label makers and printers for industrial use
Commercial Products	Rubbermaid Commercial Products®	Cleaning and refuse products; hygiene systems; material handling solutions
Baby & Parenting	Graco®, Baby Jogger®, Aprica®, Teutonia®	Infant and juvenile products such as car seats, strollers, highchairs and playards
Branded Consumables		