

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K405

Annual report pursuant to section 13 and 15(d), Regulation S-K Item 405

Filing Date: **1998-03-27** | Period of Report: **1997-12-28**

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FILER

EKCO GROUP INC /DE/

CIK: **18827** | IRS No.: **112167167** | State of Incorporation: **DE** | Fiscal Year End: **0102**

Type: **10-K405** | Act: **34** | File No.: **001-07484** | Film No.: **98575548**

SIC: **3460** Metal forgings & stampings

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FORM 10-K
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(MARK ONE)

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

FOR THE FISCAL YEAR ENDED DECEMBER 28, 1997

☐ OR
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES ACT OF 1934

COMMISSION FILE NO. 1-7484

EKCO GROUP, INC.
(Exact name of registrant as specified in its charter)

<TABLE>

<S>	DELAWARE	<C>	11-21676167
	(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)
	98 SPIT BROOK ROAD, SUITE 102		
	NASHUA, NEW HAMPSHIRE		03062
	(Address of principal executive offices)		(Zip Code)

</TABLE>

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (603) 888-1212

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

<TABLE>

<S>		<C>	Name of each exchange on which registered
	Title of each class		
	Common Stock, \$.01 par value		New York Stock Exchange
	Preferred Share Purchase Rights		New York Stock Exchange

</TABLE>

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

NONE

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 X No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item
405 of Regulation S-K is not contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K, or any amendment to
this Form 10-K. ☒

The aggregate market value of the shares of voting capital stock held by
non-affiliates (without admitting that any person whose shares are not included
in determining such value is an affiliate) was approximately
\$142 million based upon the closing price of the shares on the New York Stock
Exchange Composite Tape on March 19, 1998.

As of March 19, 1998, there were issued and outstanding 19,153,444 shares
of Common Stock of the registrant.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Annual Report to Stockholders for the fiscal
year ended December 28, 1997: Parts I and II. Portions of the registrant's
definitive proxy statement with respect to the Annual Meeting of Stockholders to
be held on May 12, 1998: Part III.

ITEM 1. BUSINESS

GENERAL

EKCO Group, Inc. ("EKCO" or the "registrant" and, together with its subsidiaries, the "Company") is a leading United States developer, manufacturer and marketer of multiple categories of branded houseware products for everyday home use. The Company believes it is the leading United States supplier of metal bakeware, kitchen tools and gadgets and non-toxic pest control products. In addition, the Company believes it is a leading United States supplier of cleaning products (primarily brushes, brooms and mops), small animal care and control products and dog and cat supplies and accessories. The Company markets its products primarily in the United States through substantially all distribution channels that sell houseware products for everyday home use, including mass merchandisers, supermarkets, hardware, specialty, drug and department stores.

The Company was incorporated in Delaware in 1968. The current business of the Company was established in 1987 through the Company's purchase of EKCO Housewares, Inc. and through subsequent acquisitions and internal development. The Company has acquired or developed the following businesses and product categories (net of divestitures):

October 1987--acquisition of EKCO Housewares, Inc. ("Housewares"), a manufacturer and marketer of bakeware and kitchen tools and gadgets.

January 1989--acquisition of Woodstream Corporation ("Woodstream"), a manufacturer and marketer of non-toxic pest control products.

December 1989--acquisition of the non-toxic pest control product line of McGill Metal Products Company.

December 1991--acquisition of the small animal care product line of Beacon Industries, Inc.

April 1993--acquisition of Kellogg Brush Manufacturing Co. and subsidiaries, a manufacturer and marketer of brushes, brooms and mops. (Kellogg Brush Manufacturing's name has recently been changed to EKCO Cleaning, Inc. ("EKCO Cleaning").

January 1995--introduction of an internally developed line of upscale bakeware and kitchen tools, gadgets and other houseware products by B. VIA International Housewares, Inc. ("VIA"), a newly formed subsidiary of the Company.

December 1996--sublicense of the Farberware(R) brand name from Meyer Marketing Company Ltd. for use on certain of the Company's bakeware products.

July 1997--formation of EKCO International, Inc., a subsidiary organized to grow the Company's business in international markets.

January 1998--acquisition of Aspen Pet Products, Inc. ("Aspen"), a marketer of dog and cat supplies and accessories, as well as other pet products.

During the year ended December 28, 1997 ("Fiscal 1997"), the Company operated in one industry segment, with revenues derived from sales in four principal product categories: (i) bakeware, (ii) kitchenware, (iii) cleaning products, and (iv) pest control and small animal care and control products. See Note 14 of Notes to

Consolidated Financial Statements appearing in Exhibit 13 hereto, incorporated herein by reference, for industry and geographic area information.

The Company's business strategy is to continue to focus on growth through its emphasis on marketing and sales. The Company seeks to create innovative and attractive products, introduce new products quickly and strengthen customer relationships. The Company also intends to pursue growth through acquisition of additional consumer product lines and businesses as opportunities arise.

RECENT DEVELOPMENTS

In January 1998, the Company completed the acquisition (the "Acquisition") of all of the outstanding equity securities of APP Holding Corporation ("APP"),

the parent corporation and sole stockholder of Aspen, a leading marketer of dog and cat supplies and accessories, such as ropes, chews, collars and leashes. Pursuant to the Stock Purchase and Sale Agreement, the Company paid approximately \$24.5 million in cash and refinanced APP's outstanding bank debt of approximately \$9.1 million. In addition, if Aspen achieves certain predetermined financial results during fiscal 1998, 1999, 2000, 2001 and 2002, the Company will make annual payments to certain former APP stockholders. The Company funded the Acquisition with its existing cash and borrowings made pursuant to a December 15, 1997 amendment to its bank credit facility. See Notes 19 and 5 of Notes to Consolidated Financial Statements appearing in Exhibit 13 hereto, incorporated herein by reference, for information about the Acquisition and the amendment to the Company's credit facility.

PRODUCTS

BAKEWARE. The Company manufactures and markets a broad line of metal bakeware for home use, including non-stick coated bakeware marketed under a group of Baker's Secret(R) trademarks, uncoated bakeware marketed under the EKCO(R) trademark, insulated non-stick coated "no burn" bakeware marketed under the Baker's Secret(R) Air Insulated(TM) trademark, and non-stick coated and uncoated bakeware marketed under the Farberware(R) brand name, more fully described below under "--VIA." Sales of bakeware accounted for 31.5% of net revenues for Fiscal 1997. Through Housewares, the Company has over 100 years of experience in the metal bakeware market, and its bakeware products include cookie sheets, muffin tins, brownie pans, loaf pans and similar metal bakeware items. The Company emphasizes value, quality, functionality and, in the case of coated products, ease of cleaning and release. The Company believes it is the leading United States supplier of metal bakeware in the United States.

The Company continually develops new products to capitalize on its high consumer brand recognition and broad retail distribution. New product development efforts are conducted by the Company's internal staff and by third parties on a contract basis. During Fiscal 1997 and at the National Housewares Show in January 1998, the Company introduced many new product offerings, including Baker's Secret(R) Bake `N Take travel bakeware products which feature sturdy plastic lids with fold-down handles, Baker's Secret(R) FanciBakes(TM) specialty bake pans such as fluted pie pans, EKCO(R) Air Ware(TM) uncoated insulated bake pans, Baker's Secret(R) toaster oven non-stick bakeware items and Baker's Secret(R) ovenware products such as roasters and broilers.

KITCHENWARE. The Company sells kitchen tools and gadgets under the EKCO(R), EKCO PRO(TM) and Baker's Secret(R) trademarks. The Company markets more than 1,000 kitchen tool and gadget products, including multiple colors of the same item and various packaging combinations. Sales of kitchenware products accounted for 29.6% of net revenues for Fiscal 1997. Kitchen tools include metal, plastic and wooden spoons, spatulas, serving forks, ladles and other cooking accessories. Gadgets include peelers, corkscrews, whisks, can openers, bottle openers and similar items. The Company also markets stainless steel and carbon steel cutlery and stainless steel flatware, mixing bowls and colanders. The Company believes that it is the leading United States supplier of kitchen tools and gadgets.

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The Company believes that the sale of kitchenware is more dependent on impulse buying by the consumer than any other line of products the Company offers. The Company continually updates its kitchenware line and introduces new items. During Fiscal 1997 and in January 1998 at the National Housewares Show, the Company introduced numerous new items, including kitchen tools marketed under the EKCO PRO(TM) name, some with new ergonomic non-slip handles; three new series of cutlery with ergonomic handles sold individually or in sets with wood or plastic blocks, some of which include tools and gadgets or filled spice bottles; a new flatware program that includes sets and open stock of flatware; a line of corkscrews, bottle openers and other tools marketed under the Bar Works(TM) trademark; a series of upscale kitchen tools, gadgets, cutlery and a tea kettle marketed under the EKCO Endura(TM) trademark; new stainless steel and colored whistling tea kettles; beechwood and polypropylene cutting board product offerings; ceramic pantry sets including such items as spoon rests, salt and pepper shakers, trivets and canister sets; and a number of "Zoo Tools" kitchen tool product offerings in unique animal shapes. The Company also introduced five new series of 18/10 stainless steel cookware, with either encapsulated aluminum disk bottoms or copper disk bottoms and specially designed handles, under the following brand names: EKCO(R) Cookware, EKCO Eterna(R), EKCO Endura(TM), EKCO Endura(TM) non-stick and EKCO Copperelle(TM).

VIA. The Company's VIA(TM) baking and kitchenware products are designed for the upscale and specialty marketplace. VIA(TM) products include the following: pantryware, such as canister sets, spice racks and napkin and paper towel holders; tea kettles and carafes; and baking equipment, including cooling racks,

cookie cutter sets and cast aluminum ovenware. VIA markets Farberware(R) bakeware products, including cookie sheets, loaf pans and muffin tins in heavy-gauge coated and uncoated steel and tin steel pans; and heavy-gauge coated steel roasting pans. VIA's sales of bakeware and kitchenware accounted for 5.1% of net revenues for Fiscal 1997. During Fiscal 1997 and at the National Housewares Show in January 1998, VIA introduced a number of Farberware(R) bakeware product offerings, including: uncoated heavy gauge tin steel Professional Series(TM) bakeware pans; non-stick tin coated steel baking pans and cookie sheets; non-stick air insulated baking pans and cookie sheets, including a muffin pan that reverses to a baking pan; heavy duty 18/10 stainless steel Classic Series(TM) baking pans and cookie sheets; and Millennium(R) non-stick heavy gauge steel pans and cookie sheets. The VIA(TM) family of products was also expanded to include a number of innovative product offerings, including filled spice racks, some of which are combined with cutlery blocks or kitchen tools and gadgets to save counter space.

CLEANING PRODUCTS. The Company manufactures and markets a broad line of cleaning products, including brushes, brooms and mops for home use marketed under the EKKO(R) and Clean Results(R) trademarks and indoor and outdoor specialty cleaning products for janitorial use marketed under the Wright-Bernet(TM) and Cleaning Specialty(TM) trademarks. Sales of cleaning products accounted for 20.7% of net revenues for Fiscal 1997. The Company believes that it is a leading manufacturer of cleaning brushes for household, kitchen and personal use.

As with its other product offerings, the Company introduced many new cleaning products in Fiscal 1997 and at the January 1998 National Housewares Show. These products included: new stick goods products, including a magnetic broom and a new "wing" sponge mop whose sides are at 90 degree angles to the mop base to clean baseboards and floors at the same time; a line of 38 laundry care items; new animal figures in the Cleaning Critters(R) kitchen and bath brush and sponge product group; new brush and mop offerings in the Clean Results(R) product grouping; new window and floor squeegees; and wire brushes marketed under the Wright-Bernet(TM) brand name.

PEST CONTROL AND SMALL ANIMAL CARE AND CONTROL PRODUCTS. The Company manufactures and markets non-toxic pest control and small animal care and control products under the Victor(R) and Havahart(R) trademarks, respectively. Sales of pest control and small animal care and control products accounted for 13.1% of net revenues for Fiscal 1997. The Company's products include spring-action and other rodent and insect traps marketed under the Victor(R) trademark, pet cages marketed under the Havahart(R) trademark and live animal cage traps marketed under the Havahart(R) trademark, which are used to control garden pests and other nuisance animals such as raccoons. The Company believes it is the leading supplier of non-toxic pest control products, rodent traps and live

animal cage traps in the United States. In Fiscal 1997, the Company introduced its line of "Thrifty but Nifty" dog home and training crates; a stray cat rescue kit and disposable liners for rabbit hutch pans, marketed under the Havahart(R) trademark; and a roach and insect station for indoor and outdoor use which contains a trap with a roach pheromone attractant, a new "roach magnet" "big roach problems" roach and insect station for indoor and outdoor use, and fly and yellow jacket traps with bait included, marketed under the Victor(R) trademark.

ASPEN PET PRODUCTS. Since its acquisition of Aspen in January 1998, the Company has marketed a broad line of pet products, including leashes and collars, toys, pan liners, and dog shampoos marketed under the Aspen Pet(TM) brand name and litter boxes, cat toys and furniture, ropes, tugs, rings and chews for dogs and birds marketed under the Booda(TM) brand name. The Company believes that Aspen is a leading marketer of dog and cat supplies and accessories, such as ropes, chews, collars and leashes.

CUSTOMERS AND DISTRIBUTION

Management believes that the Company has one of the broadest distribution networks of any company in the housewares industry. The Company markets its products primarily in the United States through substantially all distribution channels that sell houseware products for everyday home use, including mass merchandisers, supermarkets, hardware stores, drug stores, specialty stores and other retail channels. The Company sells its products to more than 80 of the 100 largest mass merchandisers (as ranked in the January 1998 Home World Business Magazine category analysis of the top 100 retailers), including Wal-Mart and Kmart. The Company estimates that its houseware products are sold in over 90% of the approximately 38,000 U.S. supermarkets, including Kroger, Albertson's and Winn-Dixie. The Company sells its houseware products to many of the largest

hardware chains, including Ace Hardware, Home Depot, True Value, ServiStar and Lowe's Home Centers. Of its customers, sales to Wal-Mart and Kmart accounted for 13.3% and 9.5%, respectively, of the Company's net revenues in Fiscal 1997. The Company's houseware products are distributed through the following retail channels: Bakeware is distributed primarily through mass merchandisers, supermarkets and specialty stores; kitchenware is distributed primarily through supermarkets and mass merchandisers, as well as hardware and drug stores; VIA(TM) products are distributed primarily through department stores and specialty stores; Wright-Bernet(TM) broom and brush products are marketed to hardware and home center retailers, mops are marketed to janitorial supply and professional cleaning companies and the remainder of the Company's cleaning products are marketed primarily to mass merchandisers and supermarkets; and pest control and small animal care and control products are marketed to mass merchandisers, supermarkets, hardware, drug and variety stores, agricultural centers, farm stores, home centers and professional pest control companies.

The Company's Aspen pet products are distributed primarily through mass merchandisers, supermarkets, pet superstores, pet specialty stores and catalogs.

SALES AND MARKETING

The Company markets its products directly through its own sales and marketing organization and through a network of representatives and brokers. Outside the United States, the Company's products are marketed through its Canadian and United Kingdom subsidiaries and distributors and agents who provide marketing support to supermarkets, mass merchandising stores, specialty stores and department stores. The Company's agreements with its distributors and agents are generally terminable upon 30 days notice and are not deemed to be material by the Company.

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MANUFACTURING AND SOURCING

The Company manufactures most of its bakeware, cleaning and pest control and small animal care and control products. The Company utilizes a variety of standard manufacturing processes, including metal stamping, injection molding, mesh welding, wire forming and automatic staple setting. Kitchenware products and Aspen's pet products are primarily sourced from third parties. The Company regularly evaluates its manufacturing and third party sourcing options to maintain an appropriate balance of quality and cost.

RAW MATERIALS AND COMPONENTS

The Company purchases primary raw materials, including steel, wood, natural and synthetic fibers, sponges, corrugated boxes and card stock for packaging, from a number of suppliers, including several major steel companies. All of these materials are of a commodity nature and are subject to price fluctuations as supply and demand change, which may adversely affect the Company's profitability. The Company also purchases components and complete products, primarily kitchenware and Aspen's pet products, from several domestic and foreign suppliers. The Company believes that raw materials, component items and complete products are available from numerous other suppliers, and that the loss of any one of its suppliers would not have a material adverse effect on the Company.

TRADEMARKS AND PATENTS

The Company believes that its EKCO(R) trademark, as well as its Baker's Secret(R), Havahart(R), Victor(R), Wright-Bernet(TM), VIA(TM), Aspen Pet(TM) and Booda(TM) trademarks, and the Farberware(R) trademark are significant to its competitive position. The Company holds a number of patents, none of which is believed to be material to the Company's business.

COMPETITION

The Company believes that the markets for all of its products are highly competitive. Competition for retail sales to consumers is based on several factors, including brand name recognition, value, quality, price, innovation and availability. Primary competitive factors with respect to selling such products to retailers are brand reputation, number of product categories offered, broad product coverage within each product category, support and service to the retailer and price.

The Company competes with many well-established companies, several of which have substantially greater resources than those of the Company. There are no substantial regulatory or other barriers to entry by new competitors. However, suppliers that are able to maintain, or increase, the amount of retail space allocated to a product may gain a competitive advantage in that product market.

The Company believes that the allocation of space by retailers is influenced by many factors, including those mentioned above. The Company believes that its ability to compete successfully is based on the wide recognition of its brand names, its multiple category product offerings, its ability to design, develop, acquire, manufacture and market competitively priced products, its broad product coverage within most product categories, its attention to retailer and consumer needs and its access to major channels of distribution. There can be no assurance that the Company will be able to compete successfully against current and future sources of competition or that the competitive pressures faced by the Company will not adversely affect its profitability or financial performance.

SEASONALITY

Many of the Company's product categories are affected by seasonal consumer purchasing patterns, including holiday cooking and baking and spring cleaning. Historically, the Company's revenues in the last half of the fiscal year have been greater than in the first half. See Note 16 of Notes to Consolidated Financial Statements

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appearing in Exhibit 13 hereto, incorporated herein by reference, for information regarding quarterly results of operations.

BACKLOG

Information as to backlog is not material to an understanding of the Company's business because most of the Company's net revenues result from short lead-time customer orders. The Company generally is able to fill orders from inventory, and has generally been able to adjust production levels to meet increases in customers' orders that cannot be filled from inventory.

EMPLOYEES

As of December 28, 1997, the Company employed 1,018 persons in the United States, of whom 606 were represented under collective bargaining agreements which expire on dates ranging from September 1998 to February 2002. As of such date, the Company also employed 34 persons in Canada, 14 of whom were represented under a collective bargaining agreement which expires in January 2000, and 16 persons in the United Kingdom. The Company considers its employee relations to be satisfactory.

BUSINESS OUTLOOK

This annual report on Form 10-K, including "Business," "Properties," "Legal Proceedings" and "Management's Discussion and Analysis of Results of Operations and Financial Condition" in Exhibit 13 hereto, contains forward-looking statements within the meaning of the safe-harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements. Such factors and uncertainties include, but are not limited to: the impact of the level of the Company's indebtedness; restrictive covenants contained in the Company's various debt documents; general economic conditions and conditions in the retail environment; the Company's dependence on a few large customers; price fluctuations in the raw materials used by the Company; competitive conditions in the Company's markets; the timely introduction of new products; the impact of competitive products and pricing; certain assumptions related to consumer purchasing patterns; the seasonal nature of the Company's business; and the impact of federal, state and local environmental requirements (including the impact of current or future environmental claims against the Company). As a result, the Company's operating results may fluctuate, especially when measured on a quarterly basis. These forward-looking statements represent the Company's best estimate as of the date of this Annual Report on Form 10-K. The Company assumes no obligation to update such estimates except as required by the rules and regulations of the Securities and Exchange Commission.

ITEM 2. PROPERTIES

As of December 28, 1997, the Company owned or leased for use in its business the properties set forth in the table and footnotes below:

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<TABLE>

<CAPTION>

DESCRIPTION OF PROPERTY(1) (2)	LOCATION	Approximate SQUARE FOOTAGE	Owned or LEASED	Lease EXPIRES
<S>	<C>	<C>	<C>	<C>
Executive offices	Nashua, New Hampshire	8,000	Leased	11/06/02
Administrative offices for the housewares division and warehousing and distribution center for VIA products	Franklin Park, Illinois	190,000	Leased	01/31/04
Manufacturing, warehousing and distribution center for bakeware	Massillon, Ohio	244,000	Owned	N/A
Warehousing and distribution center for kitchenware, bakeware, VIA and other Company products	Bolingbrook, Illinois	260,000 108,000	Leased Leased	06/30/02 11/10/99
Manufacturing, warehousing, distribution and office facility for pest control and small animal care and control products	Lititz, Pennsylvania	300,000	Owned	N/A
Manufacturing, warehousing, distribution and office facility for brushes, brooms and mops	Hamilton, Ohio	100,000	Owned	N/A
Warehousing and distribution for brushes, brooms and mops	Monroe, Ohio	116,000	Leased	07/31/02
Office and warehousing facility for products for sale and distribution in Canada	Niagara Falls, Ontario, Canada	60,000	Owned	N/A
Manufacturing and distribution facility for institutional mop and broom products	Nashville, Tennessee	42,000	Leased	12/31/98
Office and warehousing facility for products for sale and distribution in the U.K. and internationally	Chepstow, Gwent U.K.	45,000	Leased	06/03/14

</TABLE>

- (1) In addition to the properties listed in the table, as of December 28, 1997 the Company owned approximately 839,000 square feet of floor space which is being held for sale or lease. The Company leases other real properties not set forth above which, in the aggregate, are not deemed material.
- (2) Substantially all of the properties owned by the Company are subject to mortgage liens granted in connection with the Company's credit facility. The Company believes that its properties are generally suitable and adequate for its purposes for the foreseeable future.

ITEM 3. LEGAL PROCEEDINGS

LITIGATION

The Company is a party to several pending legal proceedings and claims, including the matters described below. Although the outcome of such proceedings cannot be determined with certainty, the Company's management, after consultation with legal counsel, is of the opinion that the expected final outcome should not have a material adverse effect on the Company's financial position, results of operations or liquidity. In April 1996, the U.S. District Court for the Northern District of Ohio ruled that certain insulated bakeware products manufactured by the Company infringed a patent held by a third-party plaintiff. The Company ceased manufacturing such products in December 1995. In July 1996, the court enjoined the Company from infringing the patent and awarded the plaintiff a royalty of 2% of sales, or approximately \$88,000. The Company believes that it is not liable for infringement, and in December 1996, the

Company filed a notice of appeal, and thereafter, the third-party plaintiff filed a cross-appeal. The Company and its counsel believe that the Company has meritorious grounds for its appeal of the court's decision. The Company's management believes that the final outcome will not have a material adverse effect on the Company's financial position, results of operations or liquidity.

ENVIRONMENTAL REGULATION AND CLAIMS

From time to time, the Company has had claims asserted against it by regulatory agencies or private parties for environmental matters relating to the generation or handling of hazardous substances by the Company or its predecessors, and the Company has incurred obligations for investigations or remedial actions with respect to certain of such matters. While the Company does not believe that any such claims asserted or obligations incurred to date will result in a material adverse effect upon the Company's financial position, results of operations or liquidity, the Company is aware that at its facilities at Massillon (more fully described below) and Hamilton, Ohio; Easthampton, Massachusetts (more fully described in Note 13 of Notes to Consolidated Financial Statements appearing in Exhibit 13 and incorporated herein by reference); Chicago, Illinois and Lititz, Pennsylvania, and at its previously owned facility in Hudson, New Hampshire, hazardous substances, oil or both have been detected and that additional investigations will be, and remedial actions will or may be, required at such facilities. Operations at these and other facilities currently or previously owned or leased by the Company utilize, or in the past have utilized, hazardous substances. There can be no assurance that activities at these or any other facilities or future facilities may not result in additional environmental claims being asserted against the Company or additional investigations or remedial actions being required.

Prior to the Company's acquisition of Housewares in 1987, Housewares' Massillon, Ohio steel bakeware manufacturing facility was the subject of administrative proceedings before the United States Environmental Protection Agency by issuance of an administrative complaint alleging violations of the Resource Conservation and Recovery Act resulting from operation of a wastewater lagoon at the facility. American Home Products Corporation ("AHP"), a former owner of Housewares, pursuant to an indemnity agreement (the "Indemnity Agreement") with Housewares relating to acts occurring prior to September 7, 1984, assumed the costs of remediation measures in addition to the defense of the administrative proceedings with federal and state environmental protection agencies, as well as preparation of closure plans and other plans called for as a result of these proceedings. While AHP has acknowledged its full responsibility under the Indemnity Agreement with respect to the wastewater lagoon, it has asserted that Housewares should contribute to the cost of a remediation study and certain remediation measures to the extent that Housewares exacerbated contamination at the facility since September 7, 1984. Housewares has denied that it has exacerbated contamination at the facility since such date. AHP and Housewares agreed in 1988 to allocate such costs in proportion to their respective responsibilities based on the results of an engineering study but in no event will Housewares' share with respect to the investigation or cleanup costs exceed the lesser of 25% of the cost of groundwater investigation and cleanup or \$750,000. To date, no further claim for such costs has been made. The Company is unable to determine to what extent, if any, it will be responsible to contribute to such costs but the Company does not believe that any such

contribution that it may be required to make will have a material adverse effect on its financial position, results of operations or liquidity.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

NAME	AGE	OFFICE HELD
Malcolm L. Sherman	66	Chief Executive Officer, December 1996 to present; Chairman of the Board, July 1996 to present; and consultant to the Company, February 1993 to December 1996. Since February 1993, Mr. Sherman has served as Chairman of the Board of Advisors of Gordon Brothers

Partners, Inc. (a group of companies which provide merchant and financial services to the retail community as well as serve as wholesalers and retailers of fine jewelry). He was Chairman and Director of K.T. Scott, Ltd. (a chain of wallpaper and window treatment stores) from January 1991 to August 1995, and President and Chief Executive Officer of Morse Shoe, Inc. (a manufacturer, importer and retailer of shoes) from January 1992 until December 1993. Mr. Sherman has had many years of experience in the retail and housewares industries, including service as President of Zayre Stores Inc. (a chain of retail chain stores), chairman of Regina Electric (a manufacturer of vacuum cleaners) and chairman of Channel Home Centers, Inc. (a chain of home improvement stores).

Donato A. DeNovellis	53	Executive Vice President, Finance and Administration, October 1994 to present; Chief Financial Officer, July 1993 to present; Vice President, July 1993 to October 1994; Senior Vice President and Chief Financial Officer of EKCO Housewares, Inc. from September 1996 to present.
Jeffrey A. Weinstein	47	Executive Vice President, April 1985 to present; President and Managing Director, EKCO International, Inc., July 1997 to present; Secretary, February 1988 to October 1997; General Counsel, October 1978 to October 1997; and President, EKCO Consumer Plastics, Inc., July 1996 to April 1997.

John Jay Althoff	33	Vice President, Secretary and General Counsel, October 1997 to present. Prior to joining the Company, from September 1993 to September 1997 Mr. Althoff was an associate with Ropes & Gray (a law firm) working with corporate clients. From August 1987 through October 1989, Mr. Althoff was an associate in the Capital Markets Group of Westpac Banking Corporation (an Australian bank).
Stuart W. Cohen	51	Vice President, Strategic Planning and Business Development, June 1995 to present. Prior to joining the Company, from May 1991 to December 1994 Mr. Cohen served as First Vice President of Van Kampen Merritt, Inc. (an investment products and management firm), where he was responsible for strategic planning and business development.
Brian R. McQuesten	48	Vice President, February 1996 to present; and Controller, May 1987 to present.
Paul S. Neustadt	44	Vice President and Chief Information Officer, April 1997 to present. Prior to joining the Company, from August 1996 to April 1997 Mr. Neustadt served Digital Equipment Corporation (a technology company) as a program manager, and from October 1989 to August 1996 Mr. Neustadt was an attorney in private practice.
Susan M. Scacchi	33	Treasurer from February 1997 to present; Vice President--Finance of EKCO Housewares, Inc. from July 1996 to February 1997; Corporate Accounting Manager from August 1994 to July 1996. Prior to joining the Company, from September 1992 to August 1994 Ms. Scacchi was an independent financial management consultant.

The executive officers of the Company are elected annually by the Board of Directors and serve, subject to the provisions of any employment agreement between the executive and the Company, until their respective successors are chosen and qualified or until their earlier resignation or removal.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The information set forth in the section entitled "Common Stock Price Range and Dividends" appearing in Exhibit 13 hereto is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The information set forth in the section entitled "Selected Consolidated Financial Data" appearing in Exhibit 13 hereto is incorporated herein by reference.

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

The information set forth in the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Condition" appearing in Exhibit 13 hereto is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information set forth in the consolidated financial statements and notes thereto (including the note which sets forth certain supplementary information) and the Report of Independent Auditors appearing in Exhibit 13 hereto are incorporated herein by reference. Reference is also made to Item 14(a)2 with respect to Financial Statement Schedules filed herewith.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

a) Directors - The information set forth in the section entitled "Election of Directors" appearing in the Company's definitive proxy statement with respect to the 1998 Annual Meeting of Stockholders is incorporated herein by reference.

b) Executive Officers - See "Executive Officers of the Registrant" appearing in Part I above.

ITEM 11. EXECUTIVE COMPENSATION

The information set forth in the sections entitled "Compensation of Directors" and "Compensation of Executive Officers" (except for the information under the captions "Report of the Compensation Committee on Executive Compensation" and "Performance Graph") appearing in the Company's definitive proxy statement with respect to the 1998 Annual Meeting of Stockholders is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information set forth in the section entitled "Security Ownership of Certain Beneficial Owners and Management" appearing in the Company's definitive proxy statement with respect to the 1998 Annual Meeting of Stockholders is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information set forth in the section entitled "Certain Relationships and Related Transactions" appearing in the Company's definitive proxy statement with respect to the 1998 Annual Meeting of Stockholders is incorporated herein by reference.

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

	Page Number in EXHIBIT 13
(a) 1. FINANCIAL STATEMENTS:	
Report of independent auditors.....	60
Consolidated balance sheets at December 28, 1997 and December 29, 1996	40
Consolidated statements of operations for the fiscal years ended December 28, 1997, December 29, 1996 and December 31, 1995....	41
Consolidated statements of stockholders' equity for the fiscal years ended December 28, 1997, December 29, 1996 and December 31, 1995.....	42
Consolidated statements of cash flows for the fiscal years ended December 28, 1997, December 29, 1996 and December 31, 1995....	43
Notes to consolidated financial statements.....	44
	Page Number in FORM 10-K
Independent auditors' report.....	15
2. FINANCIAL STATEMENT SCHEDULE:	
II Valuation and Qualifying Accounts.....	16
Schedules other than that listed above have been omitted because they are not required, not applicable or the required information is furnished in the consolidated financial statements or notes thereto.	
3. EXHIBITS: (See Index to Exhibits beginning on page 17.)	
(b) REPORTS ON FORM 8-K - On December 17, 1997, the registrant filed a report on Form 8-K as of December 15, 1997 to report under "Item 5. Other Events" the filing of a press release which announced that it had entered into an agreement to acquire the outstanding equity securities of APP Holding Corporation, the parent and sole stockholder of Aspen Pet Products, Inc.	

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EKCO GROUP, INC.

By: /s/MALCOLM L. SHERMAN

Malcolm L. Sherman, Chief
Executive Officer
(Principal Executive Officer)
Date: March 27, 1998

By:/s/DONATO A. DENOVELLIS

Donato A. DeNovellis, Executive Vice President, Finance and
Administration, and Chief Financial Officer
(Principal Financial Officer)
Date: March 27, 1998

By: /s/BRIAN R. MCQUESTEN

Brian R. McQuesten, Vice President and
Controller
(Principal Accounting Officer)
Date: March 27, 1998

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/S/GEORGE W. CARMANY, III	Director	March 27, 1998
---------------------------	----------	----------------

George W. Carmany, III

/S/MICHAEL G. FRIEZE	Director	March 27, 1998
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Michael G. Frieze

/S/AVRAM J. GOLDBERG	Director	March 27, 1998
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Avram J. Goldberg

/S/KENNETH J. NOVACK	Director	March 27, 1998
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Kenneth J. Novack

/S/STUART B. ROSS	Director	March 27, 1998
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Stuart B. Ross

/S/MALCOLM L. SHERMAN	Director	March 27, 1998
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Malcolm L. Sherman

/S/BILL W. SORENSON	Director	March 27, 1998
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Bill W. Sorenson

/S/HERBERT M. STEIN	Director	March 27, 1998
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Herbert M. Stein

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
EKCO Group, Inc.

Under date of January 29, 1998, we reported on the consolidated balance sheets of EKCO Group, Inc. and subsidiaries as of December 28, 1997 and December 29, 1996, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the fiscal years in the three-year period ended December 28, 1997, as contained in the 1997 annual report to stockholders. These consolidated financial statements and our report thereon are incorporated by reference in this annual report on Form 10-K for the fiscal year 1997. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule as listed in Item 14(a)2 of this report. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our

audits.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth herein.

/s/ KPMG Peat Marwick LLP

Boston, Massachusetts
January 29, 1998

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<TABLE>
<CAPTION>

EKCO GROUP, INC. AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
(AMOUNTS IN THOUSANDS)

COLUMN A	COLUMN B	COLUMN C		COLUMN D		COLUMN E
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	--ADDITIONS TO RESERVES-- ADDITIONS CHARGED TO INCOME OR LOSS	CHARGED TO OTHER ACCOUNTS	--DEDUCTIONS FROM RESERVES-- SETTLEMENTS OR PAYMENTS	WRITE- OFFS	BALANCE AT CLOSE OF PERIOD
<S>	<C>	<C>	<C>	<C>	<C>	<C>
YEAR ENDED DECEMBER 28, 1997:						
Allowance for doubtful accounts	\$ 760	\$ 183	\$ 14	\$ --	\$ --	\$ 957
Provisions related to consolidation of cleaning business	1,697	--	--	1,697	--	--
Provision for disposal of discontinued operations	5,500	--	--	5,500	--	--
	----- \$ 7,957 =====	----- \$ 183 =====	----- \$ 14 =====	----- \$7,197 =====	----- \$ -- =====	----- \$ 957 =====
YEAR ENDED DECEMBER 29, 1996:						
Allowance for doubtful accounts	\$ 948	\$ 130	\$ --	\$ --	\$ 318	\$ 760
Provisions related to consolidation of cleaning business	--	4,921	--	--	3,224	1,697
Provision for disposal of discontinued operations	--	5,500	--	--	--	5,500
	----- \$ 948 =====	----- \$ 10,551 =====	----- \$ -- =====	----- \$ -- =====	----- \$3,542 =====	----- \$7,957 =====
YEAR ENDED DECEMBER 31, 1995:						
Allowance for doubtful accounts	\$ 1,395	\$ (290)	\$ --	\$ --	\$ 157	\$ 948
Reserves related to plant consolidations	3,305	--	--	3,305	--	--
	----- \$ 4,700 =====	----- \$ (290) =====	----- \$ -- =====	----- \$3,305 =====	----- \$ 157 =====	----- \$ 948 =====

</TABLE>

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INDEX TO EXHIBITS

Exhibit Number	Exhibit Description
3.1(i) (a)	Restated Certificate of Incorporation dated February 17, 1987, as amended, originally filed as Exhibit 3.1(a) to Form 10-K for the year ended December 31, 1989 (incorporated herein by reference to Exhibit 3.1(i) (a) to Form 10-K for the year ended December 31, 1995).
3.1(i) (b)	Form of Certificate of Designations of Series A Junior Participating Preferred Stock.
3.1(i) (c)	Certificate of Designations of Series B ESOP Convertible Preferred Stock, originally filed as Exhibit 3.1(d) to Form 10-K for the year ended January 1, 1989 (incorporated herein by reference to Exhibit 3.1(c) to Form 10-K for the year ended January 1, 1995).
3.1(ii)	By-laws as currently in effect (incorporated herein by reference to Form 10-K for the year ended December 29, 1996).
4.1	Amended and Restated Rights Agreement dated as of March 21, 1997 with American Stock Transfer & Trust Company, including Form of Rights Certificate (incorporated herein by reference to Exhibit 4.1 to Form 8-K as of March 21, 1997).
4.2(a) (1)	Indenture dated as of March 25, 1996 among the registrant, its U.S. operating subsidiaries and Fleet National Bank of Connecticut (incorporated herein by reference to Exhibit 4.2(a) to Form 10-K for the year ended December 31, 1995).
4.2(a) (2)	First Supplemental Indenture dated as of January 16, 1998 among the registrant, its U.S. subsidiary guarantors and State Street Bank and Trust Company.
4.2(b)	Form of 9 1/4% Senior Note due 2006, included in Exhibit 4.2(a) (1) (incorporated herein by reference to Exhibit 4.2(b) to Form 10-K for the year ended December 31, 1995).
4.2(c)	Registration Rights Agreement dated as of March 25, 1996 among the registrant, its U.S. operating subsidiaries, Bear, Stearns & Co. Inc. and Smith Barney Inc. (incorporated herein by reference to Exhibit 4.2(c) to Form 10-K for the year ended December 31, 1995).
4.3	EKCO Group, Inc. Dividend Reinvestment and Stock Purchase Plan (incorporated herein by reference to Exhibit 4.3 to Form 10-K for the year ended December 31, 1995).
10.1(a) *	1984 Restricted Stock Purchase Plan, as amended (incorporated herein by reference to Exhibit 10.1(a) to Form 10-K for the year ended December 29, 1996).

-
- (1) Numbered in accordance with Item 601 of Regulation S-K.
- (2) An asterisk (*) denotes the Company's management contracts or compensatory plans or arrangements.

10.1(b) *	1985 Restricted Stock Purchase Plan, as amended (incorporated herein by reference to Exhibit 10.1(b) to Form 10-K for the year ended December 29, 1996).
10.1(c) *	Form of Restricted Stock Purchase Agreement, as amended (incorporated herein by reference to Exhibit 10.1(b) to Form 10-K for the year ended January 1, 1995, Exhibit 10.1(c) (3) to Form 10-K for the year ended December 31, 1995 and schedule thereto in Exhibit 10.1(c) (2) to Form 10-K for the year ended December 29, 1996).
10.1(d) *	Form of Restricted Stock Purchase Agreement, as amended

(incorporated by reference to Exhibits 10.1(d) to Form 10-K for the year ended December 31, 1995).

- 10.2(a)* 1987 Stock Option Plan, as amended, including forms of incentive stock option and non-qualified stock option agreements.
- 10.2(b)(1)* Form of non-qualified stock option and repurchase agreement, as amended (incorporated herein by reference to Exhibit 10.2(b)(2)(i) to Form 10-K for the year ended December 31, 1995).
- 10.2(b)(2) Schedule to form of non-qualified stock option and repurchase agreement, as amended.
- 10.2(c)* Form of non-qualified stock option agreement (incorporated herein by reference to Exhibit 10.2(e) to Form 10-K for the year ended December 29, 1996).
- 10.2(d)* Form of incentive stock option agreement (incorporated herein by reference to Exhibits 10.3(d) to Form 10-K for the year ended January 1, 1995 and schedule thereto contained in Exhibit 10.2(d)(2) to Form 10-K for the year ended December 29, 1996).
- 10.2(e)* Form of non-qualified stock option and repurchase agreement.
- 10.2(f)* Form of non-qualified stock option agreement.
- 10.3(a)* Form of Indemnity Agreement for officers and directors (incorporated herein by reference to Exhibit 10.3(c) to Form 10-K for the year ended January 1, 1995 and to the schedule thereto contained in Exhibit 10.3(b) to Form 10-K for the year ended December 29, 1996).
- 10.4* EKCO Group, Inc. 1988 Directors' Stock Option Plan, as amended, and form of Non-Qualified Stock Option and Repurchase Agreement.
- 10.5(a)* EKCO Group, Inc. Employees' Stock Ownership Plan ("ESOP") effective as of January 1, 1989, as amended (incorporated herein by reference to Exhibits 10.6(a)(1) and (2) to Form 10-K for the year ended January 1, 1995 and Exhibits 10.5(a)(2) and 10.5(a)(3) to Form 10-K for the year ended December 29, 1996).
- 10.5(b) ESOP Loan Agreement dated as of October 1, 1990 (incorporated herein by reference to Exhibit 10.5(b) to Form 10-K for the year ended December 31, 1995).
- 10.5(c) ESOP Loan Agreement dated as of March 30, 1995 (incorporated herein by reference to Exhibit 10.5(c) to Form 10-K for the year ended December 31, 1995).
- 10.6* Employment Agreement with Malcolm L. Sherman dated December 4, 1996 (incorporated herein by reference to Exhibit 10.6 to Form 10-K for the year ended December 29, 1996).

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- 10.7* Amended and Restated Employment Agreement with Donato A. DeNovellis dated as of May 25, 1995, as amended (incorporated herein by reference to Exhibit 10.3 to Form 10-Q for the quarterly period ended October 1, 1995, Exhibit 10.9(b) to Form 10-Q for the period ended June 30, 1996 and Exhibit 10.10 to Form 10-K for the year ended December 29, 1996).
- 10.8* Amended and Restated Employment Agreement with Jeffrey A. Weinstein dated as of May 25, 1995 (incorporated herein by reference to Exhibit 10.2 to Form 10-Q for the quarterly period ended October 1, 1995 and Exhibit 10.10 to Form 10-K for the year ended December 29, 1996).
- 10.9* Form of Amended and Restated Employment Agreement with Brian R. McQuesten and another officer dated as of May 25, 1995, as amended (incorporated herein by reference to Exhibit 10.5 to Form 10-Q for the quarterly period ended October 1, 1995).
- 10.10* Employment Agreement with Stuart W. Cohen dated as of June 12, 1995 (incorporated herein by reference to Exhibit 10.4 to Form 10-Q for the quarterly period ended October 1, 1995).
- 10.11(a)* Employment Agreement with Robert Varakian dated as of September 25, 1996 (incorporated herein by reference to Exhibit

10.11 to Form 10-K for the year ended December 29, 1996).

- 10.11(b)* Amendment to Employment Agreement with Robert Varakian dated as of November 14, 1997.
- 10.12* 1995 Restatement of Incentive Compensation Plan for Executive Employees of EKCO Group, Inc. and its Subsidiaries, as amended.
- 10.13* EKCO Group, Inc. Supplemental Executive Retirement Plan dated as of July 1, 1992 (incorporated herein by reference to Exhibit 10.13 to Form 10-K for the year ended January 2, 1994).
- 10.14* Form of Split Dollar Agreement (incorporated herein by reference to Exhibits 10.14 to Form 10-K for the year ended January 2, 1994 and schedule with respect thereto in Exhibit 10.15(b) to Form 10-K for the year ended December 29, 1996).
- 10.15* EKCO Group, Inc. Amended 1996 Performance Unit Rights Award Plan (incorporated herein by reference to Exhibit 10.16(a) to Form 10-K for the year ended December 29, 1996).
- 10.16(a) Indemnification Letter from American Home Products Corporation dated February 8, 1985 to The Ekco Group, Inc.
- 10.16(b) Letter of Restatement and Confirmation of the Indemnification of American Home Products Corporation to The Ekco Group, Inc. from American Home Products Corporation to Centronics Corporation dated October 1, 1987.
- 10.16(c) Letter from American Home Products Corporation dated December 19, 1988, originally filed as Exhibit 10.17(d) to Form 10-K for the year ended January 1, 1989 (incorporated herein by reference to Exhibit 10.18(c) to Form 10-K for the year ended January 1, 1995).

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- 10.17 Agreement dated as of March 7, 1989 with Howard R. Curd et al, originally filed as Exhibit 10.16 to Form 10-K for the year ended January 1, 1989 (incorporated herein by reference to Exhibit 10.19 to Form 10-K for the year ended January 1, 1996).
- 10.18(a) Amended and Restated Credit Agreement dated as of April 11, 1995 and amended and restated as of July 8, 1997 with Fleet National Bank (incorporated herein by reference to Exhibit 10.22 to Form 10-Q for the quarterly period ended June 29, 1997).
- 10.18(b) First Amendment to Amended and Restated Credit Agreement dated as of December 15, 1997.
- 10.19 Subordinated Promissory Note dated March 28, 1997 made by Austin Products, Inc. to Ekco Consumer Plastics, Inc. (incorporated herein by reference to Exhibit 10.1 to Form 10-Q for the quarterly period ended March 30, 1997).
- 10.20 Stock Purchase and Sale Agreement dated as of December 15, 1997 with APP Holding Corporation ("APP"), APP's stockholders and APP's warrant holder (incorporated herein by reference to Exhibit 2 to Form 8-K as of January 16, 1998).
- 11 Statement re: computation of per share earnings. (Reference is made to Note 12 of Notes to Consolidated Financial Statements in Exhibit 13 hereto.)
- 13 1997 Annual Report to Stockholders (Sections entitled "Common Stock Price Range and Dividends," "Selected Consolidated Financial Data," "Management's Discussion and Analysis of Results of Operations and Financial Condition," "Consolidated Balance Sheets," "Consolidated Statement of Operations," "Consolidated Statements of Stockholders' Equity," "Consolidated Statements of Cash Flows," "Notes to Consolidated Financial Statements" and "Report of Independent Auditors").
- 21 Subsidiaries of the registrant.
- 23 Consent of KPMG Peat Marwick LLP.
- 27(1) Financial Data Schedule.
- 27(2) Financial Data Schedule (Restated).

Schedules to Exhibits 10.17 and 10.18(a) will be supplied upon request by the Commission.

THE FOREGOING EXHIBITS WILL NOT BE INCLUDED IN COPIES OF THIS ANNUAL REPORT ON FORM 10-K SUPPLIED TO STOCKHOLDERS. A COPY OF THESE EXHIBITS WILL BE FURNISHED TO STOCKHOLDERS UPON WRITTEN REQUEST ADDRESSED TO SUSAN M. SCACCHI, TREASURER, EKCO GROUP, INC., 98 SPIT BROOK ROAD, SUITE 102, NASHUA, NEW HAMPSHIRE 03062.

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INDEX TO EXHIBITS FILED WITH FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 28, 1997

EXHIBIT NO.	DESCRIPTION
3.1(i)(b)	Form of Certificate of Designations of Series A Junior Participating Preferred Stock, originally filed as part of Exhibit 4.2(c) to Form 10-K for the year ended December 28, 1986.
4.2(a)(2)	First Supplemental Indenture dated as of January 16, 1998 among the registrant, its U.S. subsidiary guarantors and State Street Bank and Trust Company.
10.2(a)*	1987 Stock Option Plan, as amended, including forms of incentive stock option and non-qualified stock option agreements.
10.2(b)(2)	Schedule to form of non-qualified stock option and repurchase agreement, as amended.
10.2(e)*	Form of non-qualified stock option and repurchase agreement.
10.2(f)*	Form of non-qualified stock option agreement.
10.4*	EKCO Group, Inc. 1988 Directors' Stock Option Plan, as amended, and form of non-qualified stock option and repurchase agreement.
10.11(b)*	Amendment to Employment Agreement with Robert Varakian dated as of November 14, 1997.
10.12*	1995 Restatement of Incentive Compensation Plan for Executive Employees of EKCO Group, Inc. and its Subsidiaries, as amended.
10.16(a)	Indemnification Letter from American Home Products Corporation dated February 8, 1985 to The Ekco Group, Inc., originally filed as Exhibit 2.2 to Form 8-K as of October 23, 1987.
10.16(b)	Letter of Restatement and Confirmation of the Indemnification of American Home Products Corporation to The Ekco Group, Inc. from American Home Products Corporation to Centronics Corporation dated October 1, 1987, originally filed as Exhibit 2.3 to Form 8-K as of October 23, 1987.
10.18(b)	First Amendment to Amended and Restated Credit Agreement dated as of December 15, 1997.
11	Statement re: computation of per share earnings. (Reference is made to Note 12 Notes to Consolidated Financial Statements in Exhibit 13 hereto.)
13	1997 Annual Report to Stockholders (Sections entitled "Common Stock Price Range and Dividends," "Selected Consolidated Financial Data," "Management's Discussion and Analysis of Results of Operations and Financial Condition," "Consolidated Balance Sheets," "Consolidated Statement of Operations," "Consolidated Statements of Stockholders' Equity," "Consolidated Statements of

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Cash Flows," "Notes to Consolidated Financial Statements" and
"Report of Independent Auditors").

21 Subsidiaries of the registrant.

23 Consent of KPMG Peat Marwick LLP.

27(1) Financial Data Schedule.

27(2) Financial Data Schedule (Restated).

27(3) Financial Data Schedule (Restated).

(1) Numbered in accordance with Item 601 of Regulation S-K.

(2) An asterisk (*) denotes the Company's management contracts or
compensatory plans or arrangements.

FORM
of
CERTIFICATE OF DESIGNATION
of
SERIES A JUNIOR PARTICIPATING PREFERRED STOCK
of
CENTRONICS CORPORATION
(Pursuant to Section 151 of the
Delaware General Corporation Law)

Centronics Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware (hereinafter called the "Corporation"), hereby certifies that the following resolution was adopted by the Board of Directors of the Corporation as required by Section 151 of the General Corporation Law at a meeting duly called and held on March 27, 1987:

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors of this Corporation (hereinafter called the "Board of Directors" or the "Board") in accordance with the provisions of the Restated Certificate of Incorporation, the Board of Directors hereby creates a series of Preferred Stock, par value \$.01 per share (the "Preferred Stock"), of the Corporation and hereby states the designation and number of shares, and fixes the relative rights, preferences, and limitations as follows:

Series A Junior Participating Preferred Stock:

I. DESIGNATION AND AMOUNT

The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" (the "Series a Preferred Stock") and the number of shares constituting the Series A Preferred Stock shall be 600,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; PROVIDED, that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for

issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series A Preferred Stock.

II. DIVIDENDS AND DISTRIBUTIONS

- (A) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Series A Preferred Stock with respect to dividends, the holders of shares of Series A Preferred Stock, in preference to the holders of Common Stock, par value \$.01 per share (the "Common Stock"), of the Corporation, and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$10 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any shares or fraction of a share of Series A Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by

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payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

- (B) The Corporation shall declare a dividend or distribution on

the Series A Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock (other than a dividend payable in shares of Common Stock (other than a dividend payable in shares of Common Stock)); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$10 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

- (C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record dated for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such

dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

III. VOTING RIGHTS

The holders of shares of Series A Preferred Stock shall have the following voting rights:

- (A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the shareholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of the dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

- (B) Except as otherwise provided herein, in any other Certificate of Designation creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of shareholders of the Corporation.
- (C) Except as set forth herein, or as otherwise provided by law, holders of Series A Preferred Stock shall have no voting rights.

IV. CERTAIN RESTRICTIONS

- (A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section II are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

- (i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;
- (ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on

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which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled.

- (iii) Redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or
- (iv) Redeem or purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will

fair and equitable treatment among the respective series or classes.

- (B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section IV purchase or otherwise acquire such shares at such time and in such manner.

V. REACQUIRED SHARES

Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the Restated Certificate of Incorporation, in any other Certificate of Designations creating a series of Preferred Stock or any similar or as otherwise required by law.

VI. LIQUIDATION, DISSOLUTION OR WINDING UP

Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock shall have received \$100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of shares Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (2) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all such parity stock in proportion to the total amounts to which

the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall at any time declare or pay any

dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

VII. CONSOLIDATION, MERGER, ETC.

In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series A preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

VIII. REDEMPTION

The shares of Series A Preferred Stock shall not be redeemable.

IX. RANK

The Series A Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets, junior to all series of any other class of the Corporation's Preferred Stock.

X. AMENDMENT

The Restated Certificate of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock, voting together as a single series.

IN WITNESS WHEREOF, this Certificate of Designations is executed on behalf of the Corporation by its President and attested by its Secretary this 27th day of March, 1987.

President

Attest:

Secretary

EKCO GROUP, INC.,
Issuer

THE GUARANTORS NAMED HEREIN

and

STATE STREET BANK AND TRUST COMPANY
(successor to FLEET NATIONAL BANK),
Trustee

First Supplemental Indenture

Dated as of January 16, 1998

to

Indenture

Dated as of March 25, 1996

\$125,000,000

9 1/4 % Senior Notes due 2006

FIRST SUPPLEMENTAL INDENTURE, dated as of January 16, 1998, among EKCO GROUP, INC., a corporation duly organized and existing under the laws of the State of Delaware (herein called "the Company") and having its principal office at 98 Spit Brook Road, Nashua, New Hampshire 03062, the Guarantors whose signatures appear below (each a "Subsidiary" and collectively the "Subsidiaries"), and STATE STREET BANK AND TRUST COMPANY (successor to FLEET NATIONAL BANK), as Trustee (herein called the "Trustee") to the INDENTURE, dated as of March 25, 1996, among the Company, the Initial Guarantors described therein and the Trustee (herein called the "Indenture").

RECITALS OF THE COMPANY

The Company, the Initial Guarantors and the Trustee have heretofore executed and delivered the Indenture, pursuant to which the Company has duly issued an aggregate of \$125,000,000 principal amount of its 9 1/4 % Senior Notes due 2006 (herein called the "Securities").

The Company, directly or indirectly, owns beneficially and of record 100% of the capital stock of each of APP Holding Corporation ("APP Holding") and Aspen Pet Products, Inc. ("Aspen Pet Products", and together with APP Holding, the "New Guarantors"). Each of the New Guarantors has derived and will derive direct and indirect economic benefit from the issuance of the Securities; accordingly, the New Guarantors have duly authorized the execution and delivery of this Supplemental Indenture to provide for its guarantee with respect to the Securities as set forth in the Indenture.

All things necessary to make this Supplemental Indenture a valid agreement of the New Guarantors and the Guarantees of the New Guarantors, when this Supplemental Indenture is executed by it, the valid obligations of the New Guarantors in accordance with its terms, have been done.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises and the terms and conditions of the Indenture, it is mutually covenanted and agreed, for the equal proportionate benefit of all Holders of the Securities, as follows:

ARTICLE ONE

Subsidiary Guarantees

SECTION 1.01. SUBSIDIARY GUARANTEE.

Each of the New Guarantors by the execution of this Supplemental Indenture, hereby covenants and agrees to be and become a Guarantor and to be bound by all of the terms and conditions of the Indenture, including without limitation the Guarantee of the Securities set forth in Article XI of the Indenture, with the same force and effect as though each has been a signatory to the Indenture and had executed and delivered its Subsidiary guarantee endorsed on the Securities.

ARTICLE TWO

Definitions and Other Provisions
of General Application

SECTION 2.01 DEFINITIONS, INCORPORATION OF PROVISIONS.

Terms used herein without definition shall have the meaning prescribed therefor in the Indenture. The provisions of Articles I and XI, both inclusive, are incorporated herein with the same force and effect as though set forth herein in their entirety.

SECTION 2.02. INDENTURE PROVISIONS.

Except as specifically amended by this Supplemental Indenture, the Indenture shall remain in full force and effect.

SECTION 2.03 GOVERNING LAW.

This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the day and year first above written.

EKCO GROUP, INC.

Attest:

By: /s/ DONATO A. DENOVELLIS

Name: Donato A. DeNovellis

Title: Executive Vice President

/s/ JOHN JAY ALTHOFF

Finance and Administration

John Jay Althoff, Secretary

and Chief Financial Officer

STATE STREET BANK AND TRUST COMPANY,
as Trustee

By: /s/ MICHAEL M. HOPKINS

Name: Michael M. Hopkins
Title: Vice President

[Guarantors signatures on next page]

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GUARANTORS:

APP HOLDING CORPORATION

EKCO MANUFACTURING OF OHIO, INC.

By: /s/ DONATO A. DENOVELLIS

Name: Donato A. DeNovellis
Title: Vice President and
Chief Financial Officer

By: /s/ DONATO A. DENOVELLIS

Name: Donato A. DeNovellis
Title: Vice President and
Chief Financial Officer

ASPEN PET PRODUCTS, INC.

WRIGHT-BERNET, INC.

By: /s/ DONATO A. DENOVELLIS

Name: Donato A. DeNovellis
Title: Vice President and
Chief Financial Officer

By: /s/ DONATO A. DENOVELLIS

Name: Donato A. DeNovellis
Title: Vice President and
Chief Financial Officer

B. VIA INTERNATIONAL
HOUSEWARES, INC.

CLEANING SPECIALTY COMPANY

By: /s/ DONATO A. DENOVELLIS

Name: Donato A. DeNovellis
Title: Vice President and
Chief Financial Officer

By: /s/ DONATO A. DENOVELLIS

Name: Donato A. DeNovellis
Title: Vice President and
Chief Financial Officer

EKCO DISTRIBUTION
OF ILLINOIS, INC.

EKCO HOUSEWARES, INC.

By: /s/ DONATO A. DENOVELLIS

Name: Donato A. DeNovellis
Title: Vice President and
Chief Financial Officer

By: /s/ DONATO A. DENOVELLIS

Name: Donato A. DeNovellis
Title: Sr. Vice President and
Chief Financial Officer

KELLOGG BRUSH
MANUFACTURING CO.

WOODSTREAM CORPORATION

By: /s/ DONATO A. DENOVELLIS

Name: Donato A. DeNovellis
Title: Vice President and
Chief Financial Officer

By: /s/ DONATO A. DENOVELLIS

Name: Donato A. DeNovellis
Title: Vice President and
Chief Financial Officer

EKCO GROUP, INC.

1987 STOCK OPTION PLAN

I. DEFINITIONS AND PURPOSES

A. DEFINITIONS

Unless otherwise specified or unless the context otherwise requires, the following terms, as used in this 1987 Stock Option Plan, have the following meanings:

- (1) "COMPANY" means Ekco Group, Inc.
- (2) "PLAN" means this 1987 Stock Option Plan.
- (3) "ADMINISTRATOR" means the Board of Directors except to the extent the Board of Directors delegates its authority to a committee of the Board of Directors.
- (4) "AFFILIATE" means a corporation which, for purposes of Section 422 of the Code, is a parent or subsidiary of the Company, direct or indirect.
- (5) "BOARD OF DIRECTORS" means the Board of Directors of the Company.
- (6) "BOARD MEMBER" means a member of the Board of Directors.
- (7) "CODE" means the United States Internal Revenue Code of 1986, as amended.
- (8) "CONSULTANT" means a person who has a relationship or is otherwise affiliated with the Company as a consultant.
- (9) "DISABILITY" or "DISABLED" means (a) with respect to any Option granted pursuant hereto which is not intended to be an incentive stock option within the meaning of Section 422 of the Code and which is granted to an Ekco Employee who is a party to an employment agreement with the Company or any Affiliate, which employment agreement defines

disability with respect to such Ekco Employee, and is in full force and effect as of the date as of which such disability is to be determined, notwithstanding any later expiration or termination of such employment agreement, such definition is in such circumstances deemed incorporated herein by reference; and (b) in all other circumstances, permanent and total disability as defined in Section 105(d)(4) of the Code.

- (10) "EKCO EMPLOYEE" means any employee of the Company or of an Affiliate (including, without limitation, an employee who is also serving as an officer or director of the Company or of the Affiliate).
- (11) "OPTION" means a right or option granted under the Plan.
- (12) "OPTION AGREEMENT" means an agreement between the Company and a Participant executed and delivered pursuant to the Plan.

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- (13) "PARTICIPANT" means an Ekco Employee, Board Member or Consultant to whom one or more Options are granted under the Plan, or, where the context requires, his legal representative.
- (14) "PARTICIPANT'S SURVIVORS" means a deceased Participant's legal representatives and/or any person or persons who acquired the Participant's rights to an Option by will or by the laws of descent and distribution.
- (15) "SHARES" means the following shares of the capital stock of the Company as to which Options have been or may be granted under the Plan: Common Stock, \$0.01 par value, or any shares of capital stock into which the Shares are changed or for which they are exchanged within the provisions of Article VII of the Plan. The shares issued upon exercise of Options granted under the Plan may be authorized and unissued shares or shares held by the Company in its treasury, or both.

B. PURPOSE OF THE PLAN:

The Plan is intended to encourage ownership of Shares by Ekco Employees, Board Members and Consultants in order to attract such Ekco Employees, Board Members and Consultants, to induce such Ekco Employees, Board Members and Consultants to remain affiliated with the Company or an Affiliate and to provide additional incentive for such Ekco Employees, Board Members and Consultants to promote the success of the Company or of an Affiliate. Except as provided in Article XII below, it is further intended that Options issued pursuant to the Plan shall be eligible to constitute "incentive stock options" within the meaning of Section 422 of the Code. Notwithstanding the foregoing, only Ekco Employees are eligible to receive "incentive stock options" under the Plan. It is also intended that the Plan shall comply in all respects with Rule 16b-3 or its successors ("Rule 16b-3"), promulgated pursuant to Section 16 of the Securities Exchange Act of 1934, as amended (the "1934 Act"), with respect to Participants who are subject to Section 16 of the 1934 Act, and any provision in the Plan with respect to such persons contrary to Rule 16b-3 shall be deemed null and void to the extent permissible by law and deemed appropriate by the Administrator.

II. SHARES SUBJECT TO THE PLAN

The aggregate number of Shares as to which Options may be granted from time to time shall be 5,000,000 Shares (and the equivalent of such number of Shares after giving effect to any stock-split, stock dividend, combination, recapitalization or similar transaction effected after such date).

If an Option ceases to be "outstanding," in whole or in part, the Shares which were subject to such Option shall be available for the granting of other Options under the Plan. Any Option shall be treated as "outstanding" until such Option is exercised in full or terminates or expires under the provisions of the Plan or by agreement of the parties to the pertinent Option Agreement. The aggregate number of Shares as to which incentive stock options may be granted shall be subject to change only by means of an amendment of the Plan duly adopted by the Company and approved by the shareholders of the Company within twelve (12) months before or after the date of the adoption of any such amendment, subject to the provisions of Article VII.

III. ADMINISTRATION OF THE PLAN

The term "Administrator" as used herein shall mean the Board of Directors or the committee (the "Committee") of the Board of Directors to whom it delegates its authority and whose

membership shall be determined by the Board of Directors and subject to change without cause and without notice, from time to time, by the Board of Directors. Subject to the provisions of the Plan, the Administrator is authorized to --

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- A. interpret the provisions of the Plan or of any Option or Option Agreement and to make all rules and determinations which it deems necessary or advisable for the administration of the Plan;
- B. determine which Ekco Employees, Board Members or Consultants shall be granted Options;
- C. determine the number of Shares for which an Option or Options shall be granted, subject to the last paragraph of IV, below; and
- D. specify the terms and conditions upon which Options may be granted;
- E. accelerate the time at which an Option may be exercised if in its judgment it concludes that such acceleration is in the best interest of the Company and, if an incentive stock option, with prior written consent of the Participant.

provided, however, that all such interpretations, rules, determinations, terms and conditions shall be made and prescribed in the context of preserving the tax status of the Options as incentive stock options within the meaning of Section 422 of the Code (hereinafter "incentive stock options"), except as to Options granted pursuant to Article XII, and complying with Rule 16b-3 with respect to Participants who are subject to Section 16 of the 1934 Act to the extent deemed appropriate by the Administrator.

IV. ELIGIBILITY FOR PARTICIPATION

Each Participant must be an employee of the Company or of an Affiliate, a Board Member or a Consultant at the time an Option is granted.

The Administrator may at any time and from time to time grant one or more Options to one or more Ekco Employees, Board Members or Consultants and may designate the number of Shares

to be optioned under each Option so granted; provided, however, that (a) no Options shall be granted after the expiration of the later to occur of ten (10) years from the date of the adoption of the Plan by the Company or the approval of the Plan by the shareholders of the Company or the termination of the Plan, (b) the aggregate fair market value (determined at the time of the grant of the Option) of the Shares with respect to which incentive stock options are exercisable for the first time by the Ekco Employee in any calendar year (under the Plan and/or under any other incentive stock option plan of the Company or an Affiliate) shall not exceed \$100,000, and (c) no individual shall be granted Options to purchase more than 1,000,000 Shares under the Plan during any fiscal year period.

Notwithstanding any of the foregoing provisions, the Administrator may authorize the grant of an Option to a person not then in the employ of the Company or of an Affiliate or not yet a Board Member or Consultant. The actual grant of such Option, however, shall be conditioned upon such person becoming eligible to become a Participant at or prior to the time of the execution of the Option Agreement evidencing such Option.

V. TERMS AND CONDITIONS OF OPTIONS

Each Option shall be set forth in an Option Agreement substantially in the form hereto annexed and marked Exhibit A (except as otherwise provided in Article XII below), duly executed on behalf of the Company and by the Participant to whom such Option is granted. No Option shall be granted and no purported grant of any Option shall be exercisable unless an Option Agreement shall have been duly executed on behalf of the Company and by the Participant. Each such Option Agreement shall be subject to at least the following terms and conditions:

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A. OPTION PRICE:

- (1) Except as provided in Paragraph (2) below, if the optionee owns (immediately before the Option is granted) directly or by reason of the applicable attribution rules (at Code Section 425(d)) ten percent (10%) or less of the total combined voting power of all classes of share capital of the Company or

an Affiliate, the Option price (per share) of the Shares covered by each Option shall be not less than the "fair market value" as hereinafter defined (per share) of the Shares on the date of the grant of the Option. In all other cases (except as provided in Paragraph (2) below), the Option price shall be not less than one hundred ten percent (110%) of the said fair market value on the date of grant.

(2) If the Option is granted pursuant to Article XII below, then the Option price (per share) of the Shares covered by such Option shall be not less than fifty percent (50%) of the "fair market value" as on the date of the grant of the Option.

(3) For the purpose of the foregoing Paragraphs (1) and (2), fair market value shall be determined as follows. If such Shares are then listed on any national securities exchange, the fair market value shall be the mean between the high and low sales prices, if any, on the largest such exchange on the date of the grant of the Option, or, if none, on the most recent trade date thirty (30) days or less prior to the date of the Option. If the Shares are not then listed on any such exchange, the fair market value of such Shares shall be the mean between the closing "Bid" and the closing "Ask" prices, if, any as reported in the National Association of Securities Dealers Automated Quotation System ("NASDAQ") for the date of the grant of the Option, or if none, on the most recent trade date thirty (30) days or less prior to the date of the grant of the Option for which such quotations are reported. If the Shares are not then either listed on any such exchange or quoted in NASDAQ, the fair market value shall be the mean between the average of the "Bid" and the average of the "Ask" prices, if any, as reported in the National Daily Quotation Service for the date of the grant of the Option or, if none, for the most recent trade date thirty (30) days or less prior to the date of the grant of the Option for which such quotations are reported. If the fair market value cannot be determined under

the preceding three sentences, it shall be determined in good faith by the Administrator.

B. NUMBER OF SHARES:

Each Option shall state the number of Shares to which it pertains.

C. TERM OF OPTION:

Each Option shall terminate not more than ten (10) years from the date of the grant thereof, or at such earlier time as the Option Agreement may provide, and shall be subject to earlier termination as herein provided, except that (1) if the Option price is required under Paragraph A of this Article V to be at least 110% of fair market value, each such Option shall terminate not more than five (5) years from the date of the grant thereof, and (2) if such Option is not intended to be an "incentive stock option" within the meaning of Section 422 of the Code, then such Option shall terminate not more than eleven (11) years from the date of grant thereof.

D. DATE OF EXERCISE:

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Upon the authorization of the grant of an Option, the Administrator may, subject to the provisions of Paragraph C of this Article V, prescribe the date or dates on which the Option becomes exercisable, and may provide that the Option rights accrue or become exercisable in installments over a period of years or upon the attainment of stated goals or entirely or in installments upon the occurrence of specified events.

E. MEDIUM OF PAYMENT:

The Option price shall be payable upon the exercise of the Option. It shall be payable in such form (permitted by Section 422 of the Code if the Option is intended to be an incentive stock option within the meaning of such provision), as the Administrator shall either by rules promulgated pursuant to the provisions of Article III of the Plan, or in the particular Option Agreement, provide.

F. TERMINATION OF EMPLOYMENT, BOARD MEMBERSHIP OR CONSULTANCY:

A participant who ceases to be an employee of the Company or of an Affiliate or Board Member or Consultant (for any reason other than death, Disability with respect to Ekco Employees, or termination by the Company or an Affiliate for cause), may exercise any Option granted to such Participant, to the extent that the right to purchase Shares thereunder has accrued on the date of such termination of employment, Board membership or consultancy, but only within such term as the Administrator shall designate in its discretion in the pertinent Option Agreement, provided, however, in no event may the Option be exercised any later than the originally prescribed term of the Option and, if the Option is intended to be an incentive stock option within the meaning of Section 422 of the Code, only within three (3) months after such date. The provisions of this paragraph, and not the provisions of Paragraph G and H of this Article V, shall apply to an Ekco Employee who subsequently becomes Disabled or any Participant who dies after the termination of employment, director status or consultancy; however in the case of a Participant's death, the Participant's Survivors may exercise the Option within six (6) months after the date of the Participant's death, but in no event beyond ten (10) years after the date of the grant of the Option, or in the case of an Option not intended to be an "incentive stock option" within the meaning of Section 422 of the Code, beyond eleven (11) years after the date of the grant of the Option. An Ekco Employee's employment shall not be deemed terminated by reason of a transfer to another entity which is the Company or an Affiliate.

A Participant whose employment, Board membership or consultancy is terminated for "cause" shall forthwith upon such termination cease to have any right to exercise any Option. For purposes of this paragraph, "cause" shall be deemed to include (but shall not be limited to) dishonesty with respect to an employer, insubordination, substantial malfeasance or non-feasance of duty, unauthorized disclosure of confidential information and conduct substantially prejudicial to the business of the Company or any Affiliate. The determination of the Administrator as to the existence of cause shall be conclusive on the

Participant and the Company. Notwithstanding the foregoing, if the Participant is a party to an agreement with the Company or an Affiliate, which agreement defines cause for termination and is in effect at the time of such termination, then for purposes of application of this paragraph to such Participant, cause shall be deemed to be as defined in such agreement and any dispute shall be determined as provided in such agreement, which determination shall be conclusive on the Participant and the Company.

An Ekco Employee to whom an Option has been granted under the Plan who is absent from

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work with the Company or with an Affiliate because of temporary disability (any disability other than a permanent and total Disability as defined at Paragraph A(7) of Article I hereof), or who is on leave of absence for any purpose permitted by any authoritative interpretation (e.g., regulation, ruling, case law, etc.) of Section 422 of the Code, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have terminated such Ekco Employee's employment with the Company or with an Affiliate and, in the case of Options not intended to be incentive stock options for any purpose approved by the Board of Directors.

G. TOTAL AND PERMANENT DISABILITY:

An Ekco Employee who ceases to be an employee of the Company or of an Affiliate by reason of Disability may exercise any Option granted to such Ekco Employee:

- (1) to the extent that the right to purchase Shares thereunder has accrued on the date such Ekco Employee becomes Disabled; and
- (2) in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion of any additional rights as would have accrued had the Ekco Employee not become Disabled prior to the end of the

particular accrual period. The proration shall be based upon the number of days of the accrual period during which the Ekco Employee was not Disabled.

A Disabled Ekco Employee shall exercise such rights only within a period of not more than one (1) year after the date that the Ekco Employee became Disabled or, if earlier, within the originally prescribed term of the Option.

The Administrator shall make the determination both of whether Disability has occurred and the date thereof, unless a procedure is set forth in an employment agreement for such determination, in which case such procedure shall be used for such determination. If requested, the Ekco Employee shall be examined by a physician selected or approved by the Administrator, the cost of which examination shall be paid for by the Company.

The provisions of this Section V-G shall not apply to either Board Members or Consultants.

H. DEATH:

In the event of the death of a Participant to whom an Option has been granted while the Participant is an Ekco Employee, Board Member or Consultant, such Option:

- (1) to the extent exercisable but not exercised as of the date of death; and
- (2) in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion of such rights as would have accrued had the Participant not died prior to the end of the particular accrual period;

may be exercised by the Participant's Survivors. The proration shall be based upon the number of days during the accrual periods prior to the Participant's death. Such Option must be exercised by the Participant's Survivors, if at all, within one (1) year after the date of death of such Participant or, if earlier, within the originally prescribed term of the Option, notwithstanding that the decedent might have been able to exercise the Option as to some or all of the shares on a later date if the Participant were alive and had continued to be an Ekco

Employee, Board Member or Consultant.

I. EXERCISE OF OPTION AND ISSUE OF SHARES:

Options shall be exercised by giving written notice to the Company. Such written notice shall be signed by the person exercising the Option, shall state the number of Shares with respect to which the Option is being exercised and shall contain any warranty required by Article VI. Reasonably promptly following receipt by the Company of such written notice, the Company shall give notice to participant of a date for delivery of the Option Shares to the Participant (or to the Participant's Survivors, as the case may be), against payment of the Option price. In determining what constitutes "reasonably promptly", it is expressly understood that the delivery of the Option Shares may be delayed by the Company in order to comply with any law or regulation which requires the Company to take any action with respect to the Option Shares prior to the issuance thereof, whether pursuant to the provisions of Article VI or otherwise. The Option Shares shall, upon delivery, be evidenced by an appropriate certificate or certificates for paid-up non-assessable Shares.

J. RIGHTS AS A SHAREHOLDER:

No Participant to whom an Option has been granted shall have rights as a shareholder with respect to any Shares covered by such Option except after due exercise of the Option and tender of the full exercise price for the shares being purchased pursuant to such exercise.

K. ASSIGNABILITY AND TRANSFERABILITY OF OPTION:

By its terms, an Option granted to a Participant shall not be transferable by the Participant otherwise than (i) by will or by the laws of descent and distribution, or (ii) as otherwise determined by the Administrator and set forth in the applicable Option Agreement. The designation of a beneficiary of an Option by a Participant shall not be deemed a

transfer prohibited by this Paragraph K. Except as provided above, an Option shall be exercisable, during the Participant's lifetime, only by such Participant (or his or her legal representative). Such Option shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of any Option or of any rights granted thereunder contrary to the provisions of this Paragraph K, or the levy of any attachment or similar process upon an Option or such rights, shall be null and void.

L. OTHER PROVISIONS:

The Option Agreement shall contain such limitations and restrictions upon the exercise of the Option and shall be necessary in order that such Option can be an "incentive stock option" within the meaning of Section 422 of the Code, if the Option is intended to be an incentive stock option within the meaning of such provision. Further, the Option Agreements authorized under the Plan shall be subject to such other terms and conditions, including, without limitation, restrictions upon the exercise of the Option and rights of the Company to repurchase shares purchased upon the exercise of the Option, as the Administrator shall deem advisable and, if the Option is intended to be an incentive stock option within the meaning of such provision, which are not inconsistent with the requirements of Section 422 of the Code.

VI. PURCHASE FOR INVESTMENT

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Unless the offering and sale of the Shares to be issued upon the particular exercise of an Option shall have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended, or any successor legislation (the "Act"), the Company shall be under no obligation to issue the Shares covered by such exercise unless and until the following conditions have been fulfilled:

- (1) The person(s) who exercise such Option shall warrant

to the Company, at the time of such exercise, that such person(s) are acquiring such Shares for his or her own account, for investment and not with a view to, or for sale in connection with, the distribution of any such Shares, in which event the person(s) acquiring such Shares shall be bound by the provisions of the following legend which shall be endorsed upon the certificate(s) evidencing their option Shares issued pursuant to such exercise:

"The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee, in the absence of an effective registration statement for the shares under the Securities Act of 1933 or an opinion of counsel satisfactory to the Company that an exemption from registration is then available.

- (2) The Company shall have received an opinion of its counsel that the Shares may be issued upon such particular exercise in compliance with the Act without registration thereunder.

Without limiting the generality of the foregoing, the Company may delay issuance of the Shares until compensation of any reasonable action or obtaining of any consent, which the Company deems reasonably necessary under any applicable law (including without limitation state securities or "blue sky" laws).

VII. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

To prevent dilution or enlargement of rights, in the event that the outstanding Shares of the Company are changed into or are exchanged for a different number or kind of shares or other securities of the Company or of another corporation by reason of any reorganization, merger, consolidation, recapitalization, reclassification, change in par value, stock split-up, combination of shares or dividend payable in capital stock, or the like, appropriate adjustment shall be made in the number and kind of shares for the purchase of which Options may be granted under the Plan and, in addition, appropriate adjustment to prevent dilution or enlargement of the rights granted to or available for Participants, shall be made in the number and kind of shares and in the option price per share subject to outstanding Options. In addition, the Committee, upon authorization from the Board of Directors, may make other adjustments in outstanding options which it deems appropriate to prevent dilution or enlargement of rights. No

such adjustment shall be made which shall, within the meaning of Section 425 of the Code, constitute such a modification, extension or renewal of an Option, which is intended to be an "incentive stock option" within the meaning of Section 422 of the Code, as to cause it to be considered as the grant of a new Option.

VIII. DISSOLUTION OR LIQUIDATION OF THE COMPANY

Upon the dissolution or liquidation of the Company other than in connection with a transaction to which the preceding Article VII is applicable, all Options granted hereunder shall terminate and become null and void; provided, however, that if the rights of a Participant or a Participant's Survivors hereunder have not otherwise terminated and expired, the Participant or the Participant's Survivors shall have the right immediately prior to such dissolution or liquidation to exercise any Option granted hereunder to the extent that the right to purchase shares thereunder has accrued as of the date

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immediately prior to such dissolution or liquidation.

IX. TERMINATION OF THE PLAN

The Plan shall terminate on May 12, 2002 unless terminated at an earlier date by vote of the stockholders of the Company; provided, however, that any such earlier termination shall not affect any Options granted or Option Agreements executed prior to the effective date of such termination.

X. AMENDMENT OF THE PLAN

The Plan may be amended by (i) the Stockholders of the Company; or (ii) the Administrator, including, without limitation, to the extent necessary to qualify any or all outstanding Options granted under the Plan or Options to be granted under the Plan for favorable federal income tax treatment (including deferral of taxation upon exercise) as may be afforded incentive stock options under Section 422 of the Code, to the extent necessary to ensure the qualification of the Plan under Rule 16b-3, and to the extent necessary to qualify the shares issuable upon exercise of any outstanding Options granted, or Options to be granted, under the Plan for listing on any national securities exchange or quotation in any national automated quotation system of securities dealers, provided, however, that any amendment approved by the

Administrator which is of a scope that requires shareholder approval in order to ensure favorable tax treatment for any incentive stock options, or requires shareholder approval in order to ensure the compliance of the Plan with Rule 16b-3, or requires shareholder approval for listing of the shares, shall be subject to obtaining such shareholder approval. No amendment shall affect any Options theretofore granted or any Option Agreements theretofore executed by the Company and a Participant to whom an Option has been granted who would be adversely affected by such amendment consents in writing thereto.

XI. EMPLOYMENT, BOARD MEMBERSHIP OR CONSULTANCY RELATIONSHIP

Nothing herein contained shall be deemed to prevent the Company or an Affiliate from terminating the employment, Board membership or consultancy of a Participant, nor to prevent a Participant from terminating the Participant's employment, Board membership or consultancy with the Company or an Affiliate.

XII. OPTIONS OTHER THAN INCENTIVE STOCK OPTIONS

Subject to the provisions of Article II and IV dealing with the aggregate number of Shares as to which Options may be granted under this Plan, the Administrator may at any time and from time to time grant Options in connection with the rendition of services to the Company or an Affiliate that cannot and/or are not intended to qualify as "incentive stock options", within the meaning of Section 422 of the Code, on such terms and conditions as it may from time to time determine. To the extent that Options are granted which are not "incentive stock options", the number of Shares available for the issuance of "incentive stock options" shall be correspondingly reduced and no such non-incentive stock options shall be issued on such terms as to affect adversely Options intended to be "incentive stock options". Any Option which is intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Code shall be set forth in an Option Agreement substantially in the form hereto annexed and marked Exhibit B, with such other terms and provisions as may be approved by the Committee as authorized under this Plan.

XIII. EFFECTIVE DATE

This Plan shall become effective upon the later of adoption by the Board of Directors or of adoption by the Committee, but this Plan shall only become effective for Options intended to be incentive stock

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options within the meaning of Section 422 of the Code if and when:

- (a) The Administrator shall have adopted a resolution stating that incentive stock options may be granted pursuant to this Plan on or after the date of such resolution; and
- (b) either
 - (i) The Plan and the authority to grant incentive stock options pursuant to the Plan shall have been approved by holders of at least a majority of the issued and outstanding shares of capital stock of the Company entitling such holders to vote within twelve (12) months either before or after adoption of such a resolution by the Administrator as provided in Subsection (a) immediately above; or
 - (ii) the effectiveness of the Plan and the effectiveness of the grant of any incentive stock option granted pursuant to the Plan shall have been made subject to approval by holders of at least a majority of issued and outstanding shares of capital stock of the Company entitling such holders to a right to vote within twelve (12) months either before or after the adoption of such a resolution by the Administrator as provided in Subsection (a) immediately above.

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EXHIBIT A

INCENTIVE STOCK OPTION AGREEMENT EKCO GROUP, INC.

AGREEMENT made this day of , 19 , between Ekco Group, Inc. (the "Company"), a Delaware corporation having a principal place of business in Nashua, New Hampshire, and of , an employee of the Company (the "Employee").

WHEREAS, the Company desires to grant the Employee an Option to purchase shares of its common stock of a par value of \$.01 a share (the "Shares") under and for the purposes of the 1987 Stock Option Plan of the Company (the "Plan");

WHEREAS, the Company and the Employee understand and agree that any terms used herein have the same meanings as in the Plan;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto agree as follows:

1. GRANT OF OPTION

The Company hereby irrevocably grants to the Employee the right and option to purchase all or any part of an aggregate of () shares of its Common Stock, \$.01 par value, on the terms and conditions and subjects to all the limitations set forth herein and in the Plan, which is incorporated herein by reference. The Employee acknowledges receipt of a copy of the Plan.

2. PURCHASE PRICE

The purchase price of the Shares covered by the Option shall be (\$) per share.

3. EXERCISE OF OPTION

The Option granted hereby shall be exercisable as follows:

4. TERM OF OPTION

The Option shall terminate ten (10) years from the date of this Agreement, but shall be subject to earlier termination as provided herein or in the Plan.

If the Employee ceases to be an employee of the Company or an Affiliate (for any reason other than death or Disability or termination by the Employee's employer for cause), the Option may be exercised within three (3) months after the date the Employee ceases to be an employee, or within ten (10) years from the granting of the Option, whichever is earlier, but may not be exercised thereafter. In such event, the Option shall be exercisable only to the extent that the right to purchase shares under the Plan has accrued and is in effect at the date of such cessation of employment.

In the event the Employee's employment is terminated by the Employee's employer for "cause" (as defined in the Plan), the Employee's right to exercise any unexercised portion of this Option shall cease forthwith, and this Option shall thereupon terminate.

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In the event of the Disability of the Employee (as determined by the 1987 Stock Option Plan Committee of the Company, and as to the fact and date of which the employee is notified by that Committee in writing), the Option shall be exercisable within (1) year after the date of such Disability or, if earlier, the term originally prescribed by this Agreement. In such event, the Option shall be exercisable:

- (a) to the extent that the right to purchase the Shares hereunder has accrued on the date the Employee becomes Disabled and is in effect as of such determination date; and
- (b) in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion of any additional rights as would have accrued had the Employee not become Disabled prior to the end of the particular accrual period. The proration shall not be based upon the number of days the accrual period during which the Employee was not Disabled.

In the event of the death of the Employee while an employee of the Company or of an Affiliate, the Option:

- (x) to the extent exercisable but not exercised as of the date of death; and
- (y) in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion of such rights as would have accrued had the Employee not died prior to the end of the particular accrual period;

may be exercised by the Employee's legal representatives and/or any person or persons who acquired the Employee's rights to the Option by will or by the laws of descent and distribution. The proration shall be based upon the number of days during the accrual period prior to the Employee's death. In such event, the Option must be exercised, if at all, within one (1) year after the date of death of the Employee or, if earlier, within the originally prescribed term of the Option.

5. NON-ASSIGNABILITY

The Option shall not be transferable by the Employee otherwise than by will or by the laws of descent and distribution and shall be exercisable, during the Employee's lifetime, only by the Employee. The Option shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of the Option or of any rights granted hereunder contrary to the provisions of this Section 5, or the levy of any attachment or similar process upon the Option or such rights, shall be null and void.

6. EXERCISE OF OPTION AND ISSUE OF SHARES

The Option may be exercised in whole or in part (to the extent that it is exercisable in accordance with its terms) by giving written notice to the Company, together with the tender of the Option price. Such written notice shall be signed by the person exercising the Option, shall state the number of Shares with respect to which the Option is being exercised, shall contain any warranty required by Section 7 below and shall otherwise comply with the terms and conditions of this Agreement and the Plan. The Company shall pay all original issue taxes with respect to the issue of the Shares pursuant hereto and all other fees and expenses necessarily incurred by the Company in connection herein. Except as specifically set forth herein, the holder acknowledges that any income or other taxes due from him with respect to this Option or the shares issuable pursuant to this Option shall be the responsibility of the holder. The

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holder of this Option shall have rights as a shareholder only with respect to any Shares covered by the Option after due exercise of the Option and tender of the full exercise price for the shares being purchased pursuant to such exercise.

7. PURCHASE FOR INVESTMENT

Unless the offering and sale of the Shares to be issued upon the particular exercise of the Option shall have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended, or any successor legislation (the "Act"), the Company shall be under no obligation to issue the Shares covered by such exercise unless and until the following conditions have been fulfilled:

- (a) The person(s) who exercise the Option shall warrant to the Company, at the time of such exercise, that such person(s) are acquiring such Shares for his or her own account, for investment and not with a view to, or for sale in connection with, the distribution of any such Shares, in which event the person(s)

acquiring such Shares shall be bound by the provisions of the following legend which shall be endorsed upon the certificate(s) evidencing their option Shares issued pursuant to such exercise:

"The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee, in the absence of an effective registration statement for the shares under the Securities Act of 1933 or an opinion of counsel satisfactory to the Company that an exemption from registration is then available."

- (b) The Company shall have received an opinion of its counsel that the Shares may be issued upon such particular exercise in compliance with the Act without registration thereunder.

Without limiting the generality of the foregoing, the Company may delay issuance of the Shares until completion of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including without limitation state securities or "blue sky" laws).

8. NOTICES

Any notices required or permitted by the terms of this Agreement or the Plan shall be given by registered or certified mail, return receipt requested, addressed as follows:

To the Company: Ekco Group, Inc.
98 Spit Brook Road
Nashua, NH 03062
Attn:

To the Employee: -----

or to such other address or addresses of which notice in the same manner has previously been given. Any such notice shall be deemed to have been given when mailed in accordance with the foregoing provisions.

9. GOVERNING LAW

This Agreement shall be construed and enforced in accordance with the law of the State of New Hampshire, except to the extent the law of the State of Delaware may be applicable.

10. BENEFIT OF AGREEMENT

This Agreement shall be for the benefit of and shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and its corporate seal to be hereto affixed by , its duly authorized officer, and the Employee has hereunto set his or her hand and seal, all as of the day and year first above written.

EKCO GROUP, INC.

By

Employee

EXHIBIT B

NON-QUALIFIED STOCK OPTION AGREEMENT
EKCO GROUP, INC.

AGREEMENT made this day of , 19 , between Ekco Group, Inc. (the "Company"), a Delaware corporation having a principal place of business in Nashua, New Hampshire, and of, an employee of the Company (the "Employee").

WHEREAS, the Company desires to grant to the Employee an Option to purchase shares of its common stock of a par value of \$.01 a share (the "Shares") under and for the purposes of the 1987 Stock Option Plan of the Company (the "Plan") pursuant to Article XII thereof;

WHEREAS, the Company and the Employee understand and agree that any terms used herein have the same meanings as in the Plan;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto agree as follows:

1. GRANT OF OPTION

The Company hereby irrevocably grants to the Employee the rights and option to purchase all or any part of an aggregate of _____ () shares of its Common Stock, \$.01 par value, on the terms and conditions and subject to all the limitations set forth herein and in the Plan, which is incorporated herein by reference. The Employee acknowledges receipt of a copy of the Plan.

2. PURCHASE PRICE

The purchase price of the Shares by the Option shall be (\$) per share.

3. EXERCISE OF OPTION

The Option granted hereby shall be exercisable as follows:

4. TERMS OF OPTION

The Option shall terminate [eleven (11)] years from the date of this Agreement, but shall be subject to earlier termination as provided herein or in the Plan.

If the Employee ceases to be an employee of the Company or of an Affiliate (for any reason other than death or Disability or termination by the Employee's employer for cause), the Option may be exercised within [three (3)] months after the date the Employee ceases to be an employee, or within [eleven(11)] years from the granting of the Option, whichever is earlier, but may not be exercised thereafter. In such event, the Option shall be exercisable only to the extent that the right to purchase shares under the Plan has accrued and is in effect at the date of such cessation of employment.

In the event the Employee's employment is terminated by the Employee's employer for "cause" (as defined in the Plan), the Employee's right to exercise any unexercised portion of this Option shall cease forthwith, and

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this Option shall thereupon terminate.

In the event of the Disability of the Employee (as determined by the 1987 Stock Option Plan Committee of the Company, and as to the fact and date of which the Employee is notified by that Committee in writing), the Option shall be exercisable within (1) year after the date of such Disability or, if earlier, the term originally prescribed by this Agreement. In such event, the Option shall be exercisable:

- (a) to the extent that the right to purchase the Shares hereunder has accrued on the date the Employee becomes Disabled and is in effect as of such determination date; and
- (b) in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion of any additional rights as would have accrued had the Employee not become Disabled prior to the end of the particular accrual period. The proration shall be based upon the number of days of the accrual period during which the Employee was not Disabled.

In the event of the death of the Employee while an employee of the Company or of an Affiliate, the Option:

- (x) to the extent exercisable but not exercised as of the date of death; and
- (y) in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion of such rights as would have accrued had the Employee not died prior to the end of the particular accrual period;

may be exercised by the Employee's legal representatives and/or any person or persons who acquired the Employee's rights to the Option by will or by the laws of descent and distribution. The proration shall be based upon the number of days during the accrual period prior to the Employee's death. In such event, the Option must be exercised, if at all, within (1) year after the date of death of the Employee or, if earlier, within the originally prescribed term of the Option.

5. NON-ASSIGNABILITY

The Option shall not be transferable by the Employee otherwise than by will or by the laws of descent and distribution and shall be exercisable, during the Employee's lifetime, only by the Employee. The Option shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of the Option or of any rights granted hereunder contrary to the provisions of this Section 5, or the levy of any attachment or similar process upon the Option or such rights, shall be null and void.

6. EXERCISE OF OPTION AND ISSUE OF SHARES

The Option may be exercised in whole or in part (to the extent that it is exercisable in accordance with its terms) by giving written notice to the Company, together with the tender of the Option price. Such written notice

shall be signed by the person exercising the Option, shall state the number of Shares with respect to which the Option is being exercised, shall contain any warranty required by Section 7 below and shall otherwise comply with the terms and conditions of this Agreement and the Plan. The Company shall pay all original issue taxes with respect to the issue of the Shares pursuant hereto and all other fees and expenses necessarily incurred by the Company in connection herewith. Except as specifically set forth herein, the holder acknowledges that any income or other taxes due from him with respect to this Option or the shares issuable pursuant to this Option shall be the responsibility of the holder. The holder of this Option shall have rights as a shareholder only with respect to any Shares covered by the Option after due exercise of the Option and tender of the full exercise price for the shares being purchased pursuant to such exercise.

7. PURCHASE FOR INVESTMENT

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Unless the offering and sale of the Shares to be issued upon the particular exercise of the Option shall have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended, or any successor legislation (the "Act"), the Company shall be under no obligation to issue the Shares covered by such exercise unless and until the following conditions have been fulfilled:

- (a) The person(s) who exercise the Option shall warrant to the Company, at the time of such exercise, that such person(s) are acquiring such Shares for his or her own account, for investment and not with a view to, or for sale in connection with the distribution of any such Shares, in which event the person(s) acquiring such shares shall be bound by the provisions of the following legend which shall be endorsed upon the certificate(s) evidencing their option Shares issued pursuant to such exercise:

"The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee; in the absence of an effective registration statement for the shares under the Securities Act of 1933 or an opinion of counsel satisfactory to the Company that an exemption from registration is then available."

- (b) The Company shall have received an opinion of its counsel that the Shares may be issued upon such particular exercise in compliance with the Act without registration thereunder.

Without limiting the generality of the foregoing, the Company may delay issuance of the Shares until completion of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including without limitation state securities or "blue sky" laws).

8. NOTICES

Any notices required or permitted by the terms of this Agreement or the Plan shall be given by registered or certified mail, return receipt requested, addressed as follows:

To the Company: Ekco Group, Inc.
98 Spit Brook Road
Nashua, NH 03062
Attn:

To the Employee:

or to such other address or addresses of which notice in the same manner has previously been given. Any such notice shall be deemed to have been given when mailed in accordance with the foregoing provisions.

9. GOVERNING LAW

This Agreement shall be construed and enforced in accordance with the law of the State of New Hampshire, except to the extent the of the State of Delaware may be applicable.

10. BENEFIT OF AGREEMENT

This Agreement shall be for the benefit of and shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and its corporate seal to be hereto affixed by , its duly authorized officer, and the Employee has hereunto set his or her

hand and seal, all as of the day and year first above written.

EKCO GROUP, INC.

By _____

Employee

SCHEDULE TO
FORM OF NON-QUALIFIED STOCK OPTION AND REPURCHASE AGREEMENT, AS AMENDED
EKCO GROUP, INC.

The following employees of the Company each have one or more Non-Qualified Stock Option and Repurchase Agreements with the Company which are identical in form to the foregoing Form of Non-Qualified Stock Option and Repurchase Agreement, as amended, and the following information specifies the grant dates, number of shares granted and exercise price of each option:

<TABLE>

<CAPTION>

NAME AND POSITION -----	GRANT DATE -----	NO OF SHARES GRANTED -----	EXERCISE PRICE -----
<S>	<C>	<C>	<C>
John Jay Althoff, Vice President, Secretary & General Counsel	10/14/97	15,000	\$ 8.1875
Stuart B. Cohen, Vice President, Strategic Planning & Business Development	06/13/95 02/06/96 02/04/97	7,161 12,847 6,424	6.0625 5.9375 4.2500
Donato A. DeNovellis, Executive Vice Presi- dent, Finance & Administration and Chief Financial Officer	07/14/93 01/24/94 01/03/95 02/06/96 02/04/97 02/10/98	30,000 20,000 24,538 24,538 12,269 15,000	10.0625 7.4375 6.5000 5.9375 4.2500 8.2500
John T. Haran, Vice President, Finance & Administration, Ekco Housewares, Inc.	02/06/96	9,295	5.9375
Brian R. McQuesten, Vice President & Controller	01/18/90 01/13/92 01/19/93 01/24/94 01/03/95 02/06/96 02/04/97	8,500 9,500 10,000 8,500 6,992 8,401 4,131	2.5625 10.0625 11.3125 7.4375 6.5000 5.9375 4.2500
Linda R. Millman, Associate General Counsel & Assistant Secretary	02/06/96	3,000	5.9375
Paul S. Neustadt, Vice President & Chief Infor- mation Officer	05/20/97	7,500	5.0625
Susan M. Scacchi, Treasurer	02/04/97	2,500	4.2500
Jeffrey A. Weinstein, Executive Vice President and President & Managing Director of Ekco International, Inc.	01/18/90 01/13/92 01/19/93 01/24/94 02/06/96 02/04/97	22,000 27,300 60,000 22,000 16,491 8,246	2.5625 10.0625 11.3125 7.4375 5.9375 4.2500

</TABLE>

NON-QUALIFIED STOCK OPTION AND REPURCHASE AGREEMENT
EKCO GROUP, INC.

AGREEMENT made as of the ____ day of _____, 199_ (the "Grant Date"), between Ekco Group, Inc. (the "Company"), a Delaware corporation having a principal place of business in Nashua, New Hampshire, and [NAME AND ADDRESS OF Optionee], a [BOARD MEMBER] ("[BOARD MEMBER]") of the Company. The term the "[BOARD MEMBER]" as used in this Agreement shall include, where the context so requires, the legal representatives of the [BOARD MEMBER], and/or any person or persons who acquired the [BOARD MEMBER]'s rights hereunder by will or by the laws of descent and distribution.

WHEREAS, the Company desires to grant to the [BOARD MEMBER] an Option to purchase shares of its common stock of a par value of \$.01 a share (the "Shares") under and for the purposes of the Company's 1987 Stock Option Plan, as amended (the "Plan") pursuant to Article XII thereof as a non-qualified stock option;

WHEREAS, the Company and the [BOARD MEMBER] understand and agree that any terms used herein have the same meanings as in the Plan;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto agree as follows:

1. GRANT OF OPTION

The Company hereby irrevocably grants to the [BOARD MEMBER] the right and option to purchase at one time or from time to time all or any part of an aggregate of _____ (_____) Shares, subject to adjustment as provided in the Plan, on the terms and conditions and subject to all the limitations set forth herein and in the Plan, which is incorporated herein by reference. The [BOARD MEMBER] acknowledges receipt of a copy of the Plan.

2. PURCHASE PRICE

The purchase price of the Shares covered by this Option shall be _____ Dollars (\$_____) per Share, subject to adjustment as provided in the Plan (the "Purchase Price").

3. EXERCISE OF OPTION

(a) The Option granted hereby shall be exercisable immediately, within the term set forth in Section 4 below, subject to the provisions of this

(b) Notwithstanding the provisions of the foregoing Subsection (a) and except as otherwise provided herein or in the Plan, if the [BOARD MEMBER] ceases to be an [BOARD MEMBER] of the Company or of an Affiliate for any reason, then if such termination occurs:

(i) during the period on or after the Grant Date and before the date which is twelve months thereafter (the "First Anniversary Date") and the [BOARD MEMBER] has theretofore exercised this Option for any Shares, then the [BOARD MEMBER] shall sell to the Company and the Company shall purchase from the [BOARD MEMBER] those Shares from the [BOARD MEMBER] at the price paid by the [BOARD MEMBER] upon exercise;

(ii) during the period on or after the First Anniversary Date and before the date which is twelve months thereafter (the "Second Anniversary Date") and the [BOARD MEMBER] has theretofore exercised this Option for more than [ONE THIRD OF THE NUMBER OF SHARES GRANTED] () Shares, then the [BOARD MEMBER] shall sell to the Company and the Company shall purchase from the [BOARD MEMBER] that number of Shares equal to the amount by which the number of Shares purchased by the [BOARD MEMBER] pursuant to this Option exceeds

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[ONE THIRD OF THE NUMBER OF SHARES GRANTED] () Shares at the price paid by the [BOARD MEMBER] upon exercise; or

(iii) during the period on or after the Second Anniversary Date and before the date which is twelve months thereafter (the "Third Anniversary Date") and the [BOARD MEMBER] has theretofore exercised this Option for more than [TWO THIRDS OF THE NUMBER OF SHARES GRANTED] () Shares, then the [BOARD MEMBER] shall sell to the Company and the Company shall purchase from the [BOARD MEMBER] that number of Shares equal to the amount by which the number of Shares purchased by the [BOARD MEMBER] pursuant to this Option exceeds [TWO THIRDS OF THE NUMBER OF SHARES GRANTED] () Shares at the price paid by the [BOARD MEMBER] upon exercise.

(c) Notwithstanding the foregoing, in the event the [BOARD MEMBER] ceases to be a [BOARD MEMBER] of the Company as a result of death, the Purchase Obligation (as hereinbelow defined) shall cease and terminate.

(d) Notwithstanding the foregoing provisions of this Section 3, but subject to the other provisions of this Agreement and the Plan, the Purchase Obligation shall cease and terminate in the event of, and immediately upon, a Change of Control that occurs at any time before the [BOARD MEMBER] has ceased to be a [BOARD MEMBER] of the Company. As used herein, a "Change of Control" shall be deemed to have occurred (i) if any "person" (as such term is used in

Sections 13(d) and 14(d) (2) of the Securities Exchange Act of 1934, as amended [the "1934 Act"]) becomes the beneficial owner (within the meaning of Rule 13d-3 under the 1934 Act) of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities; or (ii) if the stockholders of the Company approve any merger of, or consolidation involving, the Company in which the Company's stock is converted into securities of another corporation or into cash and such merger or consolidation shall be consummated, or the stockholders of the Company approve any plan of complete liquidation of the Company (whether or not in connection with a sale of all or substantially all of the Company's assets) and such liquidation is consummated, excluding in each case a transaction solely for the purpose of reincorporating the Company in a different jurisdiction or recapitalizing the Company's stock or a merger of the Company in which the holders of the voting stock of the Company immediately prior to the merger have the same proportionate ownership of voting stock of the surviving corporation immediately after the merger.

(e) The obligation of the Company to purchase Shares pursuant to this Section 3 is hereinafter referred to as the "Purchase Obligation" and such Shares are hereinafter referred to as the "Purchase Stock."

(f) The [BOARD MEMBER] acknowledges that if he exercises this Option and any of the Shares so purchased are subject to the Purchase Obligation, then such Shares will be restricted shares and that the difference between the fair market value of such Shares on the date the Purchase Obligation lapses as to such Shares and the aggregate purchase price for such Shares will be classified as compensation income, unless the [BOARD MEMBER] files an election under Section 83(b) of the Internal Revenue Code of 1986, as amended, with the Internal Revenue Service within thirty (30) days of the acquisition of such Shares. If such election is filed, the difference between the fair market value of such Shares and the aggregate purchase price of such Shares will be treated as compensation income as of the date of purchase. This acknowledgment should not be understood as a substitute for the [BOARD MEMBER] consulting with his own tax advisors and the [BOARD MEMBER] is urged to do so prior to any exercise of this Option.

4. TERM OF OPTION

(a) This Option shall terminate ten (10) years from the Grant Date of this Option, but shall be subject to earlier termination as provided herein or in the Plan.

(b) If the [BOARD MEMBER] ceases to be a [BOARD MEMBER] of the Company or of an Affiliate (for any reason other than death or termination by the Company or an Affiliate for cause), then the [BOARD MEMBER] may exercise this Option (subject to the provisions herein and in the Plan regarding exercise of the Option) but only within six (6) months and one (1) day after the date on which the [BOARD MEMBER] ceased to be a [Board Member], provided, however, (i) in no event may this Option be exercised any later than ten (10) years after the Grant Date of this Option,

and (ii) immediately upon the [BOARD MEMBER]'s ceasing to be a [BOARD MEMBER], this Option shall cease to be exercisable for any number of Shares which if purchased immediately following such termination would be subject to the Company's Purchase Obligation. The provisions of this paragraph, and not the provisions of Subsection 4(c), shall apply to the [BOARD MEMBER] if the [BOARD MEMBER] subsequently dies after the termination of the [DIRECTORSHIP]; however, in such case of the [BOARD MEMBER]'s death, the [BOARD MEMBER]'s Survivors may exercise this Option within six (6) months after the date of the [BOARD MEMBER]'s death, but in no event beyond ten (10) years after the Grant Date of this Option.

If the [BOARD MEMBER]'s [DIRECTORSHIP] is terminated for "cause," the [BOARD MEMBER] shall forthwith upon such termination cease to have any right to exercise this Option. For purposes of this Subsection 4(b), "cause" shall be deemed to include (but shall not be limited to) dishonesty with respect to the Company or any Affiliate, substantial malfeasance or non-feasance of duty, unauthorized disclosure of confidential information, or conduct substantially prejudicial to the business or reputation of the company or any Affiliate.

5. NON-ASSIGNABILITY

This Option shall not be transferable by the [BOARD MEMBER] otherwise than by will or by the laws of descent and distribution and shall be exercisable, during the [BOARD MEMBER]'s lifetime, only by the [BOARD MEMBER] (or his duly appointed legal representative). This Option shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of this Option or of any rights granted hereunder contrary to the provisions of this Section 5, or the levy of any attachment or similar process upon this Option or such rights, shall be null and void.

6. EXERCISE OF OPTION AND ISSUE OF SHARES

This Option may be exercised, in whole or in part, at one time or from time to time (to the extent that it is exercisable in accordance with its terms) by giving written notice to the Company. Such written notice shall be signed by the person exercising this Option, shall state the number of Shares with respect to which this Option is being exercised, shall contain any warranty required by Section 7 below, and shall otherwise comply with the terms and conditions of this Agreement and the Plan. Such notice must be received by the Company within the relevant exercise period specified in Section 4 of this Agreement. Such notice shall either: (i) be accompanied by payment of the full purchase price of such Shares, in which event the Company, subject to the provisions of Section 7, shall deliver a certificate or certificates

representing such Shares as soon as practicable after the notice shall be received, or (ii) fix a date (not less than five nor more than ten business days after such notice shall be received by the Company, which date must be within the relevant exercise period specified in Section 4 of this Agreement) for the payment of the full purchase price of such Shares against delivery subject to the provisions of Section 7, of a certificate or certificates representing such Shares. Payment of such purchase price shall, in either case, be made by check payable to the order of the Company, or in such other manner as the Committee shall permit. The certificate or certificates for the Shares as to which this Option shall have been so exercised shall be registered in the name of the person or persons so exercising this Option and shall be delivered as provided above to the person or persons exercising this Option. All Shares that shall be purchased upon the exercise of this Option as provided herein shall be fully paid and non-assessable.

The Company shall pay all original issue taxes with respect to the issue of the Shares pursuant hereto and all other fees and expenses necessarily incurred by the Company in connection herewith. Except as specifically set forth herein, the holder acknowledges that any income or other taxes due from him with respect to this Option or the shares issuable pursuant to this Option shall be the responsibility of the holder. The holder of this Option shall have rights as a shareholder only with respect to any Shares covered by this Option after due exercise of this Option and tender of the full exercise price for the Shares being purchased pursuant to such exercise. Pursuant to the Plan, the Company shall make delivery of the Shares against payment of the Option price therefor.

7. RESTRICTIONS ON TRANSFER OF SHARES; DETAILS OF THE PURCHASE OBLIGATION

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(a) Any Shares which are subject to the Purchase Obligation shall not be transferred by the [BOARD MEMBER] except as permitted herein. Until the termination of this Agreement, the Shares which are subject to the Purchase Obligation may not be transferred by the [BOARD MEMBER] unless and until the transferee agrees, in a form satisfactory to the Company, to be bound by this Agreement and to sell any transferred Shares to the Company as herein provided.

(b) Within sixty (60) days following the date the [BOARD MEMBER] ceases to be a [BOARD MEMBER] and if the [BOARD MEMBER] holds any Purchase Stock, then, the Company shall give to the [BOARD MEMBER] a written notice specifying a date for the Closing for the sale by the [BOARD MEMBER] and the purchase by the Company of the Purchase Stock, which date shall be not more than ten (10) business days after the giving of such notice. The Closing shall take place at the Company's principal offices in New Hampshire, or such other location as the Company may reasonably designate in such notice. If the company shall fail to

give the notice provided for above, within the specified period of time, then the Closing shall be on the ninetieth (90th) day following the date the [BOARD MEMBER] ceased to be a [BOARD MEMBER] or if not a business day, the next business day.

(c) At the Closing, the [BOARD MEMBER] shall deliver the Purchase Stock being purchased by the Company against the simultaneous delivery to the [BOARD MEMBER] of the purchase price (by certified or bank cashier's check or in such other form as mutually agreed to) for the number of shares of the Purchase Stock then being purchased. In the event that the [BOARD MEMBER] fails so to deliver the shares of Purchase Stock to be purchased, the Company may elect (i) to establish a segregated account in the amount of the Purchase Price, such account to be turned over to the [BOARD MEMBER] upon delivery of such shares of Purchase Stock, and (ii) immediately to take such action as is appropriate to transfer record title of such of the Purchase Stock from the [BOARD MEMBER] to the Company and to treat the [BOARD MEMBER] and such shares of the Purchase Stock in all respects as if delivery of such shares of the Purchase Stock had been made as required by this Agreement. The [BOARD MEMBER] hereby irrevocably grants the Company a power of attorney for the purpose of effectuating the terms of the preceding sentence.

(d) If the Company shall pay a stock dividend or declare a stock split on or with respect to any of the Company's Common Stock, or otherwise distribute securities of the Company to the holders of its Common Stock, whether before or after the exercise of this Option, the number of shares of stock or other securities of the Company issued with respect to the Purchase Stock then subject to the Purchase Obligation shall be added to the Purchase Stock then subject to the Purchase Obligation without any change in the aggregate purchase price. If the Company shall distribute to its stockholders shares of stock of another corporation, the shares of stock of such other corporation distributed with respect to the Purchase Stock then subject to the Purchase Obligation shall be added to the Purchase Stock covered by the Purchase Obligation without any change in the aggregate purchase price. Without limiting the generality of the foregoing, the [BOARD MEMBER] shall be entitled to retain any and all cash dividends paid by the Company on the Shares.

(e) If the outstanding shares of Common Stock of the Company shall be subdivided into a greater number of shares or combined into a smaller number of shares, or in the event of a reclassification of the outstanding shares of Common Stock of the Company, or if the Company shall be a party to any capital reorganization, whether before or after the exercise of this Obligation, there shall be substituted for the Purchase Stock then covered by the Purchase Obligation such amount and kind of securities as are issued in such subdivision, combination, reclassification, or capital reorganization in respect of the Purchase Stock subject to the Purchase Obligation immediately prior thereto, without any change in the aggregate purchase price.

(f) If the Company shall be completely liquidated, then the Purchase Obligation shall cease and terminate as of the date of such liquidation and the [BOARD MEMBER] shall hold the Shares free of the Purchase Obligation.

(g) The Company shall not be required to transfer any Shares on its books which shall have been sold, assigned or otherwise transferred in violation of this Agreement, or to treat as owner of such Shares, or to accord the right to vote as such owner or to pay dividends to, any person or organization to which any such Shares shall have been sold, assigned or otherwise transferred, from and after any sale, assignment or transfer of any Shares made in violation of this Agreement.

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(h) All certificates representing any Shares to be issued to the [BOARD MEMBER] pursuant to the exercise of this Option which are subject to the Purchase Obligation shall have endorsed thereon a legend substantially as follows:

"The shares represented by this certificate are subject to a Stock Option and Repurchase Agreement dated as of _____, 1997 between the Corporation and [NAME OF BOARD MEMBER], a copy of which Agreement is available for inspection at the principal offices of the Company or will be made available without charge upon request."

(i) This Article 7 shall not restrict the transfer by the [BOARD MEMBER] of shares, if any, which are not acquired pursuant to the exercise of this Option or which are not, or cease to be, subject to the Purchase Obligation in accordance with the terms hereof.

8. PURCHASE FOR INVESTMENT

Unless the offering and sale of the Shares to be issued upon the particular exercise of this Option shall have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended, or any successor legislation (the "Act"), the Company shall be under no obligation to issue the Shares covered by such exercise unless and until the following conditions have been fulfilled:

- (a) The person(s) who exercise this Option shall warrant to the Company, at the time of such exercise, that such person(s) are acquiring such Shares for his or her own account, for investment and not with a view to, or for sale in connection with, the distribution of any such Shares, in which event the person(s) acquiring such Shares shall be bound by the provisions of the following legend which shall in substantially the following form be endorsed upon the certificate(s) evidencing the option Shares issued pursuant to such exercise:

"The shares represented by this certificate have been taken for investment and they may not be sold or otherwise

transferred by any person, including a pledgee, in the absence of an effective registration statement for the shares under the Securities Act of 1933 or an opinion of counsel satisfactory to the Company that an exemption from registration is then available."

- (b) The Company shall have received an opinion of its counsel that the Shares may be issued upon such particular exercise in compliance with the Act without registration thereunder.

Without limiting the generality of the foregoing, the Company may delay issuance of the Shares until completion of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including without limitation state securities or "blue sky" laws).

9. REGISTRATION RIGHTS

- (a) In the event that the Company has an effective registration statement covering the sale and resale of securities issued pursuant to the Plan, then the [BOARD MEMBER] agrees to sign a waiver in substantially the following form:

"For so long as a registration statement under the Securities Act of 1933, as amended, is in effect covering the sale and resale of securities issued pursuant to the 1987 Stock Option Plan of Ekco Group, Inc. (the "Company"), the undersigned [Board Member] waives his rights to require the Company to file a registration statement pursuant to Section 9 of the Non-Qualified Stock Option and Repurchase Agreement dated as of October 28, 1997, between the undersigned [BOARD MEMBER] and the Company."

- (b) The [BOARD MEMBER] acknowledges that option agreements have been executed by the Company with one hundred twenty one (121) employees of the Company and its Affiliates of the Company and may be executed with other employees, Board Members and Consultants (collectively "Other Holders"), each containing or to contain a section substantially identical to this Section 9. Subject to the terms hereinafter set forth, at any time after the Grant Date, the

holder shall have the right, by written notice to the Company, to require the Company to file and use its best efforts to cause to become effective a registration statement under the Securities Act of 1933, as amended (the "Act") on Form S-8, Form S-2 or Form S-3 or other like form, if available, covering such number of Shares acquired or to be acquired prior to the effective date of such registration statement, subject to the limitations that (i) the Company

shall be required to file no more than an aggregate of two (2) registration statements pursuant to such notices and/or pursuant to notices received from Other Holders, and (ii) if, in the opinion of counsel to the Company, the holder can then sell, subject to such limitations as to the number of Shares which may be sold as may be imposed by Rule 144 under the Act or any successor rule, Shares requested to be included in any such registration statement, without such registration, the Company need not so register such Shares. In no event will the Company be required to register Shares which are subject to the Purchase Obligation. The Company agrees to promptly notify a holder in the event that it receives notices from any of the Other Holders requiring it to file a registration statement and to permit the holder to require the Company to include Shares owned by the holder in such registration statement, subject to the limitations set forth above.

(c) In connection with any registration statement pursuant to this Section 9:

(i) the holder will furnish to the Company in writing such appropriate information as the Company, or the Securities and Exchange Commission (the "Commission") or any other regulatory authority may request;

(ii) the holder agrees to execute, deliver and/or file with or supply to the Company, the Commission, any underwriters and/or any state or other regulatory authority such information, documents, representations, undertakings and/or agreements necessary to carry out the provisions of the registration agreements contained in this Agreement and/or to effect the registration or qualification of the Shares under the Act and/or any of the laws and regulations of any state or governmental instrumentality;

(iii) the Company will furnish to the holder of Shares included in the registration statement such number of copies of such prospectus (including each preliminary, amended or supplemental prospectus) as the holder may reasonably request; and

(iv) in the event an offering of securities by the Company is pending, the Company shall have the right to require that the holder delay any offering of Shares for a period of ninety (90) days after the effective date of such pending offering (upon the Company's having first delivered to the holder the written opinion of its principal underwriter, or if there be none, then from an officer of the Company based upon a good faith resolution of the Board of Directors to the effect that the offering of such Shares will have an adverse effect on the marketing of such pending offering).

(d) The Company will pay all of its out-of-pocket expenses and disbursements in connection with any registration statement filed under this Section 9, including, without limitation, printing expenses, fees of the Company's counsel and auditors, registration fees, blue sky fees and similar costs to the extent permitted by state and regulatory authorities.

(e) The Company will be obligated to keep any registration statement filed by it under this Section 9 effective under the Act for a period of ninety (90) days after the actual effective date of such registration statement and to prepare and file such supplements and amendments necessary to maintain an effective registration statement for such period. As a condition to the Company's obligation under this Subsection (e), the holder will execute and deliver to the Company such written undertakings as the Company and its counsel may reasonably require in order to assure full compliance with relevant provisions of the Act.

(f) The Company will use its best efforts to register or qualify the Shares covered by a registration statement filed pursuant hereto under such securities or Blue Sky laws in such jurisdictions within the United States as the holder may reasonably request, provided, however, that the Company reserves the right, in its sole discretion, not to register or qualify such stock in any jurisdiction where such stock does not meet with the requirements of such jurisdiction or where the Company is required to qualify as a foreign corporation to do business in such jurisdiction and is not so qualified therein or is required to file any general consent to service of process.

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(g) In the event that a holder has not sold all of his Shares on or prior to the expiration of the period specified in Subsection (e) above, the holder hereby agrees that the Company may deregister by post-effective amendment any of his Shares covered by the registration statement or notification but not sold on or prior to such date. The Company agrees that it will notify the holder of the filing and effective date of such post-effective amendment.

(h) The holder agrees that upon notification by the Company that the prospectus in respect to any public offering covered by the provisions hereof is in need of revision, the holder will immediately upon receipt of such notification (i) cease to offer or sell any securities of the Company which must be accompanied by such prospectus; (ii) return to the Company all such prospectuses in the hands of the holder; and (iii) not offer or sell any securities of the Company until the holder has been provided with a current prospectus and the Company has given the holder notification permitting the holder to resume offers and sales.

10. NOTICES

Any notices required or permitted by the terms of this Agreement or the Plan shall be given by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To the Company:

Ekco Group, Inc.
98 Spit Brook Road
Nashua, New Hampshire 03062

To the [BOARD MEMBER]: To [BOARD MEMBER]'s last address in the records of the Company

or to such other address as either party furnishes to the other by like notice. Any such notice shall be deemed to have been given when mailed in accordance with the foregoing provisions.

11. GOVERNING LAW

This Agreement shall be construed and enforced in accordance with the law of the State of New Hampshire, except to the extent the law of the State of Delaware may be applicable.

12. BENEFIT OF AGREEMENT

This Agreement shall be for the benefit of and shall be binding upon the heirs, executors, administrators, legal representatives and successors of the parties hereto, except as otherwise provided herein.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and delivered by its duly authorized officer and its corporate seal to be hereunto affixed and the [Board Member] has hereunto set his hand and seal all as of the day and year first above written in duplicate originals.

EKCO GROUP, INC.

[SEAL]

BY

TITLE

[BOARD MEMBER]

SCHEDULE TO
FORM OF NON-QUALIFIED STOCK OPTION AND REPURCHASE AGREEMENT
EKCO GROUP, INC.

The following persons each have a Non-Qualified Stock Option and

Repurchase Agreement with the Company which is identical in form to the foregoing Form of Non-Qualified Stock Option and Repurchase Agreement, and the following information specifies the grant date, number of shares granted and exercise price of each such option:

NAME AND POSITION -----	GRANT DATE -----	No. of Shares GRANTED -----	EXERCISE PRICE -----
George W. Carmany, III, Director	10-28-97	10,000	\$ 6.46875
Michael G. Frieze, Director	10-28-97	10,000	6.46875
Avram J. Goldberg, Director	10-28-97	10,000	6.46875
T. Michael Long, Director	10-28-97	10,000	6.46875
Stuart B. Ross, Director	10-28-97	10,000	6.46875
Bill W. Sorenson, Director	10-28-97	10,000	6.46875
Herbert M. Stein, Director	10-28-97	10,000	6.46875

FORM OF
NON-QUALIFIED STOCK OPTION AGREEMENT
EKCO GROUP, INC.

AGREEMENT made as of the ____ of _____, 199__ (the "Grant Date"), between Ekco Group, Inc. (the "Company"), a Delaware corporation having a principal place of business in Nashua, New Hampshire, and [NAME AND ADDRESS OF CONSULTANT], a Consultant ("Consultant") to the Company. The term the "Consultant" as used in this Agreement shall include, where the context so requires, the legal representatives of Consultant, and/or any person or persons who acquired Consultant's rights hereunder by will or by the laws of descent and distribution. WHEREAS, the Company desires to grant to Consultant an Option to purchase shares of its common stock of a par value of \$.01 a share (the "Shares") under and for the purposes of the Company's 1987 Stock Option Plan, as amended (the "Plan") pursuant to Article XII thereof as a non-qualified stock option;

WHEREAS, the Company and Consultant understand and agree that any terms used herein have the same meanings as in the Plan;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto agree as follows:

1. GRANT OF OPTION

The Company hereby irrevocably grants to Consultant the right and option to purchase at one time or from time to time all or any part of an aggregate of [NUMBER OF SHARES] (_____) Shares, subject to adjustment as provided in the Plan, on the terms and conditions and subject to all the limitations set forth herein and in the Plan, which is incorporated herein by reference. Consultant acknowledges receipt of a copy of the Plan.

2. PURCHASE PRICE

The purchase price of the Shares covered by this Option shall be [EXERCISE PRICE] Dollars (\$_____) per Share, subject to adjustment as provided in the Plan (the "Purchase Price").

3. EXERCISE OF OPTION

(a) Subject to the provisions of this Agreement, the Option granted

hereby shall be exercisable within the term set forth in Section 4 below as follows:

(i) As to up to [20% OF THE SHARES] (_____) Shares covered by this

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Option: at any time and from time to time on or after the first Award Anniversary;

(ii) As to up to an additional [20% OF THE SHARES] (_____) Shares covered by this Option: at any time and from time to time on or after the second Award Anniversary;

(iii) As to up to an additional [20% OF THE SHARES] (_____) Shares covered by this Option: at any time and from time to time on or after the third Award Anniversary;

(iv) As to up to an additional [20% OF THE SHARES] (_____) Shares covered by this Option: at any time and from time to time on or after the fourth Award Anniversary; and

(v) As to up to all Shares covered by this Option: at any time and from time to time on or after the fifth Award Anniversary.

For purposes of this Subsection (a), the term "Award Anniversary" shall mean any twelve month anniversary of the Grant Date.

Notwithstanding the foregoing and except as provided in Section 4 below providing for exercises under other circumstances, this Option may not be exercised in whole or in part unless Consultant is then a Consultant of the Company.

(b) Notwithstanding the provisions of the foregoing Subsection (a) and except as otherwise provided herein or in the Plan, this Option, to the extent not previously exercised, shall become fully exercisable to the same extent and in the same manner as if it had become exercisable by the passage of time specified in Subsection (a) above in the event of, and immediately upon, the occurrence of:

(i) The termination of Consultant's consultancy as a result of death;
or

(ii) In the event of, and immediately upon, a Change of Control that

occurs at any time before Consultant has ceased to be a Consultant of the Company. As used herein, a "Change of Control" shall be deemed to have occurred (i) if any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended [the "1934 Act"]) becomes the beneficial owner (within the meaning of Rule 13d-3 under the 1934 Act) of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities; or (ii) if the stockholders of the Company approve any merger of, or consolidation involving, the Company in which the Company's stock is converted into securities of another corporation or into cash and such merger or consolidation shall be consummated, or the stockholders of the Company approve any plan of complete liquidation of the Company (whether or not in connection with a sale of all or substantially all of the Company's assets) and such

liquidation is consummated, excluding in each case a transaction solely for the purpose of reincorporating the Company in a different jurisdiction or recapitalizing the Company's stock or a merger of the Company in which the holders of the voting stock of the Company immediately prior to the merger have the same proportionate ownership of voting stock of the surviving corporation immediately after the merger.

4. TERM OF OPTION

(a) This Option shall terminate ten (10) years from the Grant Date of this Option, but shall be subject to earlier termination as provided herein or in the Plan.

(b) If Consultant ceases to be a Consultant of the Company (for any reason other than death or termination by the Company for cause), then Consultant may exercise this Option (subject to the provisions herein and in the Plan regarding exercise of the Option) but only within six (6) months and one (1) day after the date on which Consultant ceased to be a Consultant, provided, however, in no event may this Option be exercised any later than ten (10) years after the Grant Date of this Option, and may not be exercised thereafter. In such event, this Option shall be exercisable only to the extent that the right to purchase shares under the Plan has accrued and is in effect at the date of such cessation of the consultancy. The provisions of this Subsection (b), and not the provisions of Subsection (d) below, shall apply to Consultant if

Consultant subsequently dies after the termination of Consultant's consultancy; however, in the case of Consultant's death, Consultant's Survivors may exercise this Option within six (6) months after the date of Consultant's death, but in no event beyond ten (10) years after the Grant Date of this Option.

(c) If Consultant's consultancy is terminated for "cause," Consultant shall forthwith upon such termination cease to have any right to exercise this Option. For purposes of this Subsection 4(b), "cause" shall be deemed to include (but shall not be limited to) dishonesty with respect to the Company or any Affiliate, substantial malfeasance or non-feasance of duty, unauthorized disclosure of confidential information, or conduct substantially prejudicial to the business or reputation of the Company or any Affiliate.

(d) In the event of the death of Consultant while a Consultant of the Company, this Option may be exercised only by Consultant's legal representatives and/or any person or persons who acquired Consultant's rights to this Option by will or by the laws of descent and distribution. This Option must be exercised, if at all, within one (1) year after the date of death of Consultant, or, if earlier, within the originally prescribed term of this Option.

5. NON-ASSIGNABILITY

This Option shall not be transferable by Consultant otherwise than by will or by the laws of descent and distribution and shall be exercisable, during Consultant's lifetime, only by Consultant (or his duly appointed legal

representative). This Option shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of this Option or of any rights granted hereunder contrary to the provisions of this Section 5, or the levy of any attachment or similar process upon this Option or such rights, shall be null and void.

6. EXERCISE OF OPTION AND ISSUE OF SHARES

This Option may be exercised, in whole or in part, at one time or from time to time (to the extent that it is exercisable in accordance with its terms) by giving written notice to the Company. Such written notice shall be

signed by the person exercising this Option, shall state the number of Shares with respect to which this Option is being exercised, shall contain any warranty required by Section 7 below, and shall otherwise comply with the terms and conditions of this Agreement and the Plan. Such notice must be received by the Company within the relevant exercise period specified in Section 4 of this Agreement. Such notice shall either: (i) be accompanied by payment of the full purchase price of such Shares, in which event the Company, subject to the provisions of Section 7, shall deliver a certificate or certificates representing such Shares as soon as practicable after the notice shall be received, or (ii) fix a date (not less than five nor more than ten business days after such notice shall be received by the Company, which date must be within the relevant exercise period specified in Section 4 of this Agreement) for the payment of the full purchase price of such Shares against delivery subject to the provisions of Section 7, of a certificate or certificates representing such Shares. Payment of such purchase price shall, in either case, be made by check payable to the order of the Company, or in such other manner as the Committee shall permit. The certificate or certificates for the Shares as to which this Option shall have been so exercised shall be registered in the name of the person or persons so exercising this Option and shall be delivered as provided above to the person or persons exercising this Option. All Shares that shall be purchased upon the exercise of this Option as provided herein shall be fully paid and non-assessable.

The Company shall pay all original issue taxes with respect to the issue of the Shares pursuant hereto and all other fees and expenses necessarily incurred by the Company in connection herewith. Except as specifically set forth herein, the holder acknowledges that any income or other taxes due from him with respect to this Option or the shares issuable pursuant to this Option shall be the responsibility of the holder. The holder of this Option shall have rights as a shareholder only with respect to any Shares covered by this Option after due exercise of this Option and tender of the full exercise price for the Shares being purchased pursuant to such exercise. Pursuant to the Plan, the Company shall make delivery of the Shares against payment of the Option price therefor.

7. PURCHASE FOR INVESTMENT

Unless the offering and sale of the Shares to be issued upon the particular exercise of this Option shall have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended, or any successor legislation (the "Act"), the Company shall be under no obligation to issue the Shares covered by such exercise unless and until the following

conditions have been fulfilled:

- (a) The person(s) who exercise this Option shall warrant to the Company, at the time of such exercise, that such person(s) are acquiring such Shares for his or her own account, for investment and not with a view to, or for sale in connection with, the distribution of any such Shares, in which event the person(s) acquiring such Shares shall be bound by the provisions of the following legend which shall in substantially the following form be endorsed upon the certificate(s) evidencing the option Shares issued pursuant to such exercise:

"The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee, in the absence of an effective registration statement for the shares under the Securities Act of 1933 or an opinion of counsel satisfactory to the Company that an exemption from registration is then available."

- (b) The Company shall have received an opinion of its counsel that the Shares may be issued upon such particular exercise in compliance with the Act without registration thereunder.

Without limiting the generality of the foregoing, the Company may delay issuance of the Shares until completion of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including without limitation state securities or "blue sky" laws).

8. REGISTRATION RIGHTS

- (a) In the event that the Company has an effective registration statement covering the sale and resale of securities issued pursuant to the Plan, then Consultant agrees to sign a waiver in substantially the following form:

"For so long as a registration statement under the Securities Act of 1933, as amended, is in effect covering the sale and resale of securities issued pursuant to the 1987 Stock Option Plan of Ekco Group, Inc. (the "Company"), the undersigned Consultant waives his rights to require the Company to file a registration statement pursuant to Section 8 of the Non-Qualified Stock Option and Repurchase Agreement dated as of [DATE OF AGREEMENT], between the undersigned [NAME OF CONSULTANT] and the Company."

- (b) Consultant acknowledges that option agreements have been executed by the Company with [NO. OF EMPLOYEES] (____) employees of the Company and its

Affiliates and [NO. OF BOARD MEMBERS] (____) Board Members and may be executed with other employees, Board Members and Consultants (collectively "Other Holders"), each containing or to contain a section substantially identical to this Section 8. Subject to the terms hereinafter set forth, at any time after the Grant Date, the holder shall have the right, by written notice to the Company, to require the Company to file and use its best efforts to cause to become effective a registration statement under the Securities Act of 1933, as amended (the "Act") on Form S-8, Form S-2 or Form S-3 or other like form, if available, covering such number of Shares acquired or to be acquired prior to the effective date of such registration statement, subject to the limitations that (i) the Company shall be required to file no more than an aggregate of two (2) registration statements pursuant to such notices and/or pursuant to notices received from Other Holders, and (ii) if, in the opinion of counsel to the Company, the holder can then sell, subject to such limitations as to the number of Shares which may be sold as may be imposed by Rule 144 under the Act or any successor rule, Shares requested to be included in any such registration statement, without such registration, the Company need not so register such Shares. In no event will the Company be required to register Shares which are subject to the Purchase Obligation. The Company agrees to promptly notify a holder in the event that it receives notices from any of the Other Holders requiring it to file a registration statement and to permit the holder to require the Company to include Shares owned by the holder in such registration statement, subject to the limitations set forth above.

(c) In connection with any registration statement pursuant to this Section 8:

(i) the holder will furnish to the Company in writing such appropriate information as the Company, or the Securities and Exchange Commission (the "Commission") or any other regulatory authority may request;

(ii) the holder agrees to execute, deliver and/or file with or supply to the Company, the Commission, any underwriters and/or any state or other regulatory authority such information, documents, representations, undertakings and/or agreements necessary to carry out the provisions of the registration agreements contained in this Agreement and/or to effect the registration or qualification of the Shares under the Act and/or any of the laws and regulations of any state or governmental instrumentality;

(iii) the Company will furnish to the holder of Shares included in the registration statement such number of copies of such prospectus (including each preliminary, amended or supplemental prospectus) as the holder may reasonably request; and

(iv) in the event an offering of securities by the Company is pending, the Company shall have the right to require that the holder delay any offering of Shares for a period of ninety (90) days after the effective date of such pending offering (upon the Company's having first delivered to the holder the written opinion of its principal underwriter, or if there be none, then from an officer of the Company based upon a good

faith resolution of the Board of Directors to the effect that the offering of such Shares will have an adverse effect on the marketing of such pending offering).

(d) The Company will pay all of its out-of-pocket expenses and disbursements in connection with any registration statement filed under this Section 8, including, without limitation, printing expenses, fees of the Company's counsel and auditors, registration fees, blue sky fees and similar costs to the extent permitted by state and regulatory authorities.

(e) The Company will be obligated to keep any registration statement filed by it under this Section 8 effective under the Act for a period of ninety (90) days after the actual effective date of such registration statement and to prepare and file such supplements and amendments necessary to maintain an effective registration statement for such period. As a condition to the Company's obligation under this Subsection (e), the holder will execute and deliver to the Company such written undertakings as the Company and its counsel may reasonably require in order to assure full compliance with relevant provisions of the Act.

(f) The Company will use its best efforts to register or qualify the Shares covered by a registration statement filed pursuant hereto under such securities or Blue Sky laws in such jurisdictions within the United States as

the holder may reasonably request, provided, however, that the Company reserves the right, in its sole discretion, not to register or qualify such stock in any jurisdiction where such stock does not meet with the requirements of such jurisdiction or where the Company is required to qualify as a foreign corporation to do business in such jurisdiction and is not so qualified therein or is required to file any general consent to service of process.

(g) In the event that a holder has not sold all of his Shares on or prior to the expiration of the period specified in Subsection (e) above, the holder hereby agrees that the Company may deregister by post-effective amendment any of his Shares covered by the registration statement or notification but not sold on or prior to such date. The Company agrees that it will notify the holder of the filing and effective date of such post-effective amendment.

(h) The holder agrees that upon notification by the Company that the prospectus in respect to any public offering covered by the provisions hereof is in need of revision, the holder will immediately upon receipt of such notification (i) cease to offer or sell any securities of the Company which must be accompanied by such prospectus; (ii) return to the Company all such prospectuses in the hands of the holder; and (iii) not offer or sell any securities of the Company until the holder has been provided with a current prospectus and the Company has given the holder notification permitting the holder to resume offers and sales.

9. NOTICES

Any notices required or permitted by the terms of this Agreement

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or the Plan shall be given by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To the Company:	Ekco Group, Inc. 98 Spit Brook Road Nashua, New Hampshire 03062 Attention: Associate General Counsel
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To Consultant:	To Consultant's last address in the records of the Company
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or to such other address as either party furnishes to the other by like notice.

Any such notice shall be deemed to have been given when mailed in accordance with the foregoing provisions.

10. GOVERNING LAW

This Agreement shall be construed and enforced in accordance with the law of the State of New Hampshire, except to the extent the law of the State of Delaware may be applicable.

11. BENEFIT OF AGREEMENT

This Agreement shall be for the benefit of and shall be binding upon the heirs, executors, administrators, legal representatives and successors of the parties hereto, except as otherwise provided herein.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and delivered by its duly authorized officer and its corporate seal to be hereunto affixed and the Consultant has hereunto set his hand and seal all as of the day and year first above written in duplicate originals.

EKCO GROUP, INC.

[SEAL]

By _____

Title _____

_____, Consultant

Schedule of Exercises

Number of Shares Purchased Pursuant to this option	Consideration Received	Date of purchase	Notation Made By
-----	-----	-----	-----

EKCO GROUP, INC.
SCHEDULE TO
FORM OF NON-QUALIFIED STOCK OPTION AGREEMENT

The following Consultant of the Company has a Non-Qualified Stock Option Agreement with the Company which is identical in form to the foregoing Form of Non-Qualified Stock Option Agreement, except as to the date, the number of shares and the exercise price:

Name ----	Date of Agreement -----	No. of Shares Granted -----	Exercise Price -----
Kenneth J. Novack	10-28-97	15,000	\$6.4688

EKCO GROUP, INC.
1988 DIRECTORS' STOCK OPTION PLAN

I. DEFINITIONS AND PURPOSES

A. DEFINITIONS

Unless otherwise specified or unless the context otherwise requires, the following terms, as used in this 1988 Directors' Stock Option Plan, have the following meanings:

- (1) "COMPANY" means Ekco Group, Inc.
- (2) "PLAN" means this 1988 Directors' Stock Option Plan.
- (3) "BOARD OF DIRECTORS" means the Board of Directors of the Company, except to the extent the Board of Directors delegates its authority to a committee of the Board of Directors.
- (4) "AFFILIATE" means a corporation which owns at least fifty percent (50%) of the outstanding capital stock of the Company, directly or indirectly, or a corporation in which the Company or an Affiliate, directly or indirectly, owns at least fifty (50%) of the outstanding capital stock of such corporation.
- (5) "OUTSIDE DIRECTOR" means any Director of the Company who is not an employee of the Company or of an Affiliate at the time of the grant of the Option, who has not been an employee of the Company or of an Affiliate at any time within one (1) year prior to such time of grant and who has been elected to serve as a Director by the Company's stockholders.
- (6) "OPTION" means a right or option granted under the Plan.
- (7) "OPTION AGREEMENT" means an agreement between the Company and a Participant executed and delivered pursuant to the Plan.
- (8) "PARTICIPANT" means an Outside Director to whom an Option is granted under the Plan, or, where the context requires, his or her legal representative.

(Rev. 03-19-98)

- (9) "PARTICIPANT'S SURVIVORS" means a deceased Participant's legal representatives and/or any person or persons who acquired the Participant's rights to an Option by will or by the laws of descent and distribution.
- (10) "SHARES" means the following shares of the capital stock of the Company as to which Options have been or may be granted under the Plan: Common Stock, \$0.01 par value, or any shares of capital stock into which the Shares are changed or for which they are exchanged within the provisions of Article VII of the Plan. The shares issued upon exercise of Options granted under the Plan may be authorized and unissued shares or shares held by the Company in its treasury, or both.

B. PURPOSES OF THE PLAN:

The Plan is intended to encourage ownership of shares by Outside Directors in order to attract such Outside Directors, to induce such Outside Directors to remain as Directors of the Company and to provide additional incentive for such Outside Directors to promote the success of the Company.

II. SHARES SUBJECT TO THE PLAN

The aggregate number of Shares as to which Options may be granted from time to time shall be 600,000 Shares as of the date of adoption of this Plan (and the equivalent of stock-split, stock dividend, combination, recapitalization or similar transaction effected after such date).

If an Option ceases to be "outstanding", in whole or in part, the Shares which were subject to such Option shall be available for the granting of other Options under the Plan. Any Option shall be treated as "outstanding" until such Option is exercised in full or terminates or expires under the provisions of the Plan or by agreement of the parties to the pertinent Option Agreement. The aggregate number of Shares as to which Options may be granted shall be subject to change only by means of an amendment of the Plan duly adopted by the Company and approved by the stockholders of the Company within twelve (12) months before or after the date of the adoption of any such amendment, subject to the provisions of Article VII.

III. ELIGIBILITY FOR PARTICIPATION

Each Participant must be an Outside Director of the Company at the time an Option is granted. Upon the later of the approval of this Plan by the Board of Directors of the Company or the date on which he or she becomes an Outside Director (the "Grant Date"), each Outside Director shall be automatically granted an Option with an exercise price equal to the fair market value of a Share determined as set forth in subparagraph A(2) of

by dividing (i) \$100,000 by (ii) the fair market value of a Share determined as set forth in subparagraph A(2) of Article IV, rounded to the nearest whole Share, but in no event to be greater than 50,000 Shares. No Outside Director shall be entitled to be granted more than one Option pursuant to this Plan.

IV. TERMS AND CONDITIONS OF OPTIONS

Each Options shall be set forth in an Option Agreement substantially in the form hereto annexed and marked Exhibit A, duly executed on behalf of the Company and by the Participant to whom such Option is granted. No Option shall be exercisable unless an Option Agreement shall have been duly executed on behalf of the Company and by the Participant. Each such Option Agreement shall be subject to at least the following terms and conditions:

A. EXERCISE PRICE:

- (1) The exercise price (per share) of the Shares covered by each Option shall be the "fair market value" as hereinafter defined (per share) of the Shares, determined as of the Grant Date.
- (2) For purpose of the foregoing subparagraph (1), fair market value shall be determined as follows. If such Shares are then listed on any national securities exchange, the fair market value shall be the mean between the high and low sales prices, if any, on the largest such exchange on which such prices were reported for the Grant Date, or, if none, on the most recent trade date thirty (30) days or less prior to the Grant Date for which such prices are reported. If the Shares are not then listed on any such exchange, the fair market value of such shares shall be the mean between the closing "Bid" and the closing "Ask" prices, if any, as reported in the National Association of Securities Dealers Automated Quotation System ("NASDAQ") for the Grant Date, or if none, on the most recent trade date thirty (30) days or less prior to the Grant Date for which such quotations are reported. If the Shares are not then either listed on any such exchange or quoted in NASDAQ, the fair market Value shall be the mean between the average of the "Bid" and the average of the "Ask" prices, if any, as reported in the National Daily Quotation Service for the Grant Date, or if none, for the most recent trade date thirty (30) days or less prior to the Grant Date for which such quotations are reported. If the fair market value cannot be determined under the preceding three sentences, it shall be determined in good faith by the Board of Directors.

B. NUMBER OF SHARES:

Each Option shall be for that number of Shares as is determined by dividing (i) \$100,000 by (ii) the fair market value determined as set forth in subparagraph A(2) of Article IV above, rounded to the

nearest whole Share, but in no event to be greater than 50,000 Shares.

C. TERM OF OPTION:

Each Option shall terminate ten (10) years from the Grant Date thereof, and shall be subject to earlier termination as herein provided.

D. DATE OF EXERCISE:

Each Option shall become exercisable immediately upon grant, within its prescribed term subject to the provisions of Paragraphs G, H and I below.

E. REPURCHASE RIGHTS:

- (1) Notwithstanding the provisions of the forgoing Paragraph D and except as otherwise provided herein or in the Option Agreement, if a Participant ceases to be a Director of the Company for any reason, then the provisions set forth below in this Paragraph E shall apply to the Shares purchased by the Participant pursuant to his or her Option. If such termination occurs:

- (i) during the period on or after the Grant Date for such Option and before the date which is twelve months thereafter (the "First Anniversary Date") and the Participant has theretofore exercised the Option for any Shares, then the Company shall purchase those Shares from the Participant at the price by him or her upon exercise;

- (ii) during the period on or after the First Anniversary Date and before the Date which is twelve months thereafter (the "Second Anniversary Date") and the Participant has theretofore exercised the Option for more than one-third (1/3) of the number of Shares which may be purchased pursuant to such Option, the Company shall purchase any excess over such amount of Shares so determined from the Participant at the price paid by him or her upon exercise; and

- (iii) during the period on or after the Second Anniversary Date

and before the date which is twelve months thereafter (the "Third Anniversary Date") and the Participant has heretofore exercised the Option for more than two-thirds (2/3) of the number of Shares which may be purchased pursuant to such Option, the Company shall purchase any excess over such amount of Shares so determined from the Participant at the price paid by him or her upon exercise.

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- (2) Notwithstanding the foregoing, in the event the Participant ceases to be a Director of the Company as a result of death, the Purchase Obligation (as hereinbelow defined) shall cease and terminate.
- (3) Notwithstanding the foregoing provisions of this Paragraph E, but subject to the other provisions of this Plan, the Purchase Obligation shall cease and terminate in the event of, and immediately upon, a Change of Control that occurs at any time before the Participant has ceased to be a director of the Company. As used herein, a "Change of Control" shall be deemed to have occurred (i) if any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) becomes the beneficial owner (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or (ii) if the stockholders of the company approve any merger of, or consolidation involving, the Company in which the Company's stock is converted into securities of another corporation or into cash and such merger or consolidation shall be consummated, or the stockholders of the Company approve any plan of complete liquidation of the Company (whether or not in connection with a sale of all or substantially all of the Company's assets) and such liquidation is consummated, excluding in each case a transaction solely for the purpose of reincorporating the Company in a different jurisdiction or recapitalizing the Company's stock or a merger of the Company in which the holders of the voting stock of the Company immediately prior to the merger have the same proportionate ownership of voting stock of surviving corporation immediately after the merger.
- (4) The obligation of the Company to purchase Shares pursuant to this Paragraph E is hereinafter referred to as the "Purchase Obligation" and such Shares are hereinafter referred to as the "Purchase Stock."

F. MEDIUM OF PAYMENT:

The Option price shall be payable upon the exercise of the Option by check payable to the Company or by cash.

G. TERMINATION OF DIRECTORSHIP:

A Participant who ceases to be a Director of the Company (for any reason other than death or termination for cause) may exercise any Option granted to such Participant, but only within six (6) months and one (1) day after the date on

which the Participant ceased to be a Director, provided, however, (i) in no event may the Option be exercised any later than the prescribed term of the Option, and (ii) immediately upon such Participant ceasing to be a Director such Participant's Option shall cease to be exercisable for any number of Shares which if purchased immediately following such termination would be subject to the Company's Purchase Obligation. The provisions of this paragraph, and not the provisions of Paragraph H of this Article IV, shall apply to a Participant who subsequently dies after the termination of his or her Directorship; however, in the case of a Participant's death, the Participant's Survivors may exercise the Option within six (6) months after the date of the Participant's death, but in no event beyond the prescribed term of the Option.

A Participant whose Directorship is terminated for "cause" shall forthwith upon such termination cease to have any right to exercise any Option. For purposes of this paragraph, "cause" shall be deemed to include (but shall not be limited to) dishonesty with respect to the Company or any Affiliate, substantial malfeasance or non-feasance of duty, unauthorized disclosure of confidential information, or conduct substantially prejudicial to the business or reputation of the Company of any Affiliate. The determination of the Board of Directors as to the existence of cause, after notice to the Participant and an opportunity to be heard, shall be conclusive on the Participant and the Company.

H. DEATH:

In the event of the death of a Participant to whom an Option has been granted while the Participant is a Director of the Company, such Option, to the extent not exercised by the Participant's Survivor's, if at all, within one (1) year after the date of death of such Participant or, if earlier, within the prescribed term of the Option, notwithstanding that the decedent might have been able to exercise the Option as to some or all of the Shares on a later date if the Participant were alive and had continued to be a Director of the Company.

I. EXERCISE OF OPTION AND ISSUE OF SHARES:

An Option may be exercised by giving written notice to the Company. Such written notice shall be signed by the person exercising the Option, shall state the number of shares with respect to which the Option is being exercised and shall contain any warranty required by Article VI. Reasonably promptly following receipt by the Company of such written

notice, the Company shall give notice to the person exercising the Option of a date for delivery of the Option Shares to such person, against payment of the Option price. In determining what constitutes "reasonably promptly", it is expressly understood that the delivery of the Option Shares may be delayed by the Company in order to comply with any law or regulation which requires the Company to take any action with respect to the Option Shares prior to the issuance thereof, whether pursuant to the provisions of Article VI or otherwise. The option Shares shall, upon delivery, be evidenced by an appropriate certificate or certificates for paid-up non-assessable Shares.

J. RIGHTS AS A STOCKHOLDER:

No Participant to whom an Option has been granted nor any of Participant's Survivors shall have rights as a stockholder with respect to any to any Shares covered by such Option except after due exercise of the Option and tender of the full exercise price for the Shares being purchased pursuant to such exercise.

K. ASSIGNABILITY AND TRANSFERABILITY OF OPTION:

By its terms, an Option granted to a Participant shall not be transferable by the Participant otherwise than (i) by will or by the laws of descent and distribution in accordance with the foregoing Paragraphs G and H of this Article IV, or (ii) as otherwise determined by the Board of Directors and set forth in the applicable Option Agreement. The designation of a beneficiary of an Option by a Participant shall not be deemed a transfer prohibited by this Paragraph K. Except as provided above, an Option shall be exercisable, during the Participant's lifetime, only by such Participant (or his or her legal representative). No Option shall be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and no Option shall be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of any Option or of any rights granted thereunder contrary to the provisions of this Paragraph K, or the levy of any

attachment or similar process upon an Option or such rights, shall be null and void.

V. RESTRICTIONS ON TRANSFER OF SHARES; DETAILS OF THE PURCHASE OBLIGATION

- (1) Any Shares which are subject to a Purchase Obligation shall not be transferred by the Participant except as permitted herein. Until the termination of the Option Agreement, the Shares which are subject to a Purchase Obligation may not be

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transferred by the Participant unless and until the transferee agrees, in a form satisfactory to the Company, to be bound by the Option Agreement and to sell any transferred Shares to the Company as provided herein and in the Option Agreement.

- (2) If a Participant ceases to be a Director and such Participant holds any Purchase Stock, then within sixty (60) days following the date a Participant ceases to be a Director, the Company shall give to each Participant a written notice specifying a date for the Closing for the purchase by the Company of the Purchase Stock, which date shall not be more than ten (10) business days after the giving of such notice. The Closing shall take place at the Company's principal offices in New Hampshire, or such other location as the Company may reasonably designate in such notice. If the Company shall fail to give the notice provided for above within the specified period of time, then the Closing shall be on the ninetieth (90th) day following the date the Participant ceased to be a director or if not a business day, the next business day.
- (3) At the Closing, the Participant shall deliver the Purchase Stock being purchased by the Company against the simultaneous delivery to the Participant of the purchase price (by certified or bank cashier's check or in such other form as mutually agreed to) for the number of shares of the Purchase Stock then being purchased. In the event that the Participant fails so to deliver the shares of Purchase Stock to be purchased, the Company may elect (a) to establish a segregated account in the amount of the purchase price, such account to be turned over to the Participant upon delivery of such shares of Purchase Stock, and (b) immediately to take such action as is appropriate to transfer record title of such of the Purchase Stock from the Participant to the Company and to treat the Participant and such shares of the Purchase Stock in all respects as if delivery of such shares of the Purchase Stock had been made as required by this Plan and the Option Agreement. The Participant shall be entering into the Option Agreement irrevocably grant the Company a power of attorney for the purpose of

effectuating the terms of the preceding sentence.

- (4) If the Company shall pay a stock dividend or declare a stock split on or with respect to any of the Company's Shares, or otherwise distribute securities of the Company to the holders of its Shares, whether before or after the exercise of an Option, the number of shares of stock or other securities of the Company issued with respect to the Purchase Stock then subject to the Purchase Obligation shall be added to the Purchase Stock then subject to the Purchase

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Obligation without any change in the aggregate purchase price. If the Company shall distribute to its stockholders shares of stock of another corporation, the shares of stock of such other corporation distributed with respect to the Purchase Stock then subject to the Purchase Obligation shall be added to the Purchase Stock covered by the Purchase Obligation without any change in the aggregate purchase price. Without limiting the generality of the foregoing, a Participant shall be entitled to retain any and all cash dividends paid by the Company on the Shares.

- (5) If the Company's Shares shall be subdivided into a greater number of shares or combined into a smaller number of shares, or in the event of a reclassification of the Company's Shares, or if the Company shall be a party to any capital reorganization, whether before or after the exercise of an Option, there shall be substituted for the Purchase Stock then covered by the Purchase Obligation such amount and kind of securities as are issued in such subdivision, combination, reclassification, or capital reorganization in respect of the Purchase Stock subject to the Purchase Obligation immediately prior thereto, without any change in the aggregate purchase price.
- (6) If the Company shall be completely liquidated, then the Purchase Obligation shall cease and terminate as of the date of such liquidation and the Participant shall hold the shares free of the Purchase Obligation.
- (7) The Company shall not be required to transfer any Shares on its books which shall have been sold, assigned or otherwise transferred in violation of this Plan or an Option Agreement, or to treat as owner of such Shares, or to accord the right to vote as such owner or to pay dividends to, any person or organization to which any such Shares shall have been sold, assigned or otherwise transferred, from and after any sale, assignment or transfer of any Shares made in violation of this Plan or an Option Agreement.

- (8) All certificates representing any Shares to be issued to a Participant pursuant to the exercise of an Option which are subject to a Purchase Obligation shall have endorsed thereon a legend substantially as follows: "The shares represented by this certificate are subject to a Director's Stock Option and Repurchase Agreement dated between the Corporation and , a copy of which Agreement is available for inspection at the principal offices of the Company or will be made available without charge upon request."
- (9) This Article V shall not restrict the transfer by a

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Participant of shares, if any, which are not acquired pursuant to the exercise of an Option or which are not, or cease to be, subject to the Purchase Obligation in accordance with the terms hereof and the terms of the Option Agreement.

VI. PURCHASE FOR INVESTMENT

Unless the offering and sale of the Shares to be issued upon the particular exercise of an Option shall have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended, or any successor legislation (the "Act"), the Company shall be under no obligation to issue the Shares covered by such exercise unless and until the following conditions have been fulfilled:

- (1) The person(s) who exercise such Option shall warrant to the Company, at the time of such exercise, that such person(s) are acquiring such Shares for his or her own account, for investment and not with a view to, or for sale in connection with, the distribution of any such Shares, in which event the person(s) acquiring such Shares shall be bound by the provisions of the following legend which shall be endorsed in substantially the following form upon the certificate(s) evidencing their Option Shares issued pursuant to such exercise:

"The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee, in the absence of an effective registration statement for the shares under the Securities Act of 1933 or an opinion of counsel satisfactory to the Company that an exemption from registration is then available."

- (2) The Company shall have received an opinion of its counsel that the Shares may be issued upon such particular exercise in compliance with the Act without registration thereunder.

Without limiting the generality of the foregoing, the Company may delay issuance of the Shares until completion of any reasonable action or obtaining of any consent, which the Company deems reasonably necessary under any applicable law (including without limitation state securities or "blue sky" laws).

VII. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

To prevent dilution or enlargement of rights, in the event that the outstanding Shares of the Company are changed into or exchanged for a different number or kind of shares or other securities of the Company or of another corporation by reason of any reorganization, merger,

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consolidation, recapitalization, reclassification, change in par value, stock split-up, combination of shares or dividend payable in capital stock, or the like, appropriate adjustment shall be made in the number and kind of shares for the purchase of which Options may be granted under the Plan and, in addition, appropriate adjustment to prevent dilution or enlargement of the rights granted to or available for Participants, shall be made in the number and kind of shares and in the option price per share subject to outstanding Options. In addition, the Board of Directors may make other adjustments in outstanding Options if such adjustment is appropriate to prevent dilution or enlargement of rights.

VIII. DISSOLUTION OR LIQUIDATION OF THE COMPANY

Upon the dissolution or liquidation of the Company other than in connection with a transaction to which the preceding Article VII is applicable, all Options granted hereunder shall terminate and become null and void; provided, however, that if the rights of a Participant or a Participant's Survivors hereunder have not otherwise terminated and expired, the Participant (or his or her legal representatives) or the Participant's Survivors shall have the right immediately prior to such dissolution or liquidation to exercise any Option granted hereunder to the extent that the right to purchase shares thereunder has accrued as of the date immediately prior to such dissolution or liquidation.

IX. TERMINATION OF THE PLAN

The Plan shall terminate on February 28, 2008. The Plan may be terminated at an earlier date by vote of the stockholders of the Company; provided, however, that any such earlier termination shall not affect any Options granted or Option Agreements executed prior to the effective date of such termination.

X. AMENDMENT OF THE PLAN

The Plan may be amended by the stockholders of the Company; or it may be amended by the Board of Directors, provided such amendment is approved by the stockholders within twelve (12) months before or after such action by the Board of Directors if such amendment would (i) materially increase the benefits accruing to Participants under the Plan; (ii) increase the number of securities which may be issued under the Plan; (iii) materially modify the requirements as to eligibility for participation in the Plan; (iv) modify the method for determining the number of Shares as to which Options may be granted to any Participant, the exercise price for such Options or the aggregate dollar amount; or (v) extend the term during which Options may be exercised or extend the term of the Plan. No amendment shall affect any Options theretofore granted or any Option Agreements theretofore executed by the Company and a Participant, unless such amendment shall expressly so provide and unless any Participant to whom an Option has been granted who would adversely affected by such amendment consents in writing thereto.

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XI. RELATIONSHIP WITH THE COMPANY

Nothing herein contained shall be deemed to prevent the Company from terminating the Directorship of a Participant, nor to prevent a Participant from terminating the Participant's Directorship with the Company.

XII. EFFECTIVE DATE

This Plan shall become effective upon adoption by the Board of Directors; provided, however, that the effectiveness of the Plan and the effectiveness of grants of any Options pursuant to the Plan shall be subject to approval to the holders of at least a majority of the issued and outstanding shares of capital stock of the Company entitling such holders to a right to vote and be present or represented or by written consent of the holders to a right to vote and be present or represented at a meeting of the stockholders duly convened or by the written consent of the holders of at least a majority of the issued and outstanding shares of capital stock entitling holders to a right to vote, within twelve (12) months either before or after the adoption by the Board of Directors for such a resolution. Until such time as this Plan is effective, no Option may be granted pursuant hereto, unless a resolution to the effect of the immediately preceding sentence shall have been adopted by the Board of Directors. If any Options are so granted, then such Option may not be exercised until all conditions to the effectiveness for this Plan shall have been satisfied.

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EXHIBIT A

FORM OF
DIRECTORS' STOCK OPTION AND REPURCHASE AGREEMENT, AS AMENDED

EKCO GROUP, INC.

AGREEMENT made as of the [DATE] (the "Grant Date") between Ekco Group, Inc. (the "Company"), a Delaware corporation having a principal place of business in Nashua, New Hampshire, and [NAME AND ADDRESS OF OUTSIDE Director], an Outside Director of the Company (the "Director"). The term the "Director" as used in this Agreement shall include, where the context so requires, the legal representatives of the Director, and/or any person or persons who acquired the Director's rights hereunder by will or by the laws of descent and distribution.

WHEREAS, the Company desires to grant to the Director an Option to purchase shares of its common stock of a par value of \$.01 a share (the "Shares") under and for the purposes of the 1988 Directors' Stock Option Plan of the Company (the "Plan"); and

WHEREAS, the Company and the Director understand and agree that any terms used herein have the same meanings as in the Plan.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto agree as follows:

1. GRANT OF OPTION

The Company hereby irrevocably grants to the Director the right and option to purchase at one time or from time to time all or any part of an aggregate of [NO. OF SHARES]() Shares, subject to adjustment as provided in the Plan, on the terms and conditions and subject to all the limitations set forth herein and in the Plan, which is incorporated herein by reference. The Director acknowledges receipt of a copy of the Plan.

2. PURCHASE PRICE

The purchase price of the Shares covered by this Option shall be [PURCHASE PRICE](\$) per share, subject to adjustment as provided in the Plan.

3. EXERCISE OF OPTION

3.1 The Option granted hereby shall be exercisable immediately, within the term set forth in Section 4 below, subject to the provisions of this Agreement.

3.2 Notwithstanding the provisions of the foregoing Subsection

3.1 and except as otherwise provided herein or in the Plan, if the Director ceases to be a director of the Company for any reason, then if such termination occurs:

(i) during the period on or after the Grant Date and before the date which is twelve months thereafter (the "First Anniversary Date") and the Director has theretofore exercised the Option for any Shares, then the Director shall sell to the Company and the Company shall purchase from the Director those Shares from the Director at the price paid by the Director upon exercise;

(ii) during the period on or after the First Anniversary Date and before the date which is twelve months thereafter (the "Second Anniversary Date") and the Director has theretofore exercised the Option for more than [ONE-THIRD THE NO. OF SHARES] () Shares, then the Director shall sell to the Company and the Company shall purchase from the Director that number of Shares equal to the amount by which the number of Shares purchased by the Director pursuant to this Option exceeds [ONE-THIRD THE NO. OF SHARES] () shares at the price paid by the Director upon exercise; and

(iii) during the period on or after the Second Anniversary Date and before the date which is twelve months thereafter (the "Third Anniversary Date") and the Director has theretofore exercised the Option for more than [TWO-THIRDS THE NO. OF SHARES] () Shares, then the Director shall sell to the Company and the Company shall purchase from the Director that number of Shares equal to the amount by which the number of Shares purchased by the Director pursuant to this Option exceeds [TWO-THIRDS THE NO. OF shares] () Shares at the price paid by the Director upon exercise.

3.3 Notwithstanding the foregoing, in the event the Director ceases to be a director of the Company as a result of death, the Purchase Obligation (as hereinbelow defined) shall cease and terminate.

3.4 Notwithstanding the foregoing provisions of this Section 3, but subject to the other provisions of this Agreement and the Plan, the Purchase Obligation shall cease and terminate in the event of, and immediately upon, a Change of Control that occurs at any time before the Director has ceased to be a director of the Company. As used herein, a "Change of Control" shall be deemed to have occurred (i) if any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended [the "1934 Act"]) becomes the beneficial owner (within the meaning of Rule 13d-3 under the 1934 Act) of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or (ii) if the stockholders of the Company approve any merger of, or consolidation involving, the Company in which the Company's stock is converted into securities

of another corporation or into cash and such merger or consolidation shall be consummated, or the stockholders of the Company approve any plan of complete liquidation of the Company (whether or not in connection with a sale of all or substantially all of the Company's

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assets) and such liquidation is consummated, excluding in each case a transaction solely for the purpose of reincorporating the Company in a different jurisdiction or recapitalizing the Company's stock or a merger of the Company in which the holders of the voting stock of the Company immediately prior to the merger have the same proportionate ownership of voting stock of the surviving corporation immediately after the merger.

3.5 The obligation of the Company to purchase Shares pursuant to this Section 3 is hereinafter referred to as the "Purchase Obligation" and such Shares are hereinafter referred to as the "Purchase Stock."

3.6 The Director acknowledges that if he or she exercises this Option and any of the Shares so purchased are subject to the Purchase Obligation, then such Shares will be restricted shares and that the difference between the fair market value of such Shares on the date the Purchase Obligation lapses as to such Shares and the aggregate purchase price for such Shares will be classified as compensation income, unless the Director files an election under Section 83(b) of the Internal Revenue Code of 1986, as amended, with the Internal Revenue Service within thirty (30) days of the acquisition of such Shares. If such election is filed, the difference between the fair market value of such Shares and the aggregate purchase price of such Shares will be treated as compensation income as of the date of purchase. This acknowledgment should not be understood as a substitute for the Director consulting with his or her own tax advisors and the Director is urged to do so prior to any exercise of this Option.

3.7 Notwithstanding the foregoing, this Option may not be exercised until and unless all conditions to the effectiveness of the Plan, as set forth in Article XI thereof, have been satisfied, including, without limitation, approval by the Company's shareholders.

4. TERM OF OPTION

4.1 This Option shall terminate ten (10) years from the Grant Date of this Option, but shall be subject to earlier termination as provided herein or in the Plan.

4.2 If the Director ceases to be a director of the Company (for any reason other than death or termination for cause), then the Director may exercise this Option, but only within six (6) months and one (1) day after the date on which the Director ceased to be a Director, provided, however, (i) in no

event may this Option be exercised any later than ten (10) years after the Grant Date of this Option, and (ii) immediately upon the Director's ceasing to be a director, this Option shall cease to be exercisable for any number of Shares which if purchased immediately following such termination would be subject to the Company's Purchase Obligation. The provisions of this paragraph, and not the provisions of Subsection 4.3, shall apply to the Director if the Director subsequently dies after the termination of the directorship; however, in such case of the Director's death, the Director's Survivors may exercise this Option within six (6) months after the date of the Director's death, but in no event beyond ten (10) years after the Grant Date

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of this Option.

If the Director's directorship is terminated for "cause," the Director shall forthwith upon such termination cease to have any right to exercise this Option. For purposes of this Subsection 4.2, "cause" shall be deemed to include (but shall not be limited to) dishonesty with respect to the Company or any Affiliate, substantial malfeasance or non-feasance of duty, unauthorized disclosure of confidential information, or conduct substantially prejudicial to the business or reputation of the Company or any Affiliate.

4.3 In the event of the death of the Director while the Director is a director of the Company, this Option, to the extent not exercised as of the date of death, may be exercised by the Director's Survivors. Such Option must be exercised by the Director's Survivors, if at all, within one (1) year after the date of death of the Director or, if earlier, within the ten (10) years after the Grant Date of this Option, notwithstanding that the decedent might have been able to exercise this Option as to some or all of the Shares on a later date if the Director were alive and had continued to be a director of the Company.

5. NON-ASSIGNABILITY

This Option shall not be transferable by the Director otherwise than by will or by the laws of descent and distribution and shall be exercisable, during the Director's lifetime, only by the Director (or his or her legal representative). This Option shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of this Option or of any rights granted hereunder contrary to the provisions of this Section 5, or the levy of any attachment or similar process upon this Option or such rights, shall be null and void.

6. EXERCISE OF OPTION AND ISSUE OF SHARES

This Option may be exercised, in whole or in part, at one time or from

time to time, (to the extent that it is exercisable in accordance with its terms) by giving written notice to the Company. Such written notice shall be signed by the person exercising this Option, shall state the number of Shares with respect to which this Option is being exercised, shall contain any warranty required by Section 8 below and shall otherwise comply with the terms and conditions of this Agreement and the Plan. Such notice must be received by the Company within the relevant exercise period specified in Section 4 of this Agreement. Such notice shall either: (i) be accompanied by payment of the full purchase price of such Shares, in which event the Company, subject to the provisions of Section 8, shall deliver a certificate or certificates representing such Shares as soon as practicable after the notice shall be received, or (ii) fix a date (not less than five nor more than ten business days after such notice shall be received by the Company, which date must be within the relevant exercise period specified in Section 4 of this Agreement) for the payment of the full purchase price of such Shares against delivery subject to the provisions of Section 8, of a certificate

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or certificates representing such Shares. Payment of such purchase price shall, in either case, be made by check payable to the order of the Company. The certificate or certificates for the Shares as to which this Option shall have been so exercised shall be registered in the name of the person or persons so exercising this Option and shall be delivered as provided above to the person or persons exercising this Option. All Shares that shall be purchased upon the exercise of this Option as provided herein shall be fully paid and non-assessable.

The Company shall pay all original issue taxes with respect to the issue of the Shares pursuant hereto and all other fees and expenses necessarily incurred by the Company in connection herewith. Except as specifically set forth herein, the holder acknowledges that any income or other taxes due from him or her with respect to this Option or the shares issuable pursuant to this Option shall be the responsibility of the holder. The holder of this Option shall have rights as a shareholder only with respect to any Shares covered by this Option after due exercise of this Option and tender of the full exercise price for the shares being purchased pursuant to such exercise. Pursuant to the Plan, the Company shall make delivery of the Shares against payment of the Option price therefor.

7. RESTRICTIONS ON TRANSFER OF SHARES; DETAILS OF THE PURCHASE OBLIGATION

7.1 Any Shares which are subject to the Purchase Obligation shall not be transferred by the Director except as permitted herein. Until the termination of this Agreement, the Shares which are subject to the Purchase Obligation may not be transferred by the Director unless and until the transferee agrees, in a form satisfactory to the Company, to be bound by this Agreement and to sell any transferred Shares to the Company as herein provided.

7.2 Within sixty (60) days following the date Director ceases to be a director and if the Director holds any Purchase Stock, then, the Company shall give to the Director a written notice specifying a date for the Closing for the sale by the Director and the purchase by the Company of the Purchase Stock, which date shall be not more than ten (10) business days after the giving of such notice. The Closing shall take place at the Company's principal offices in New Hampshire, or such other location as the Company may reasonably designate in such notice. If the Company shall fail to give the notice provided for above, within the specified period of time, then the Closing shall be on the ninetieth (90th) day following the date Director ceased to be a director or if not a business day, the next business day.

7.3 At the Closing, the Director shall deliver the Purchase Stock being purchased by the Company against the simultaneous delivery to the Director of the purchase price (by certified or bank cashier's check or in such other form as mutually agreed to) for the number of shares of the Purchase Stock then being purchased. In the event that the Director fails so to deliver the shares of Purchase Stock to be purchased, the Company may elect (a) to establish a segregated account in the amount of the Purchase Price,

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such account to be turned over to the Director upon delivery of such shares of Purchase Stock, and (b) immediately to take such action as is appropriate to transfer record title of such of the Purchase Stock from the Director to the Company and to treat the Director and such shares of the Purchase Stock in all respects as if delivery of such shares of the Purchase Stock had been made as required by this Agreement. The Director hereby irrevocably grants to the Company a power of attorney for the purpose of effectuating the terms of the preceding sentence.

7.4 If the Company shall pay a stock dividend or declare a stock split on or with respect to any of the Company's Common Stock, or otherwise distribute securities of the Company to the holders of its Common Stock, whether before or after the exercise of this Option, the number of shares of stock or other securities of the Company issued with respect to the Purchase Stock then subject to the Purchase Obligation shall be added to the Purchase Stock then subject to the Purchase Obligation without any change in the aggregate purchase price. If the Company shall distribute to its stockholders shares of stock of another corporation, the shares of stock of such other corporation distributed with respect to the Purchase Stock then subject to the Purchase Obligation shall be added to the Purchase Stock covered by the Purchase Obligation without any change in the aggregate purchase price. Without limiting the generality of the foregoing, the Director shall be entitled to retain any and all cash dividends paid by the Company on the Shares.

7.5 If the outstanding shares of Common Stock of the Company shall be subdivided into a greater number of shares or combined into a smaller number of shares, or in the event of a reclassification of the outstanding shares of Common Stock of the Company, or if the Company shall be a party to any capital reorganization, whether before or after the exercise of this Option, there shall be substituted for the Purchase Stock then covered by the Purchase Obligation such amount and kind of securities as are issued in such subdivision, combination, reclassification, or capital reorganization in respect of the Purchase Stock subject to the Purchase Obligation immediately prior thereto, without any change in the aggregate purchase price.

7.6 If the Company shall be completely liquidated, then the Purchase Obligation shall cease and terminate as of the date of such liquidation and the Director shall hold the Shares free of the Purchase Obligation.

7.7 The Company shall not be required to transfer any Shares on its books which shall have been sold, assigned or otherwise transferred in violation of this Agreement, or to treat as owner of such Shares, or to accord the right to vote as such owner or to pay dividends to, any person or organization to which any such Shares shall have been sold, assigned or otherwise transferred, from and after any sale, assignment or transfer of any Shares made in violation of this Agreement.

7.8 All certificates representing any Shares to be issued to the Director pursuant to the exercise of the Option which are subject to the Purchase Obligation shall have endorsed thereon a legend substantially as

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follows:

"The shares represented by this certificate are subject to a Director's Stock Option and Repurchase Agreement dated as of [DATE] between the Corporation and [NAME OF DIRECTOR], a copy of which Agreement is available for inspection at the principal offices of the Company or will be made available without charge upon request."

7.9 This Article 7 shall not restrict the transfer by the Director of shares, if any, which are not acquired pursuant to the exercise of this Option or which are not, or cease to be, subject to the Purchase Obligation in accordance with the terms hereof.

8. PURCHASE FOR INVESTMENT

Unless the offering and sale of the Shares to be issued upon the particular exercise of this Option shall have been effectively registered under

the Securities Act of 1933, as now in force or hereafter amended, or any successor legislation (the "Act"), the Company shall be under no obligation to issue the Shares covered by such exercise unless and until the following conditions have been fulfilled:

- (a) The person(s) who exercise this Option shall warrant to the Company, at the time of such exercise, that such person(s) are acquiring such Shares for his or her own account, for investment and not with a view to, or for sale in connection with, the distribution of any such Shares, in which event the person(s) acquiring such Shares shall be bound by the provisions of the following legend which shall in substantially the following form be endorsed upon the certificate(s) evidencing the option Shares issued pursuant to such exercise:

"The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee, in the absence of an effective registration statement for the shares under the Securities Act of 1933 or an opinion of counsel satisfactory to the Company that an exemption from registration is then available."

- (b) The Company shall have received an opinion of its counsel that the Shares may be issued upon such particular exercise in compliance with the Act without registration thereunder.

Without limiting the generality of the foregoing, the Company may delay issuance of the Shares until completion of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including without limitation state securities or "blue sky" laws).

9. REGISTRATION RIGHTS

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(a) In the event that the Company has an effective registration statement covering the sale and resale of securities issued pursuant to the Plan, then the Director agrees to sign a waiver in substantially the following form:

"For so long as a registration statement under the Securities Act of 1933, as amended, is in effect covering the sale and resale of securities issued pursuant to the 1988 Directors' Stock Option Plan of Ekco Group. Inc. (the "Company"), the undersigned waives his/her rights to require the Company to file a registration statement pursuant to Section 9 of the Directors' Stock Option and Repurchase Agreement dated [DATE OF AGREEMENT], between the undersigned and the Company."

(b) The Director acknowledges that option agreements have been

executed by the Company with [NO. OF EMPLOYEE-OPTIONEES] employees, [NO. OF EMPLOYEE-DIRECTORS] employee-directors, [NO. OF DIRECTORS] Directors and may be executed with other employees and Directors (collectively, "Other Holders"), each containing or to contain a section substantially identical to this Section 9. Subject to the terms hereinafter set forth, at any time after the Grant Date, the holder shall have the right, by written notice to the Company, to require the Company to file and use its best efforts to cause to become effective a registration statement under the Securities Act of 1933, as amended (the "Act") on Form S-8, Form S-2 and Form S-3 or other like form, if available, covering such number of Shares acquired or to be acquired prior to the effective date of such registration statement, subject to the limitations that (i) the Company shall be required to file no more than an aggregate of two (2) registration statements pursuant to such notices and/or pursuant to notices received from Other Holders, and (ii) if, in the opinion of counsel to the Company, the holder can then sell, subject to such limitations as to the number of Shares which may be sold as may be imposed by Rule 144 under the Act or any successor rule, Shares requested to be included in any such registration statement, without such registration, the Company need not so register such Shares. In no event will the Company be required to register Shares which are subject to the Purchase Option. The Company agrees to promptly notify a holder in the event that it receives a notice from any of the Other Holders requiring it to file a registration statement and to permit the holder to require the Company to include Shares owned by the holder in such registration statement, subject to the limitations set forth above.

(c) In connection with any registration statement pursuant to this Section 9:

(i) the holder will furnish to the Company in writing such appropriate information as the Company, or the Securities and Exchange Commission (the "Commission") or any other regulatory authority may request;

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(ii) the holder agrees to execute, deliver and/or file with or supply to the Company, the Commission, any underwriters and/or any state or other regulatory authority such information, documents, representations, undertakings and/or agreements necessary to carry out the provisions of the registration agreements contained in this Agreement and/or to effect the registration or qualification of the Shares under the Act and/or any of the laws and regulations of any state or governmental instrumentality;

(iii) the Company will furnish to the holder of Shares included in the registration statement such number of copies of such prospectus (including each preliminary, amended or supplemental prospectus) as the holder may reasonably request; and

(iv) in the event an offering of securities by the Company is pending, the Company shall have the right to require that the holder delay any offering of Shares for a period of ninety (90) days after the effective date of such pending offering (upon the Company's having first delivered to the holder the written opinion of its principal underwriter, or if there be none, then from an officer of the Company based upon a good faith resolution of the Board of Directors to the effect that the offering of such Shares will have an adverse effect on the marketing of such pending offering).

(d) The Company will pay all of its out-of-pocket expenses and disbursements in connection with any registration statements filed under this Section 9, including, without limitation, printing expenses, fees of the Company's counsel and auditors, registration fees, blue sky fees and similar costs to the extent permitted by state and regulatory authorities.

(e) The Company will be obligated to keep any Registration Statement filed by it under this Section 9 effective under the Act for a period of ninety (90) days after the actual effective date of such registration statement and to prepare and file such supplements and amendments necessary to maintain an effective registration statement for such period. As a condition to the Company's obligation under this Subsection (e), the holder will execute and deliver to the Company such written undertakings as the Company and its counsel may reasonably require in order to assure full compliance with relevant provisions of the Act.

(f) The Company will use its best efforts to register or qualify the Shares covered by a registration statement filed pursuant hereto under such securities or Blue Sky laws in such jurisdictions within the United States as the holder may reasonably request, provided, however, that the Company reserves the right, in its sole discretion, not to register or qualify such stock in any jurisdiction where such stock does not meet with the requirements of such jurisdiction or where the Company is required to qualify as a foreign corporation to do business in such jurisdiction and is not so qualified therein or is required to file any general consent to service of

process.

(g) In the event that a holder has not sold all of his or her Shares on or prior to the expiration of the period specified in Subsection (d) above, the holder hereby agrees that the Company may deregister by post-effective amendment any of his or her Shares covered by the registration statement or notification but not sold on or prior to such date. The Company agrees that it will notify the holder of the filing and effective date of such post-effective amendment.

(h) The holder agrees that upon notification by the Company that the prospectus in respect to any public offering covered by the provisions hereof is in need of revision, the holder will immediately upon receipt of such notification (i) cease to offer or sell any securities of the Company which must be accompanied by such prospectus; (ii) return to the Company all such prospectuses in the hands of the holder; and (iii) not offer or sell any securities of the Company until the holder has been provided with a current prospectus and the Company has given the holder notification permitting the holder to resume offers and sales.

10. NOTICES

Any notices required or permitted by the terms of this Agreement or the Plan shall be given by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To the Company: Ekco Group, Inc.
98 Spit Brook Road
Nashua, NH 03062
Attn: General Counsel

To the Director: [ADDRESS OF DIRECTOR]

or to such other address or addresses of which notice in the same manner has previously been given. Any such notice shall be deemed to have been given when mailed in accordance with the foregoing provisions.

11. GOVERNING LAW

This Agreement shall be construed and enforced in accordance with the law of the State of New Hampshire, except to the extent the law of the State of Delaware may be applicable.

12. BENEFIT OF AGREEMENT

This Agreement shall be for the benefit of and shall be binding upon the heirs, executors, administrators and successors of the parties hereto, except as otherwise provided herein.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and its corporate seal to be hereto affixed by Robert Stein, its duly authorized officer, and the Director has hereunto set his hand and seal, all as of the day and year first above written in duplicate originals.

By:

DIRECTOR

Form dated: 03/19/98

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SCHEDULE OF EXERCISES

Number of Shares Purchased Pursuant to this Option -----	Consideration Received -----	Date of Purchase -----	Notation Made By -----
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EKCO GROUP, INC.
SCHEDULE TO
FORM OF DIRECTORS' STOCK OPTION AND REPURCHASE AGREEMENT

Each of the following Outside Directors of the Company currently has a Directors' Stock Option and Repurchase Agreement, as amended, with the Company which is substantially similar in form to the foregoing Form of Directors' Stock Option and Repurchase Agreement, as amended, except as to the date, the number of shares and the exercise price:

<TABLE>

<CAPTION>

Name ----	Date of Agreement -----	No. of Shares Granted -----	Exercise Price -----
<S>	<C>	<C>	<C>
George W. Carmany, III	05-20-97	19,753	\$ 5.0625
Michael G. Frieze	05-20-97	19,753	\$ 5.0625

Avram J. Goldberg	05-20-97	19,753	\$ 5.0625
T. Michael Long	05/18/93	9,040	\$11.0625
Stuart B. Ross	05/19/89	31,373	\$ 3.1875
Malcolm L. Sherman	05/25/95	16,162	\$ 6.1875
Bill W. Sorenson	10/13/88	45,714	\$ 2.1875
Herbert M. Stein	10/13/88	45,714	\$ 2.1875

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AMENDMENT AGREEMENT

THIS AMENDMENT AGREEMENT is made as of November 14, 1997 by and between Ekco Housewares, Inc., a Delaware corporation with its principal place of business in Franklin Park, Illinois (the "Company"), and Robert Varakian (the "Executive").

WHEREAS, the Company and Executive are party to that certain employment agreement dated as of September 25, 1996 (the "Employment Agreement"); and

WHEREAS, Executive and the Company desire to amend the Employment Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. AMENDMENT OF EMPLOYMENT AGREEMENT. The Employment Agreement is hereby amended as follows:

1.1 TITLE. Section 1 of the Employment Agreement is amended by deleting all references therein to the title "Senior Vice President, Sales and Marketing" and inserting in place of all such references the title "President."

1.2 BASE SALARY. Section 3.1.1 of the Employment Agreement is amended by deleting it in its entirety and inserting in its place the following language:

"For the remainder of 1997 and for each of the calendar years 1998 and 1999, Executive shall be paid salary at the annual rate of Three Hundred and Seventy-Five Thousand Dollars (\$375,000) (the "Base Rate"), payable in equal installments in accordance with the Company's pay policy and in any event not less frequently than once a month. For all years after 1999 during the Term, Executive's salary will be as determined by the Board of Directors, provided that in each such year Executive's salary shall be at least 5% higher than his salary in the preceding year."

1.3 BONUS. Section 3.1.2 of the Employment Agreement is amended by deleting clauses C and D thereof in their entirety and inserting in their place the following language:

"C. FOR ALL YEARS AFTER 1997.

(i) ELIGIBILITY; TARGET BONUS; COMPENSATION COMMITTEE APPROVAL;

PAYMENT. Beginning with respect to the year ending December 31, 1998 and for each subsequent year during the Term, if Actual EBIT (as defined below) for any such year is greater than 85% of Budgeted EBIT (as defined below) for such year,

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Executive shall be eligible for a cash bonus determined in accordance with this Section 3.1.2(C). If Actual EBIT for any such year is equal to or less than 85% of Budgeted EBIT for such year, Executive shall not be eligible for any bonus in accordance with this Section 3.1.2(C). Executive's target bonus in any such year shall be 50% of Executive's base salary for such year (the "Target Bonus"). All bonus calculations shall be submitted to Group's Compensation Committee for final review and approval, such approval to be conclusive as to the amount of bonus due for such year to Executive. Any bonus due to Executive shall be paid on or before March 1 of the year following the year in which such bonus was earned.

(ii) BONUS NOT DISCRETIONARY. If Actual EBIT equals 100% of Budgeted EBIT for such year, Executive shall receive 100% of his Target Bonus. If Actual EBIT is greater than or less than Budgeted EBIT for such year, the amount of Executive's Target Bonus that Executive shall be eligible to receive shall be adjusted as set forth in clause (iii) below.

(iii) ADJUSTMENTS BASED ON ACTUAL EBIT. If Actual EBIT is less than Budgeted EBIT, the amount of Bonus earned by Executive in such year shall be reduced pro rata on the basis of a one-third (1/3) reduction in Bonus for each 5% negative deviation of Actual EBIT from Budgeted EBIT. If Actual EBIT is greater than Budgeted EBIT, the amount of Bonus for which Executive shall be eligible shall be increased pro rata on the basis of a one-third (1/3) increase in Bonus for each 5% positive deviation of Actual EBIT from Budgeted EBIT. There shall be no cap on the amount of increase of Bonus resulting from Actual EBIT exceeding Budgeted EBIT.

(iv) CERTAIN DEFINITIONS. For the purposes of this Agreement, (x) "Housewares Division" means the businesses comprising the EKCO Housewares Division as detailed on Exhibit A hereto; (y) "Actual EBIT" means actual earnings before interest and taxes of the Housewares Division for such year after deducting all estimated bonuses for bonus eligible employees of the Housewares

Division (including Executive) and making equitable adjustments to reflect acquisitions and divestitures and extraordinary items (as defined by generally accepted accounting principles) to the extent such adjustments are approved by the chief executive officer of Group and Group's Compensation Committee, such approval to be conclusive; and (z) "Budgeted EBIT" means projected earnings before interest and taxes of the Housewares Division included in the applicable year's budget as submitted to Group's Board of Directors."

1.4 EXHIBIT A. The Original Agreement is amended by adding thereto Exhibit A in the form attached hereto as Exhibit A.

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2. STOCK OPTIONS. Group shall grant to Executive options to purchase 75,000 shares of Common Stock, par value \$.01 per share, of Group (the "Common Stock"), at an exercise price of \$6.875 per share, which represents the average of the high and low price for one share of Common Stock on the date hereof, with such other terms and conditions as set forth in the definitive Stock Option Agreement entered into by Group and Executive simultaneously herewith.

3. MISCELLANEOUS. Terms defined in the Employment Agreement and used herein are used as defined in the Employment Agreement unless otherwise defined herein. This Amendment Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. Except as expressly provided for herein, the Employment Agreement is hereby ratified and confirmed and shall continue in full force and effect. The Employment Agreement as amended by this Amendment Agreement shall hereinafter be referred to as the Employment Agreement. This Amendment Agreement shall be construed under and be governed in all respects by the laws of the State of New Hampshire. This Amendment Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

IN WITNESS WHEREOF, the parties have caused this Amendment Agreement to be executed and delivered by its duly authorized officer and its corporate seal to be hereunto affixed and Executive has herein to set his hand and seal as of the day and year first above written.

EKCO HOUSEWARES, INC.

By: /s/ DONATO A. DENOVELLIS

EKCO GROUP, INC.

By: /s/ DONATO A. DENOVELLIS

Robert Varakian

/s/ ROBERT VARAKIAN

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EXHIBIT A

The Ekco Housewares Division is comprised of the Bakeware Business Unit, the Kitchenware Business Unit, the Total Cleaning Business Unit and B. Via International, Inc.

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1995 RESTATEMENT
INCENTIVE COMPENSATION PLAN FOR EXECUTIVE EMPLOYEES OF
EKCO GROUP, INC. AND ITS SUBSIDIARIES
AS AMENDED AND IN EFFECT AS OF JULY 29, 1997

1. Purpose.

The Compensation Committee has determined it appropriate and desirable to amend and restate the Incentive Compensation Plan for Executive Employees of Ekco Group, Inc. and its Subsidiaries (the "Plan"). The purpose of the Plan continues to be to attract and to retain highly qualified executive employees, to obtain from each the best possible performance, and to underscore the importance to them of achieving particular business objectives established for Ekco Group, Inc. and its operating units for both the short and long term.

2. Definitions.

For the purposes of the Plan, the following terms shall have the following meanings. Terms related to the finances of the Corporation shall be defined by reference to the consolidated financial statements of the Corporation as reported periodically to the Securities and Exchange Commission, adjusted to omit the effects of extraordinary items, discontinued operations, changes in accounting and to reflect such other adjustments as are deemed appropriate by the Committee.

- 2.1 Average Invested Capital. In any year the Average Invested Capital is the sum of stockholders' equity in the Corporation plus interest-bearing debt determined on average by referring to these amounts at the last day of the preceding year and at the end of each calendar quarter in the current year.
- 2.2 Awards. The Awards which are awarded under this Plan: Annual Incentive Compensation Awards (Bonus or Bonuses) and Long Term Incentive Awards (Stock Options and Restricted Stock).
- 2.3 Base Compensation. Base Compensation is the annual base salary amount payable to an Executive in any calendar year.
- 2.4 Board of Directors. The Board of Directors of the Corporation.
- 2.5 Closing Date. The date on which an Executive pays any price required to purchase Shares under a Restricted Stock Purchase Plan of the Corporation and as of which date the Shares are

issued by the Corporation.

- 2.6 Committee. The Compensation Committee of the Board of Directors or any successor thereto.
- 2.7 Common Stock or Stock or Shares. The Common Stock of the Corporation or such other Stock into which the Common Stock may be changed as a result of splits, recapitalizations, reclassifications and the like. Whenever necessary to determine the price of Shares, the closing price on the principal exchange on which the Shares are traded will be used, unless a different definition is required under the terms of any Stock Option or Restricted Stock Purchase Plan under which the shares are issued.
- 2.8 Corporation. Ekco Group, Inc. or Ekco Group, Inc. and its subsidiaries, as the context requires.

(Rev. 07-29-97)

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- 2.9 Employee. An individual who is on the active salaried payroll of the Corporation or a subsidiary of the Corporation at any time during the period for which an Award is made.
- 2.10 Executive / Senior Executive Employee / Other Executive Employee. The term "Executives" includes both Senior Executive Employees and Other Executive Employees. When named for participation in the Plan, an Executive will be designated in the Appendix as a Senior Executive Employee or as an Other Executive Employee.
- 2.11 Operating Budget. The operating budget as approved by the Board of Directors.
- 2.12 Pre-Tax Operating Profit. Consolidated Operating Profit (revenues less cost of goods sold and selling, general and administrative expenses) but before interest expense, amortization of goodwill and income taxes.
- 2.13 Return On Capital. The percentage determined by dividing the Pre-Tax Operating Profit for a fiscal year by the Average Invested Capital for the same year.
- 2.14 Target Return On Capital. The Return On Capital which the Committee has determined appropriate for the fiscal year and as referenced in the Appendix.

- 2.15 Target Bonus Amount. The bonus potential established for the Executives by the Committee.

3. Effective Dates.

This Restated Plan will become effective as of January 1, 1995. This Restated Plan has been amended and restated effective July 29, 1997.

4. Eligibility to Participate.

- 4.1 Each year, the Committee shall designate the Executives whose Base Compensation and Awards will be determined under this Plan.
- 4.2 At the sole discretion of the Committee, Awards may be made to Executives who retired or whose employment terminated after the beginning of the period for which an Award is made, or to the designee or estate of an Executive who died during such period.
- 4.3 The Executives named to participate in the Plan Employees are listed in the Appendix. Changes in participation will be reflected by additions to the Appendix.

5. Determination of Base Compensation.

- 5.1 The Committee will determine the Base Compensation under the Plan for each Executive upon the recommendation of the Chief Executive Officer when he deems adjustment to Base Compensation to be appropriate, and such amount shall in no event be less than provided for in any employment contract with the Executive. The Chief Executive Officer will determine the Base Compensation of any Other Executive Employee who does not have an employment contract.
- 5.2 The Base Compensation amounts for the Executives who currently participate in the Plan are listed in the Appendix. Future changes in Base Compensation will be similarly scheduled.
- 5.3 Beginning in 1997 the Executive may decide whether any percentage up to 20% of his Base Compensation will be paid under the payment choices in Section 6.5 below.

6. Annual Incentive Compensation Awards (Bonuses).

- 6.1 As of the last day of each calendar year, Executives will be allocated Awards in accordance with the terms of this

6.2 Awards, if any, will be determined as follows:

- (a) Prior to the start of each year the Committee will determine a Target Bonus Amount for each Executive. Target Bonus Amounts for Executives who participate in the Plan for 1997 are shown in the Appendix and future changes will be similarly scheduled.
- (b) A maximum of sixty percent (60%) of the Target Bonus Amount for each Executive shall be payable as follows: If the Budgeted Profit is fully achieved, then the full sixty percent (60%) of the Target Bonus Amount for each Executive will be payable. For every variance of 5% above or below Budgeted Profit, payment will be increased or decreased, as the case may be, by one-third of this portion of the Target Bonus Amount, with no upper limit in the bonus to be earned from achievement of actual profit in excess of Budgeted Profit and no Target Bonus Amount to be payable at eighty five percent (85%) or less of Budgeted Profit.
- (c) Provided that actual achieved profit exceeds eighty five percent (85%) of Budgeted Profit, a maximum of forty percent (40%) of the Target Bonus may be allocated to eligible Executives by the Committee in its discretion taking into account individual efforts (whether made singularly or as part of a group) as follows: Up to a maximum of twenty percent (20%) from the successful accomplishment of goals and objectives specific to the individual Executive as approved by the Executive's supervisor and the Chief Executive Officer, and up to a maximum of twenty percent (20%) to be discretionary with the review and approval of the Chief Executive Officer.

6.4 Beginning in 1997 the Executive may decide whether any percentage up to one hundred percent (100%) of his Bonus will be paid under the payment choices in Section 6.5 below.

6.5 As provided in Sections 6.4 and 6.5 with respect to years beginning with 1997, increases of up to a maximum of twenty percent (20%) of the Executive's Base Compensation and one hundred percent (100%) of Bonuses, if any, will be paid under either of the payment choices listed below or a combination of the two of them.

- (a) All or a portion in taxable cash.

- (b) All or a portion in not currently taxable deferred compensation, pursuant to an Executive election under which payment is deferred until a specific date or time, and pursuant to which the Corporation agrees to invest in one or more accounts which bear interest at market rates and scheduled in the Appendix.

7. Long Term Incentive Awards (Restricted Stock)--for 1995 Through July 28, 1997 Only.

- 7.1 For the period beginning January 1, 1995 through July 28, 1997, effective as of the date when an Executive is named for participation in this Restated Plan or at such other dates as the Committee determines appropriate, the Committee will grant Shares of Stock to the Executive attributable to a performance cycle which it designates. The first such performance cycle under this Restated Plan is the 5-year period from 1995 through 1999. There will be no performance cycles for any year after 1999.

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- 7.2 Restricted Shares are to be issued (pro rata to Executives) first under the terms of the 1984 Restricted Stock Plan of Ekco Group, Inc. until all of that plan's authorized Shares have been issued. Thereafter, they shall be issued in the Committee's discretion under the terms of the 1985 Restricted Stock Plan of Ekco Group, Inc. until all of that plan's authorized Shares have been issued.
- 7.3 Each Executive's grant will be apportioned into a number of blocks equal to the number of years in the performance cycle (e.g. 5 blocks in the case of the Executives named to participate in the Plan as of January 1, 1995 for the 5 year performance cycle from 1995 through 1999). For purposes of this Plan, each block will be designated with the name of one of the years in the performance cycle (e.g. 1995 block, 1996 block, 1997 block, 1998 block and 1999 block). The grants for each Executive are to be scheduled in the Appendix.
- 7.4 The lapsing of restrictions with respect to the Shares purchased by Executive pursuant to the Restricted Stock Purchase Plan will be determined under whichever of the following rules is most favorable to the Executive:
 - (a) Restrictions will lapse in the event of the occurrence of any of the following accelerated lapsing events provided for in the Restricted Stock

Purchase Plan pursuant to which the Shares are issued: disability, death or change of control.

- (b) Restrictions will lapse as to all the Shares in a block if the Executive is employed for at least ten years following the Closing Date for the Shares in the block.

EXAMPLE: An Executive is awarded the right to purchase 10,000 shares at the price required by the 1984 and 1985 Restricted Stock Plans of Ekco Group, Inc. and the shares are allocated to performance blocks for the years 1995 through 1999. On January 30, 1995 he completes the purchase of the restricted Shares in all performance blocks, so January 30, 1995 is designated as the Closing Date for the Shares. He remains employed until January 30, 2005. Restrictions lapse on all Shares in all blocks at that time.

- (c) If the Target Return on Capital is attained for the year for which the block is designated, the restrictions will lapse as to 20% of the Shares in the block for each full year of employment following the later of (A) January 1 of the year designated for the block or (B) the Closing Date for the Shares in the block.

EXAMPLE: Assume that the Closing Date for Shares in all blocks is February 1, 1995. If the Target Return On Capital is attained in 1995 and not attained in 1996 and if Executive voluntarily terminates employment on February 1, 1997, restrictions will have lapsed as to 40% of the 1995 block; the remainder of the 1995 block and the 1996 through 1999 blocks will remain restricted subject to the Committee's right not to repurchase such shares pursuant to the Restricted Stock Purchase Plan.

- (d) A block of Shares which would have lapsed under the 20% per year rule in Section 7.4(c) but did not so qualify (because Target Return On Capital was not attained) will retroactively qualify for that 20% lapse rate whenever the amount in (X) is equal to or

greater than the amount in (Y) where (X) is the cumulative total of actual Pre-Tax Operating Profits for the designated year for the block and each

following year and (Y) is the cumulative total of Pre-Tax Operating Profits which would have been earned if Target Returns on Capital had been achieved for the designated year for the block and each following year.

Example: Assume that the Closing Date for Shares in all blocks is February 1, 1995. If Target Returns on Capital are not achieved in 1995 and 1996 but cumulative Pre-Tax Operating Profits in 1995 through 1997 equal or exceed the total Target Returns on Capital for those 3 years, the 1995 through 1997 blocks qualify for the lapsing of restrictions at the 20% per year rate.

At December 31, 1997 restrictions would have lapsed as to 40% of the 1995 and 1996 blocks and as to 20% of the 1997 block. At February 1, 1998, restrictions would lapse with respect to an additional 20% of the 1995 block. Regardless of post 1997 Returns on Capital, restrictions would continue to lapse at the rate of 20% per year for Shares in the 1995 through 1997 blocks.

8. Long Term Incentive Awards (Stock Options).

- 8.1 For 1995 and 1996, effective as of the date when an Executive is named for participation in this Restated Plan, or at such other dates as the Committee determines appropriate, the Committee will designate a target amount of Stock Options to be granted to him as of the first trading day of each year in the performance cycle referenced in Section 7.1. The target number of Option grants for 1995 and 1996 is scheduled in the Appendix.
- 8.2 For 1995 and 1996, the Executive will be granted the target number of Stock Options at the first day of each year in the performance cycle and the exercise price for an Option will be the Stock price at the date of grant. Stock Options expire if not exercised within ten years and one month of grant.
- 8.3 For 1997, the Executive will be granted fifty percent (50%) of the target number of Stock Options specified for 1996 at the first day of 1997 and the exercise price for an Option will be the Stock price at the date of grant. Stock Options expire if not exercised within ten years and one month of grant. The target number of Option grants for 1997 is scheduled in the Appendix.
- 8.4 Beginning in 1998, Stock Options will be awarded, if at all,

pursuant to the recommendation of the Chief Executive Officer as approved by the Committee.

- 8.5 Stock Options will be granted under the terms of the Ekco Group, Inc. 1987 Stock Option Plan.
- 8.6 Stock Options will be immediately exercisable but will be subject to a right of the Corporation to repurchase any acquired Shares for the price paid at exercise if employment terminates before the Corporation's right expires. The Corporation's right to repurchase Shares at exercise price lapses at the rate of 33 1/3% for each full year of employment following an Option award, (with full lapse of the right in the event of disability (as defined), death or a change of control (as defined) to

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the extent permitted by the Agreement pursuant to which Stock Options are granted under the Stock Option Plan).

9. Accelerated Payment for Change of Control or Other Events.

- 9.1 Unpaid Annual Incentive Compensation amounts shall be immediately payable, notwithstanding anything to the contrary in the Plan, in the event of a change of control as defined in the Executive's employment contract or other agreement, or if there is no such contract or agreement in effect for the Executive as defined in the 1985 Ekco Group, Inc. Restricted Stock Plan.
- 9.2 In the event of a change of control (as defined under the terms of the Stock Option Agreement or Restricted Stock Plan under which Stock Options or Shares have been issued hereunder) Stock Options shall be fully exercisable and restrictions will lapse on Restricted Stock to the extent therein provided.

10. Amendment and Interpretation of the Plan.

- 10.1 The Committee shall have the right to amend this Restated Plan from time to time or to repeal it entirely or to direct the discontinuance of Awards either temporarily or permanently; provided, however, that no amendment of this Restated Plan shall operate to annul, without the consent of the Executive, any Award already made, or an Award which is earnable in the current fiscal year, which has as a component the achievement of a goal or goals any of which has at the time of the attempted amendment or termination already been attained.

- 10.2 The decision of the Committee with respect to any questions arising in connection with the administration or interpretation of this Restated Plan shall be final, conclusive and binding. In the event of a conflict between the terms and conditions of the Executive's employment agreement and this Restated Plan the provision of such employment agreement shall control and this Restated Plan shall not be interpreted so as to contravene any provision of such employment agreement.
- 10.3 In making a decision with respect to eligibility for Plan participation, the amounts of Awards, and other matters the Committee may take into account the recommendations of the Chief Executive Officer (for all Executives other than himself) although the decisions of the Committee will be final. The Committee delegates authority to the Chief Executive Officer to determine the base salaries and amounts of Awards for any Executive named to participate in this Restated Plan who is not a Senior Executive.

11. Miscellaneous.

- 11.1 When an Award is made in cash or in Common Stock, the Corporation shall cause the cash to be paid or the certificates for the Common Stock to be delivered to the individual to whom the Award is made at the time or times specified by the Committee or, if no time or times is specified, as soon as practicable after the Award is made.
- 11.2 When circumstances are deemed justifiable by the Committee, it may, upon agreement with the Employee or the Employee's estate or designee, authorize an immediate lump sum payment in cancellation of all or any part of any outstanding deferred Award, authorize a change in the number of installments in which a deferred Award is to be paid or authorize a change in the time of payment of any unpaid installments. Any such lump sum payments shall be equal to the amount of the unpaid installments canceled plus any amounts attributable to accrued interest or declared and unpaid dividends.
- 11.3 All expenses and costs in connection with the operation of the Plan shall be borne by the Corporation.
- 11.4 All Awards under the Plan are subject to withholding, when applicable, for federal, state and local taxes. Executives are solely responsible for tax obligations and the Corporation is

not responsible if a taxing authority disagrees with the effectiveness of a deferral election or the tax treatment associated with receipt of an equity form of compensation.

- 11.5 For purposes of any other benefit plan which provides benefits with reference to "Compensation" or "Base Compensation" and to the extent permitted by the Internal Revenue Code or, when relevant, any insurer underwriting risk under the employee benefit plan, an Executive whose Compensation or Base Compensation is paid partly in the form of deferred cash (or in the form of Stock Options or Restricted Stock for 1995 and/or 1996) will still be treated as if he received all Base Compensation or Compensation in cash and on a non-deferred basis.
- 11.6 In the event of any Stock dividends, split-ups, recapitalizations, reclassifications or the like, or in the event of any offer to holders of Common Stock generally relating to the acquisition of all or any part of their Shares, the Committee shall make such adjustments as it deems to be equitable in the number of Shares of Common Stock covered by any outstanding deferred Awards or in the terms of payment of any deferred Common Stock Awards, such actions not to be inconsistent with the terms of any Restricted Stock Purchase Plan or Stock Option Agreement under which Restricted Stock or Stock Options were issued.
- 11.7 Nothing contained in this Restated Plan shall prohibit the Corporation or any of its subsidiaries from granting special performance or recognition Awards, under such conditions, and in such form and manner as they see fit, to Executives for meritorious service of any nature. In addition, nothing contained in this Restated Plan shall prohibit the Corporation or any of its subsidiaries from establishing other incentive compensation plans providing for the payment of incentive compensation to Employees, provided, however, that a Senior Executive Employee who receives an Award under this Restated Plan for a fiscal year shall not be entitled to receive an Award for such fiscal year under any such plan without the approval of the Committee.
- 11.8 Whenever this Restated Plan calls for issuance of Awards in the form of Stock Options or Restricted Shares, such Options or Shares shall be issued exclusively under the terms of the following shareholder-approved plans of the Corporation: the Ekco Group, Inc. 1987 Stock Option Plan, the 1984 Restricted Stock Plan of Ekco Group, Inc., or the 1985 Restricted Stock Plan of Ekco Group, Inc. and Awards shall be limited to Shares authorized for issuance thereunder.

Compensation Committee

Ekco Group, Inc.

/s/ Avram J. Goldberg

Avram J. Goldberg

/s/ Stuart B. Ross

Stuart B. Ross

/s/ Bill W. Sorenson

Bill W. Sorenson

[AMERICAN HOME PRODUCTS CORPORATION LETTERHEAD]

SENIOR VICE PRESIDENT - FINANCE

February 8, 1985

The Ekco Group, Inc.
9234 W. Belmont Ave.
Franklin Park, Illinois 60131

Gentlemen:

Reference is made to that certain Purchase Agreement by and between the Ekco Group, Inc. ("Ekco") and American Home Products Corporation ("AHP"), dated September 7, 1984 (the "Purchase Agreement"). All capitalized terms not defined herein shall have the respective meanings assigned to them in the Purchase Agreement.

You and AHP have agreed to a full and final settlement of the "Post-Closing Adjustment" to the Purchase Price pursuant to Section 1.7 of the Purchase Agreement. Upon the signing of this letter AHP shall pay Ekco Group the amount of \$3,042,532.04 which represents the principal amount of \$2,900,000.00 and interest thereon from September 7, 1984 to this date in the amount of \$142,532.04 as calculated and computed pursuant to the provisions of 1.7 of the Purchase Agreement.

In connection with this settlement of the "Post-Closing Adjustment" to the Purchase Price, we have agreed, and this letter will confirm our agreement, that AHP hereby assumes all Loss and Expense arising out of all events occurring on or prior to September 7, 1984 which were covered, in whole or in part, on such date under AHP's self-insurance program. For the purposes hereof, such program is understood to be comprised of (i) workers' compensation insurance, (ii) vehicle insurance, (iii) comprehensive general liability insurance and (iv) product liability insurance. In addition, AHP shall be responsible for all of the lawsuits set forth on Schedule 2.15 of the Purchase Agreement, whether or not the subject matter thereof would otherwise be within the coverage of clauses (i) through (iv) of the preceding sentence (the "Lawsuits").

With regard to the Lawsuits, it is understood that the defense of the Lawsuits shall be handled by Ekco (or its subsidiaries) pursuant to Section 9.5 of the Purchase Agreement, all of the terms of which Section 9.5 shall be applicable thereto except that (x) AHP shall have the right to assume control of

any such Lawsuits by notice to Ekco given within fifteen (15) business days after the date of this letter and (y) AHP shall not have the right to approve or disapprove the settlement of any Lawsuit for an amount not in excess of \$500.00 up to an aggregate amount of \$10,000.00. Ekco shall promptly notify AHP when the \$10,000 amount has been reached and thereafter AHP shall have the right to approve or disapprove all settlements.

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The parties recognize that Ekco has incurred Loss and Expense prior to the date hereof for which AHP is hereby agreeing to reimburse Ekco, including (but not limited to) Loss and Expense in connection with certain of the Lawsuits. A schedule is attached setting forth these Losses and Expenses. AHP will promptly reimburse Ekco for the amount of all such Loss and Expense in accordance with this schedule subject to the provisions of Section 9.3 described in the following paragraph and AHP shall promptly pay or reimburse Ekco for all legal costs and other expenses incurred in connection therewith for which invoices have not yet been received by Ekco.

The Loss and Expense assumed by AHP herein is subject to the provisions of Section 9.3 of the Purchase Agreement (relating to tax effect, present value of money, etc.). In addition, AHP shall have no liability for any Loss or Expense covered hereunder (other than the Lawsuits) as to which notice is not provided by Ekco as provided in Section 9.4 of the Purchase Agreement (unless such Loss or Expense arises out of a claim brought directly against AHP). The parties recognize that Ekco has received claims prior to the date hereof and which AHP has hereby agreed to assume. As promptly as possible after the date of this letter Ekco shall supply AHP with the appropriate notice of these claims.

Except as expressly provided herein and except for the provisions of Section 9.1 all other terms and conditions of the Purchase Agreement remain in full force and effect.

If you are in agreement with the foregoing, please indicate your acceptance of the terms hereof by signing the enclosed copy of this letter and forwarding same to me.

Sincerely,

AMERICAN HOME PRODUCTS CORPORATION

By /s/ ROBERT G. BLOUNT

Robert G. Blount

Accepted and Agreed:
THE EKCO GROUP, INC.

By: /s/ KENNETH J. PETRINE

Kenneth J. Petrine,
Vice President

October , 1987

The Ekco Group, Inc.
9234 West Belmont Avenue
Franklin Park, Illinois 60131

Centronics Corporation
10 Tara Boulevard, Suite 202
Nashua, New Hampshire 03062

Ekco Acquisition Corp.
c/o Centronics Corporation
10 Tara Boulevard, Suite 202
Nashua, New Hampshire 03062

Gentlemen:

Reference is made to the Purchase Agreement by and between the Ekco Group, Inc. ("Ekco") and American Home Products Corporation ("AHP") dated September 7, 1984 (the "AHP - Ekco Agreement") and the letter from AHP to Ekco dated February 8, 1985 relating to the AHP - Ekco Agreement (the "1985 Letter"). All capitalized terms not defined herein, expressly or by reference, shall have the respective meanings assigned to them in the AHP - Ekco Agreement.

Further reference is made to the Agreement of Purchase and Sale of Stock by and among The Fulcrum Partnership, AHP, certain other stockholders of Ekco (collectively, the "Sellers"), Ekco, Centronics Corporation ("Centronics") and Ekco Acquisition Corp. ("EAC") dated October , 1987 (the "Ekco - Centronics Agreement").

Under the Ekco - Centronics Agreement, EAC has agreed to acquire from the Sellers, and the Sellers have agreed to sell to EAC, not less than ninety percent of the outstanding shares of common stock of Ekco on the terms and conditions provided for in the Ekco - Centronics Agreement. Among the conditions to the obligations of Centronics and

The Ekco Group, Inc..
Centronics Corporation
Ekco Acquisition Corp.
September , 1987
Page 2

EAC to consummate the transactions contemplated by the Ekco - Centronics Agreement written assurances from AHP provided for in Sections 10(i), (j) and (k) of the Ekco - Centronics Agreement.

Accordingly:

1. AHP confirms that the 1985 Letter is now, and will remain after the Closing, full force and effect. AHP further agrees that, pursuant to the third paragraph of the 1985 Letter and not by way of limitation thereof, AHP has assumed and will continue to assume all Loss and Expense arising out of the matters set forth on Schedule A to this letter, except to the extent that it shall have been finally determined or agreed that any such Loss or Expense shall have arisen out of events occurring after September 7, 1984. Without limiting the generality of the foregoing or in any way the provisions of the AHP - Ekco Agreement, the 1985 Letter or the Ekco - Centronics Agreement, AHP acknowledges that AHP has undertaken, and will continue to undertake, to indemnify, hold harmless and defend you from and against the matters set forth on Schedule B hereto.

2. AHP hereby confirms that its note financing of Ekco under the Note Agreement dated September 7, 1984 (the "Note Agreement") is, and will remain after the Closing, in full force and effect in accordance with the terms of the Note Agreement, that, to AHP's best knowledge, no breach of the Note Agreement or otherwise of such note financing has occurred, and that no event has occurred or circumstance exists which, with the passage of time or otherwise, will constitute such a breach. AHP further understands that Ekco will pay in full at the time of the permanent financing of the Ekco - Centronics transaction the Subordinated Promissory Note, Series A, dated September 7, 1984, in the principal amount of \$10,000,000.

3. AHP confirms that the representations and warranties in Section 2.14 of the AHP - Ekco Agreement were true and correct as and through the closing of the transactions provided for in the AHP - Ekco Agreement.

The Ekco Group, Inc..
Centronics Corporation
Ekco Acquisition Corp.

AHP agrees that, in satisfaction of the conditions of Section 10(i), (j) and (k) of the Ekco - Centronics Agreement, it will deliver to Centronics and EAC at the Closing a certificate certifying as of the Closing that the confirmations, representations and warranties in this letter remain true and correct in all respects.

AHP further confirms that, to AHP's best knowledge, no breach of the AHP - Ekco Agreement by Ekco presently exists.

Except as expressly provided herein and in the 1985 Letter, all other terms and conditions of the AHP - Ekco Agreement and of the Ekco - Centronics Agreement remain in full force and effect.

If you are in agreement with the foregoing, please indicate your acceptance of the terms hereof by signing the enclosed copy of this letter and forwarding same to the undersigned. The acknowledgement of the Fulcrum Partnership, on behalf of all of the Sellers, shall constitute their acknowledgement of and agreement to the foregoing.

Sincerely,

AMERICAN HOME PRODUCTS CORPORATION

By /s/ ROBERT G. BLOUNT

Robert G. Blount

Accepted and Agreed to:

THE EKCO GROUP, INC.

By /s/ JOSEPH R. DUNBECK

CENTRONICS CORPORATION

By /s/ ROBERT STEIN

EKCO ACQUISITION CORP.

By /s/ ROBERT STEIN

Acknowledged and Agreed to:

THE FULCRUM PARTNERSHIP
(for itself and the other Sellers)
By GIBBONS, GREEN, VON AMERONGEN

By /s/ [Illegible]

a general partner,
duly authorized

FIRST AMENDMENT TO
AMENDED AND RESTATED CREDIT AGREEMENT

This Amendment ("First Amendment") is entered into as of December 15, 1997 among EKCO GROUP, INC., a Delaware Corporation (the "Borrower"), FLEET NATIONAL BANK a national banking association, as Agent (the "Agent") and Fleet National Bank ("Fleet") as Lender.

WHEREAS, the Borrower, the Agent and Fleet are parties to an Amended and Restated Credit Agreement dated as of July 8, 1997 (the "Credit Agreement") and have agreed to amend the Credit Agreement;

NOW THEREFORE, the parties hereby agree as follows:

1. SECTION 1.1. DEFINITIONS is amended by adding the following:

"Term Loan" shall mean the term loan credit facility in favor of Borrower.

"Term Loan Commitment" shall mean, as to any Lender in respect to the Term Loan, the amount set forth below such Lender's name on the execution page hereof as its Term Loan Commitment.

"Term Loan Notes" shall mean the term notes executed by the Borrower in favor of each Lender evidencing the Indebtedness of the Borrower under the Term Loan. Each Term Note shall be substantially in the form of Exhibit A to the First Amendment.

2. SECTION 1.1. DEFINITIONS. The following definitions are amended as indicated:

(a) "Maximum Revolving Credit Amount" is increased from "35,000,000" to \$55,000,000."

(b) Revolving Credit Termination Date is extended from "April 30, 2000" to "November 30, 2002."

(c) "Consolidated Cash Flow" is amended in its entirety to read as follows:

"CONSOLIDATED CASH FLOW" shall mean for any period for any Person the sum of (i) Consolidated EBITDA, MINUS (ii) Capital Expenditures of Borrower and its Subsidiaries made or incurred during such period which are not financed by long term

Borrowed Funds Indebtedness (as (i) and (ii) are determined in accordance with GAAP) MINUS (iii) all federal, state and other taxes actually paid or required to be paid during such period

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(excluding any accrued, but not paid taxes, or taxes deferred in accordance with applicable tax law).

(d) "Consolidated Fixed Charges" is amended in its entirety to read as follows:

"CONSOLIDATED FIXED CHARGES" shall mean any period for any Person the sum of (i) Consolidated Cash Interest Expense, plus (ii) the aggregate amount of scheduled payments of principal by such Person and its Subsidiaries on Borrowed Funds Indebtedness for such period, including payments of principal at maturity unless such Indebtedness is paid at maturity or renewed, extended or refinanced in compliance with the terms of this Agreement, plus (iii) all Capital Lease Obligations scheduled to be paid during such period by such Person and its Subsidiaries, plus (iv) any dividends paid during such period by such Person and its Subsidiaries.

(d) "Borrowing Base" is amended by adding the following at the end of the first sentence:

"; PROVIDED, HOWEVER, that the amount of Borrowing Base attributable to Eligible Inventory shall not exceed \$35,000,000."

3. Article 2. THE CREDITS. The introduction is amended in its entirety to read as follows:

"Subject to the terms and conditions hereof, and in reliance on the representations and warranties contained herein, each of the Lenders hereby establishes credit facilities in favor of the Borrower in the respective principal amounts of each Lender's Revolving Credit Commitment and Term Loan Commitment. The aggregate Revolving Credit Commitments are \$55,000,000 and the aggregate Term Loan Commitments are \$10,000,000.

4. SECTION 2.1. THE REVOLVING CREDIT FACILITIES. Subparagraph (a) is amended in its entirety to read as follows:

"(a) Subject to the terms and conditions of this Agreement and so long

as there exists no Default, at any time prior to the Revolving Credit Termination Date or the earlier acceleration of the Revolving Credit Notes, each Lender shall severally make such Advances to the Borrower as the Borrower may from time to time request, by notice to the Agent in accordance with Section 2.2, in an aggregate amount (i) as to each Lender, not to exceed at any time the amount of such Lender's Revolving Credit Commitment, and (ii) as to all of the Lenders, not to exceed an amount determined by subtracting (A) the aggregate outstanding balance of all Advances theretofore made by the Lenders with respect to such Revolving Credit Facility PLUS the aggregate amount available to be drawn under all Letters of Credit issued by the Agent for the account of the Borrower in accordance with Section 2.11 hereof, PLUS the amount of any unreimbursed draws under Letters of Credit from (B) the lesser of (x) the Borrowing Base or (y) the Maximum

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Revolving Credit Amount from time to time in effect. Concurrently with the execution of the First Amendment, the Borrower will execute and deliver to the Lenders the Revolving Credit Notes to evidence the Advances."

5. SECTION 2.5. FEES is amended by adding the following:

(d) AGENCY FEE. If Fleet assigns, pursuant to Section 12.2 to one or more financial institutions a portion of its rights and obligations in connection with the Credit Agreement, for so long as such institution holds such rights and obligations, the Borrower shall pay an agency fee to the Agent on the effective date of such assignment and on each yearly anniversary date of such assignment during the term of this Agreement in the amount of \$10,000, which fee shall be fully earned on the date due and not subject to rebate in the event of termination of this Agreement.

6. SECTION 2.11.1 ISSUING LETTERS OF CREDIT. Subsection (a) is amended by deleting the following: "the aggregate face amount of all outstanding Letters of Credit shall not at any time exceed \$17,500,000" and substituting

"the face amount of the Letter of Credit would be available as an Advance under Section 2.1(a) "

7. The following is added:

SECTION 2.12 THE TERM LOAN

(a) AMOUNT. On the effective date of the First Amendment, each Lender shall severally fund the Term Loan in the amount of such Lender's Term Loan

Commitment.

(b) TERM NOTES. The amounts owed by the Borrower with respect to the Term Loan shall be evidenced by the Term Notes. The principal of the Term Loan shall be repaid in quarterly installments of \$357,142.80 on the last day of each March, June, September and December commencing March 31, 1998, with the remaining principal balance due in full on the Revolving Credit Termination Date. The Term Loan may be prepaid in whole or in part at any time without premium or penalty, except that any portion of the Term Loan earning interest based upon the Applicable LIBOR Rate may be prepaid only at the end of an applicable Interest Period.

(c) INTEREST. The Term Loan shall bear interest at the same rates as Advances under the Revolving Credit Facility and shall be subject to conversion from the Applicable Base Rate to the Applicable LIBOR Rate on the same terms and in the same manner as provided in Section 2.2(a) for Advances.

8. ARTICLE 7. FINANCIAL RESTRICTIONS is amended in its entirety to read as follows:

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On and after the date hereof, until all of the Lender Obligations shall have been paid in full and the Borrower shall have no further right to borrow hereunder, the Borrower shall observe the following covenants.

Section 7.1. CONSOLIDATED FIXED CHARGE COVERAGE RATIO. The ratio of Borrower's Consolidated Cash Flow to Consolidated Fixed Charges shall at no time be less than the ratios set forth below during the periods indicated, as measured at the end of each fiscal quarter on the basis of the fiscal quarter ending on such date and the three immediately preceding fiscal quarters:

Period -----	Ratio -----
Through September 30, 1997	1.0:1.0
December 31, 1997 and thereafter	1.25:1.0

Section 7.2 MINIMUM NET WORTH. The Consolidated Net Worth of Borrower, as measured at the end of such fiscal quarter, shall be not less than:

Period -----	Amount -----
Through September 30, 1998	\$ 95,000,000

9. This First Amendment shall become effective upon funding of the Term Loan, which shall occur upon satisfaction of the following conditions:

(a) Completion of the acquisition of APP Holding Corporation substantially in accordance with the terms of the Stock Purchase and Sale Agreement by and between APP Holding Corporation and the Borrower dated as of December 15, 1997.

(b) Absence of material litigation which might have a Material Adverse Effect upon the credit worthiness of the Borrower.

(c) Absence of a material adverse change in the business, operations, properties, assets or liabilities of the Borrower.

(d) The Agent shall have received each of the following in form and substance satisfactory to the Agent and its counsel:

(1) NOTES. Revolving Credit Notes and Term Notes duly executed by the Borrower;

(2) GUARANTEES AND SECURITY DOCUMENTS. Guaranty Agreements and Security Agreements duly executed by each acquired entity;

(3) CERTIFICATE OF CORPORATE ACTION BY THE BORROWER. A certificate of the Clerk or Secretary of the Borrower, dated the Closing Date, certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement, the Notes and the other Lender Agreements to which the Borrower is a party;

(4) OFFICER'S CERTIFICATES. A certificate regarding places of business and locations of collateral of each acquired entity in the form attached to the Credit Agreement as EXHIBIT G;

(5) RESOLUTIONS. Copies of all resolutions of the Executive Committee of, or the Board of Directors of, the Borrower and each of the Guarantors, certified by the Secretary or Clerk of the Borrower and the applicable Guarantor, as being contained in the minutes of each such Committee or Board of Directors, and all such other documents, similarly certified, evidencing all other necessary corporate actions by the Borrower and the Guarantors, duly authorizing the execution, delivery and

performance by the Borrower and each Guarantor of the Lender Agreements to which each of them is a party and all other transactions contemplated hereby and thereby;

(6) CERTIFICATES OF CORPORATE ACTION BY GUARANTORS. A certificate of the Secretary or Clerk of each Guarantor, dated the Closing Date, certifying the names and true signatures of the officers of the Guarantor authorized to sign the Guaranty Agreements and the other Lender Agreements to which such Guarantor is a party;

(7) OPINION OF COUNSEL TO BORROWER AND GUARANTORS. The opinion of Messrs. Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., counsel to the Borrower and the Guarantors, dated the Closing Date;

(8) OTHER DOCUMENTS. Such other documents, certificates and opinions as the Agent may reasonably request.

(e) REPRESENTATIONS AND WARRANTIES. The representations and warranties herein and those made by or on behalf of the Borrower or any Subsidiary in any other Lender Agreement shall be true and correct as of the date of such finding.

(f) NO DEFAULT, ETC. There shall exist no Default or any other condition which, after the passage of time or giving of notice or both, would result in a Default upon the making of the Advances or the issuance of the Letters of Credit.

(g) LEGALITY. The making of the Advances and the issuance of the Letters of Credit shall not be prohibited by any law or governmental order or regulation applicable to the Lenders, the Agent or to the Borrower, and all necessary consents, approvals and authorizations of any Person for all the credits made pursuant to this Agreement shall have been obtained.

(h) AMENDMENT FEE. The Borrower shall have paid to the Agent for its own account an amendment fee in an amount set forth in a proposal letter dated October 30, 1997.

9. Except as set forth in this First Amendment, the Credit Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Borrower, the Agent and the Lenders have caused this Credit Agreement to be executed by their duly authorized officers as of the date first above written.

BORROWER:

EKCO GROUP, INC.

By: /s/ SUSAN M. SCACCHI

Name: Susan M. Scacchi

Title: Treasurer

AGENT:

FLEET NATIONAL BANK, as Agent

By: /s/ RUBEN V. KLEIN

Name: Ruben V. Klein

Title: Vice President

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LENDERS:

FLEET NATIONAL BANK

By: /s/ RUBEN V. KLEIN

Name: Ruben V. Klein

Title: Vice President

Address: Fleet National Bank

One Federal Street

Boston, Massachusetts 02110

Attn: Ruben V. Klein, Vice President

Telefax: (617) 346-4741

Revolving Credit Commitment Percentage: 100%

Revolving Credit Commitment: \$55,000,000

Term Loan Commitment: \$10,000,000

SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data of the Company shown below for the five-year period ended December 28, 1997 are derived from the consolidated financial statements of the Company audited by independent certified public accountants. The information set forth below is qualified in its entirety by the more detailed financial statements and the notes thereto included elsewhere herein. The following table should be read in conjunction with Management's Discussion and Analysis of Results of Operations and Financial Condition and the Company's audited Consolidated Financial Statements and Notes thereto appearing elsewhere herein.

<TABLE>

<CAPTION>

	FISCAL YEARS				
	1997	1996	1995	1994	1993
	(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)				
<S>	<C>	<C>	<C>	<C>	<C>
CONSOLIDATED BALANCE SHEET DATA					
Current assets	\$150,142	\$139,377	\$139,425	\$145,290	\$124,220
Total assets	300,805	292,076	301,058	312,518	303,332
Current liabilities	49,674	49,734	54,618	45,973	59,595
Long-term obligations, less current portion	124,270	124,182	96,700	124,460	111,820
Series B ESOP Convertible Preferred Stock, net	4,399	4,098	3,458	3,096	2,686
Stockholders' equity	109,994	102,515	135,925	129,116	116,864
Common shares outstanding	19,066	18,580	18,414	18,069	17,844
CONSOLIDATED STATEMENT OF OPERATIONS DATA					
Net revenues from continuing operations	\$270,536	\$249,870	\$247,004	\$233,527	\$215,145
Cost of sales	181,307	164,505	160,933	148,935	139,736
Selling, general and administrative expenses	60,915	59,737	49,152	48,286	45,847
Special charges (1)	783	9,877	--	--	11,000
EBITDA before special charges (2)	40,875	39,609	50,896	48,511	40,730
Amortization of excess of cost over fair value	3,631	3,636	3,636	3,637	3,394
Net interest expense	11,636	12,416	13,493	12,491	12,206
Income (loss) from continuing operations before income taxes	12,264	(301)	19,790	20,178	2,962
Income taxes	6,247	2,370	9,828	9,102	2,637
Income (loss) from continuing operations before extraordinary charges and cumulative effect of accounting changes (3) (4)	6,017	(2,671)	9,962	11,076	325
Earnings (loss) from continuing operations per common share before extraordinary charges and cumulative effect of accounting changes (3) (4) (5)					
Basic	.32	(.14)	.54	.62	.02
Diluted	.29	(.14)	.49	.54	.01
Cash dividends per common share and Series B ESOP Convertible Preferred share	--	.02	.08	--	--

</TABLE>

- (1) See Note 17 of Notes to Consolidated Financial Statements for information on special charges.
- (2) EBITDA before special charges represents earnings from continuing operations before special charges, interest, taxes, depreciation, amortization of excess of cost over fair value and other amortization.
- (3) During Fiscal 1996, the Company recorded an extraordinary charge of \$3.2 million (net of income taxes of \$2.1 million) for the early extinguishment of long-term obligations.
- (4) During Fiscal 1993, the Company recorded a charge of \$3.2 million (net of income taxes of \$2.0 million) to reflect the cumulative effect of changes in the method of accounting for post-retirement and post-employment benefits.
- (5) In December 1997 retroactive to January 1, 1997, the Company adopted Financial Accounting Standards Board Statement No. 128, "Earnings Per Share" ("FAS 128"). All previously reported earnings per share information has been restated to reflect the impact of adopting FAS 128.

COMMON STOCK PRICE RANGE AND DIVIDENDS

The Company's common stock, \$.01 par value per share ("Common Stock"), is traded on the New York Stock Exchange under the ticker symbol "EKO". The following table sets forth the high and low sale prices per share as reported on the New York Stock Exchange Composite Tape during the calendar periods indicated:

<TABLE>

<CAPTION>

<S>	LOW		HIGH	
	<C>	<C>	<C>	<C>
1997				
First Quarter	3	7/8	6	1/8
Second Quarter	4	5/8	5	7/8
Third Quarter	5	9/16	8	1/8
Fourth Quarter	6	1/16	8	1/4
1996				
First Quarter	5	5/8	6	1/4
Second Quarter	5	1/8	6	3/8
Third Quarter	4	5/8	5	7/8
Fourth Quarter	3	1/4	4	7/8

</TABLE>

On February 25, 1998, the Company had 1,987 stockholders of record. The Company has suspended the payment of a quarterly dividend and does not anticipate paying cash dividends for the foreseeable future. In order for the Company to pay a dividend, its arrangement with holders of its 9.25% Senior Notes due 2006 ("Senior Notes") would need to be amended and the payment of the dividend would have to be permitted under certain covenants in its bank credit facility.

EKO GROUP AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

The following discussion of the consolidated results of operations for the fiscal years ended December 28, 1997 ("Fiscal 1997"), December 29, 1996 ("Fiscal 1996"), and December 31, 1995 ("Fiscal 1995") and the discussion of financial condition at December 28, 1997 should be read in conjunction with the Company's Consolidated Financial Statements and Notes thereto.

The Company is a manufacturer and marketer of multiple categories of branded housewares for everyday home use. The following table summarizes the changes in the components of the Company's net revenues from continuing operations by product category over the last three fiscal years:

<TABLE>

<CAPTION>

<S>	FISCAL 1997		FISCAL 1996		FISCAL 1995	
	<C>	<C>	<C>	<C>	<C>	<C>
	(AMOUNTS IN THOUSANDS, EXCEPT PERCENTAGES)					
Bakeware	\$ 85,206	31.5%	\$ 84,537	33.8%	\$ 81,261	32.9%
Kitchenware.....	80,003	29.6%	65,846	26.4%	73,006	29.6%
Cleaning products.....	56,043	20.7%	54,248	21.7%	55,191	22.3%
Pest control and small animal care and control products.....	35,564	13.1%	34,617	13.9%	34,034	13.8%
VIA products.....	13,720	5.1%	10,622	4.2%	3,512	1.4%
	-----	-----	-----	-----	-----	-----
Total net revenues.....	\$270,536	100.0%	\$249,870	100.0%	\$247,004	100.0%
	=====	=====	=====	=====	=====	=====

</TABLE>

FISCAL 1997 VS. FISCAL 1996

NET REVENUES

Net revenues for Fiscal 1997 increased approximately \$20.7 million (8.3%) from the prior year. The increase was primarily due to higher sales of kitchenware and growth of the Company's line of VIA(TM) products. The increase in kitchenware net revenues was principally due to the rollout of new plan-o-grams at several key customers and a high level of acceptance of new products introduced during Fiscal 1996 and 1997. The growth in VIA(TM) products sales includes \$2.3 million of bakeware sold under the Farberware(R) brand name. In Fiscal 1996, net revenues for pest control and small animal care and control products included approximately \$3.6 million of net revenues from the Company's wireforming business, which was divested in the fourth quarter of Fiscal 1996. Without including the wireforming business' revenues for Fiscal 1996, Fiscal 1997 net revenues from the Company's pest control and small animal care and control products increased approximately \$4.5 million (14.7%) from the prior year. This increase was principally the result of increased sales of the Company's Victor(R) pest control products, which were largely driven by sales of newer products, including Roach Magnet(TM), quick set mousetraps and glue trays, and increases in sales to key customers.

GROSS PROFIT

The Company's gross profit margin declined from 34.2% in Fiscal 1996 to 33.0% in Fiscal 1997. The decline in gross profit margin from the prior year level was primarily due to costs associated with the consolidation of the Company's cleaning products manufacturing facilities (approximately \$2.4 million), costs associated with increased levels of inventory and the effect of intensive competition across all of the Company's product lines.

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EKCO GROUP AND SUBSIDIARIES MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for Fiscal 1997 increased approximately \$1.2 million (2.0%) from the prior year. The increase in selling, general and administrative expenses was due primarily to increased investment in new packaging, costs associated with new display fixtures, increased costs of maintaining current customers and acquiring new distribution in a competitive marketplace, and increased expenditures associated with the growth of the Company's subsidiary in the United Kingdom. In addition, selling expenses increased as a result of higher year-over-year sales volume.

SPECIAL CHARGES

The special charge for Fiscal 1997 relates to the exercise of stock appreciation rights granted to the Company's former chief executive officer pursuant to a December 1996 severance arrangement.

The special charges of \$9.9 million in Fiscal 1996 relate to the following: the adjustment to the carrying value of certain real property located in Chicago, Illinois (\$2.0 million) recorded in the third quarter; the severance arrangement for the Company's former chief executive officer (\$3.0 million) recorded in the fourth quarter; and the consolidation of the Company's cleaning products manufacturing facilities (\$4.9 million) recorded in the fourth quarter. This consolidation was completed in 1997 and combined the cleaning products manufacturing operations located in Easthampton, Massachusetts with the cleaning products manufacturing facility in Hamilton, Ohio. Additional expenses of approximately \$2.4 million associated with the transition of manufacturing activities to the Hamilton, Ohio facility was included in cost of sales for Fiscal 1997. The estimated annualized pre-tax savings from this consolidation is expected to be approximately \$2.3 million.

NET INTEREST EXPENSE

Net interest expense for Fiscal 1997 declined to \$11.6 million from the Fiscal 1996 level of \$12.4 million. The decline in net interest expense was primarily due to higher average invested cash.

INCOME TAXES

The effective income tax rate decreased to 50.9% in Fiscal 1997 from 78.7% in Fiscal 1996. The Fiscal 1997 effective rate is essentially the same as the Fiscal 1995 rate (50%). The unusual effective rate for Fiscal 1996 occurred primarily because amortization of goodwill and certain special charges, which are not deductible for income tax purposes, represented a significant percentage of income from continuing operations before income taxes. See Note 7 of Notes to Consolidated Financial Statements for the reconciliation of the provision for income taxes from continuing operations to the statutory income tax rate applied to income from continuing operations before income taxes.

EKCO GROUP AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL CONDITION

EXTRAORDINARY CHARGE

On March 25, 1996, the Company sold \$125.0 million of its 9.25% Senior Notes due 2006 ("Senior Notes") at a price of 99.291% of face value in a private offering to institutional investors. The Company used the net proceeds of the Senior Note offering to (i) repurchase its outstanding 12.7% Notes due 1998 and 7.0% Convertible Subordinated Note due 2002 and (ii) repay substantially all amounts outstanding under its credit facility. The early extinguishment of the 12.7% Notes and 7% Convertible Subordinated Note resulted in an extraordinary pre-tax charge of \$5.3 million and an after tax charge of \$3.2 million.

FISCAL 1996 VS. FISCAL 1995

NET REVENUES

Net revenues from continuing operations for Fiscal 1996 increased approximately \$2.9 million (1.2%) from the prior year. The increase was primarily due to sales of the Company's new insulated bakeware and growth of the Company's new line of VIA(TM) products. This increase was substantially offset by a decline in sales of the Company's kitchenware and cleaning products. Sales of kitchenware were heavily affected earlier in Fiscal 1996 by the high year-end inventories held by the Company's retail customers and weak consumer demand in a category that is highly dependent on impulse purchases. In addition, the Company's net revenues were negatively affected by: (i) its strategic decision to re-focus the J-Hook program to improve profitability, (ii) the loss of kitchenware sales to customer-direct import programs and (iii) a reduction in customer shelf space allotted for the Company's products.

GROSS PROFIT

The Company's gross profit margin of 34.2% for Fiscal 1996 was slightly lower than the Fiscal 1995 level of 34.8%. The gross margin decline was primarily attributable to manufacturing inefficiencies in the Company's bakeware products line as a result of customer demand for the new insulated bakeware products which significantly exceeded expectations and a shift in customer mix for cleaning products, with more sales to home-center customers where margins are typically lower.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for Fiscal 1996 increased approximately \$10.6 million (21.5%) from the prior year. The increase was primarily due to increased expenditure on product development of \$3.3 million and higher levels of advertising and promotion in expectation of additional sales which did not materialize. In addition, the Fiscal 1995 results included the favorable impact from the collection of a previously written off receivable (\$1.1 million) relating to a 1987 real estate transaction. The remainder of the increase relates to a number of individually insignificant items, including severance unrelated to severance of the Company's former chief executive officer, legal and professional fees and expenditures associated with the growth of the Company's VIA(TM) product line.

NET INTEREST EXPENSE

Net interest expense for Fiscal 1996 declined to \$12.4 million from the Fiscal 1995 level of \$13.5 million. The decline in net interest expense was primarily due to lower average interest rates.

EKCO GROUP AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL CONDITION

DISCONTINUED OPERATIONS

Discontinued operations consisted of the following:

<TABLE>
<CAPTION>

FISCAL 1996

FISCAL 1995

(AMOUNTS IN THOUSANDS)

<S>	<C>	<C>
Loss from operations	\$26,648	\$3,851
Income tax benefits	1,928	1,934
	-----	-----
Net loss from operations	\$24,720	\$1,917
	=====	=====
Loss on disposal, net of income taxes (\$1,925)	\$ 3,575	\$ --
	=====	=====

</TABLE>

The Company recorded a \$5.5 million pre-tax charge in the fourth quarter of Fiscal 1996 for the estimated costs associated with its decision to dispose of its molded plastics business operations. The fourth quarter charge included a pre-tax provision of \$1.2 million for anticipated operating losses in Fiscal 1997 until the estimated date of disposition, a \$3.3 million estimated loss on the disposition of the molded plastics business operations and a provision for other disposal costs of \$1.0 million. In the third quarter of Fiscal 1996 the Company recorded a pre-tax charge of approximately \$22.7 million to reduce the carrying value of the molded plastics business assets (principally goodwill). As this goodwill is not deductible for income tax purposes, there was no related tax benefit.

LIQUIDITY AND CAPITAL RESOURCES

During Fiscal 1997, the Company sold all of the assets of its molded plastic products business for cash proceeds of approximately \$17.6 million and a \$2.0 million promissory note. The Company has reported the results of the operations of the molded plastic products business and the loss on disposal as discontinued operations.

The \$17.6 million in cash generated from the sale of the assets of the Company's molded plastic products business along with a portion of the \$15.7 million of cash on hand at December 29, 1996 was used to fund capital expenditures of approximately \$8.6 million and operations, including an increase of \$26.7 million in the Company's inventories, resulting in a \$14.6 million cash balance at December 28, 1997. The inventory growth was principally due to a planned increase in inventories to facilitate higher service levels, an accumulation of safety stock relating to the consolidation of the Company's cleaning products manufacturing facilities and an increase in new products.

On January 16, 1998, the Company completed the acquisition (the "Acquisition") of all of the outstanding equity securities of APP Holding Corporation ("APP"), the parent corporation and sole stockholder of Aspen Pet Products, Inc. ("Aspen"), a marketer of dog and cat supplies and accessories, as well as other pet products. Pursuant to the Stock Purchase and Sale Agreement, the Company paid approximately \$24.5 million in cash and refinanced APP's outstanding bank debt of approximately \$9.1 million. In addition, if Aspen achieves certain predetermined financial results during fiscal 1998, 1999, 2000, 2001 and 2002, the Company will make additional annual payments to certain former APP stockholders equal, in the aggregate, to 25% of the amount by which Aspen's Gross Profit (as defined) of each such year exceeds the Base Profit Amount (as defined). The

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EKCO GROUP AND SUBSIDIARIES MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

Acquisition will be accounted for under the purchase method of accounting and goodwill of approximately \$24 million will be amortized over 40 years. At December 31, 1997, APP's total assets were \$21 million and total liabilities were \$12 million. For the year ended December 31, 1997, APP had net sales of approximately \$30 million and operating income of approximately \$3 million.

On December 15, 1997, the Company and its lender bank agreed to certain modifications to its amended and restated credit agreement (as so amended, the "Credit Facility"). Effective upon the consummation of the Acquisition, the Credit Facility was increased to include a maximum revolving credit line of \$55 million, up from a level of \$35 million under the previous agreement, and an additional \$10 million was made available under a term loan credit facility. The

principal of the term loan is required to be repaid at the rate of approximately \$357,000 on the last day of each quarter, commencing March 31, 1998. The maximum outstanding balance of the revolving credit line may not exceed 80% of eligible accounts receivable and 50% of eligible inventory, provided that the amount attributable to eligible inventory may not exceed \$35 million, as determined at the end of each calendar month. The Credit Facility provides for a commitment fee of three-eighths of one percent on the unused portion of the commitment. Borrowings under the Credit Facility bear interest at the bank's prime rate or at LIBOR plus 1.25% or 1.5%, depending on the Company's borrowing strategy and the ratio of total debt to cash flow, as defined. Borrowings under the Credit Facility mature in November 2002 and are collateralized by substantially all of the assets of the Company. The Credit Facility contains certain financial and operating covenants, of which the most restrictive requires the Company to maintain a minimum level of cash flow. The Senior Notes, as well as the Credit Facility, contain certain financial covenants that may restrict the sale of assets, payment of dividends, the incurrence of additional indebtedness and certain investments and acquisitions by the Company. The Company has suspended the payment of quarterly dividends and does not anticipate paying cash dividends for the foreseeable future. In order for the Company to pay a dividend, its arrangements with holders of its Senior Notes would need to be amended and the payment of the dividend would have to be permitted under certain covenants of the Credit Facility. On January 16, 1998 the Company used its cash balance plus proceeds from the \$10 million term loan and borrowings of approximately \$4.6 million to fund the acquisition of Aspen. After the acquisition of Aspen, \$38.2 million was available for general corporate purposes under the Credit Facility, less approximately \$12.2 million in outstanding letters of credit.

The Company believes it has sufficient borrowing capacity to finance its ongoing operations for the foreseeable future. The Company, however, may require additional funds to finance acquisitions.

The Company has a recorded liability of approximately \$2.8 million for environmental remediation and ongoing operation, maintenance and ground water monitoring costs associated with facilities owned or occupied by the Company's cleaning products operations. The Company believes the provision is adequate but will continue to monitor and adjust the provision, as appropriate, should additional sites be identified or further remediation measures be required or undertaken or interpretation of current laws or regulations be modified.

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EKCO GROUP, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL CONDITION (CONTINUED)

In June 1997, The Financial Accounting Standards Board ("FASB") issued Financial Accounting Standard No. 130 "Reporting Comprehensive Income" ("FAS 130") that establishes standards for reporting and display of comprehensive income and its components in a full set of general purpose financial statements. The Company will adopt FAS 130 commencing with the first quarter of fiscal 1998.

Also in June 1997, the FASB issued Financial Accounting Standards No. 131 "Disclosure about Segments of an Enterprise and Related Information" ("FAS 131") that requires companies to determine segments based on how management makes decisions about allocating resources to the segments and measuring their performance. The Company will adopt FAS 131 in fiscal 1998.

YEAR 2000 DATE CONVERSION

The Company's management has initiated a company-wide program to prepare the Company's computer systems for the year 2000. A comprehensive review of the Company's computer systems has been conducted to identify the systems that could be affected by this issue. An implementation plan to resolve this issue is currently being developed and implemented. The Company presently believes that with modifications to existing software and the conversion to new software, the year 2000 problem will not pose a significant operational problem to the Company. The Company expects the year 2000 modifications and conversions to be completed on a timely basis and to cost approximately \$300,000 to \$500,000, which will be expensed in 1998. However, there can be no assurance that the systems of other parties upon which the Company's business also relies, including, but not limited to, the Company's customers and suppliers, will be converted on a timely basis. The Company's business, financial condition, or results of operations could be materially adversely affected by the failure of its systems and applications of those operated by other parties to properly operate or manage dates beyond 1999.

INFLATION

Inflation in general was not considered to be a significant factor in the

Company's operations during the periods discussed above.

BUSINESS OUTLOOK

This Annual Report, including "Letter to Shareholders" and "Management's Discussion and Analysis of Results of Operations and Financial Condition," contains forward-looking statements within the meaning of the safe harbor provision of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements. Such factors and uncertainties include, but are not limited to: the impact of the level of the Company's indebtedness; restrictive covenants contained in the Company's various debt documents; general economic conditions and conditions in the retail environment; the Company's dependence on a few large customers; price fluctuations in the raw materials used by the Company; competitive conditions in the Company's markets; the timely introduction of new products; the impact of competitive products and pricing; certain assumptions related to consumer purchasing patterns; the seasonal nature of the Company's business; and the impact of federal, state and local environmental requirements (including the impact of current or future

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EKCO GROUP, INC. AND SUBSIDIARIES MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (CONTINUED)

environmental claims against the Company). As a result, the Company's operating results may fluctuate, especially when measured on a quarterly basis. These forward-looking statements represent the Company's best estimate as of the date of this Annual Report. The Company assumes no obligation to update such estimates except as required by the rules and regulations of the Securities and Exchange Commission.

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EKCO GROUP, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

<TABLE>

<CAPTION>

	DECEMBER 28, 1997	DECEMBER 29, 1996
	-----	-----
	(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)	
<S>	<C>	<C>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 14,565	\$ 15,706
Accounts receivable, net of allowance for doubtful accounts of \$957 and \$760, respectively	45,529	42,182
Inventories	74,150	47,422
Prepaid expenses and other current assets	9,021	6,180
Deferred income taxes	6,877	10,857
Net assets of discontinued operations	--	17,030
	-----	-----
Total current assets	150,142	139,377
Property and equipment, net	35,678	34,998
Other assets	7,563	6,569
Excess of cost over fair value of net assets acquired, net of accumulated amortization of \$32,321 and \$28,690, respectively	107,422	111,132
	-----	-----
Total assets	\$300,805	\$292,076
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities		
Accounts payable	\$ 14,040	\$ 18,395
Accrued expenses	29,290	28,688

Income taxes	6,344	2,651
Total current liabilities	49,674	49,734
Long-term obligations, less current portion	124,270	124,182
Other long-term liabilities	11,974	11,052
Series B ESOP Convertible Preferred Stock, net; outstanding 1,315 shares and 1,439 shares, respectively, redeemable at \$3.61 per share	4,399	4,098
Commitments and contingencies	--	--
Minority interest	494	495
Stockholders' equity		
Common stock, \$.01 par value; outstanding 19,066 shares and 18,580 shares, respectively	191	186
Capital in excess of par value	109,462	107,622
Cumulative translation adjustment	636	869
Retained earnings (deficit)	4,665	(1,352)
Unearned compensation	(2,787)	(2,963)
Pension liability adjustment	(2,173)	(1,847)
	109,994	102,515
Total liabilities and stockholders' equity	\$300,805	\$292,076

</TABLE>

See accompanying notes to consolidated financial statements.

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EKCO GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>

<CAPTION>

	FISCAL YEARS ENDED		
	DECEMBER 28, 1997	DECEMBER 29, 1996	DECEMBER 31, 1995
	-----	-----	-----
	(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)		
<S>	<C>	<C>	<C>
Net revenues	\$270,536	\$249,870	\$247,004
Costs and expenses	-----	-----	-----
Cost of sales	181,307	164,505	160,933
Selling, general and administrative	60,915	59,737	49,152
Special charges	783	9,877	--
Amortization of excess of cost over fair value	3,631	3,636	3,636
	-----	-----	-----
	246,636	237,755	213,721
Income before interest and income taxes	-----	-----	-----
	23,900	12,115	33,283
Net interest expense	-----	-----	-----
Interest expense	12,446	12,565	13,590
Investment income	(810)	(149)	(97)
	-----	-----	-----
	11,636	12,416	13,493
Income (loss) from continuing operations	-----	-----	-----
before income taxes and extraordinary charges	12,264	(301)	19,790
Income taxes	6,247	2,370	9,828
	-----	-----	-----
Income (loss) from continuing operations			
before extraordinary charge	6,017	(2,671)	9,962
Discontinued operations			
Loss from operations of discontinued			
operations, net of tax benefits of			
\$1,928, and \$1,934, respectively	--	(24,720)	(1,917)

Loss on disposal, net of tax benefit of \$1,925	--	(3,575)	--
	-----	-----	-----
Income (loss) before extraordinary charge	6,017	(30,966)	8,045
Extraordinary charge for early retirement of debt, net of tax benefit of \$2,139	--	(3,208)	--
	-----	-----	-----
Net income (loss)	\$ 6,017	\$ (34,174)	\$ 8,045
	=====	=====	=====

</TABLE>

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EKCO GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	FISCAL YEARS ENDED		
	DECEMBER 28, 1997	DECEMBER 29, 1996	DECEMBER 31, 1995
	-----	-----	-----
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)			
<S>	<C>	<C>	<C>
Earnings (loss) per common share Basic:			
Income (loss) from continuing operations before extraordinary charge	\$.32	\$ (.14)	\$.54
Loss from operations of discontinued operations	--	(1.34)	(.10)
Loss on disposal of business	--	(.19)	--
	-----	-----	-----
Income (loss) before extraordinary charge	.32	(1.67)	.44
Extraordinary charge	--	(.18)	--
	-----	-----	-----
Earnings (loss) per common share	\$.32	\$ (1.85)	\$.44
	=====	=====	=====
Diluted:			
Income (loss) from continuing operations before extraordinary charge	\$.29	\$ (.14)	\$.49
Loss from operations of discontinued operations	--	(1.34)	(.09)
Loss on disposal of business	--	(.19)	--
	-----	-----	-----
Income (loss) before extraordinary charge	.29	(1.67)	.40
Extraordinary charge	--	(.18)	--
	-----	-----	-----
Earnings (loss) per common share	\$.29	\$ (1.85)	\$.40
	=====	=====	=====
Weighted average number of shares used in computation of per share data			
Basic	18,907	18,489	18,354
	=====	=====	=====
Diluted	20,849	18,489	22,413
	=====	=====	=====

</TABLE>

See accompanying notes to consolidated financial statements.

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EKCO GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

<TABLE>
<CAPTION>

COMMON STOCK, PAR	CAPITAL IN EXCESS OF	CUMULATIVE TRANSLATION	RETAINED EARNINGS	UNEARNED	PENSION LIABILITY
----------------------	-------------------------	---------------------------	----------------------	----------	----------------------

	SHARES	VALUE \$.01	PAR VALUE	ADJUSTMENT	(DEFICIT)	COMPENSATION	ADJUSTMENT
	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	(AMOUNTS IN THOUSANDS)			
				<C>	<C>	<C>	<C>
Beginning balance, January 1, 1995	18,069	\$181	\$105,448	\$771	\$27,172	\$ (2,968)	\$ (1,488)
Shares issued under common stock purchase and option plans and dividend reinvestment plan	226	2	769	--	--	--	--
Net shares issued under restricted common stock purchase plans	243	2	1,515	--	--	(1,437)	--
Income tax reductions relating to stock plans	--	--	74	--	--	--	--
Shares issued upon preferred stock conversion	80	1	288	--	--	--	--
Purchases of treasury stock	(204)	(2)	(1,178)	--	--	--	--
Net income for the year	--	--	--	--	8,045	--	--
Dividends paid	--	--	--	--	(1,603)	--	--
Foreign currency translation adjustment	--	--	--	158	--	--	--
Amortization of unearned compensation	--	--	--	--	--	435	--
Pension liability adjustment	--	--	--	--	--	--	(260)
	-----	-----	-----	-----	-----	-----	-----
Balance, December 31, 1995	18,414	184	106,916	929	33,614	(3,970)	(1,748)
Shares issued under employee common stock purchase and option plans and dividend reinvestment plan	90	1	360	--	--	--	--
Net shares issued under restricted common stock purchase plans	27	--	171	--	--	(168)	--
Shares issued upon preferred stock conversion	49	1	175	--	--	--	--
Net loss for the year	--	--	--	--	(34,174)	--	--
Dividends paid	--	--	--	--	(792)	--	--
Foreign currency translation adjustment	--	--	--	(60)	--	--	--
Amortization of unearned compensation	--	--	--	--	--	1,175	--
Pension liability adjustment	--	--	--	--	--	--	(99)
	-----	-----	-----	-----	-----	-----	-----
Balance, December 29, 1996	18,580	186	107,622	869	(1,352)	(2,963)	(1,847)

</TABLE>

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EKCO GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

<TABLE>							
<CAPTION>							
	SHARES	COMMON STOCK, PAR VALUE \$.01	CAPITAL IN EXCESS OF PAR VALUE	CUMULATIVE TRANSLATION ADJUSTMENT	RETAINED EARNINGS (DEFICIT)	UNEARNED COMPENSATION	PENSION LIABILITY ADJUSTMENT
	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	(AMOUNTS IN THOUSANDS)			
				<C>	<C>	<C>	<C>
Shares issued under common stock purchase and option plans and dividend reinvestment plan	372	4	1,005	--	--	--	--
Net shares issued under restricted common stock purchase plans	3	--	19	--	--	(18)	--
Shares issued upon preferred stock conversion	111	1	400	--	--	--	--
Compensatory options issued	--	--	50	--	--	(50)	--
Income tax reductions relating to stock plans	--	--	366	--	--	--	--
Net income for the year	--	--	--	--	6,017	--	--
Foreign currency translation adjustment	--	--	--	(233)	--	--	--
Amortization of unearned compensation	--	--	--	--	--	244	--
Pension liability adjustment	--	--	--	--	--	--	(326)
	-----	-----	-----	-----	-----	-----	-----
Balance, December 28, 1997	19,066	\$191	\$109,462	\$ 636	\$4,665	\$ (2,787)	\$ (2,173)
	=====	=====	=====	=====	=====	=====	=====

</TABLE>

See accompanying notes to consolidated financial statements

EKCO GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	FISCAL YEARS ENDED		
	DECEMBER 28, 1997	DECEMBER 29, 1996	DECEMBER 31, 1995
	-----	-----	-----
	(AMOUNTS IN THOUSANDS)		
<S>	<C>	<C>	<C>
Cash flows from operating activities			
Net income (loss)	\$ 6,017	\$ (34,174)	\$ 8,045
Adjustments to reconcile net income (loss) to net cash provided by operations			
Depreciation	7,197	7,374	7,018
Amortization of excess of cost over fair value	3,631	3,636	3,636
Amortization of deferred finance costs	578	517	590
Other amortization	5,364	6,607	6,959
Special charges	783	9,877	--
Loss from discontinued operations, net	--	28,295	1,917
Extraordinary charges, net	--	3,208	--
Deferred income taxes	5,666	(5,837)	3,388
Other	651	82	(201)
Change in certain assets and liabilities, net of effects from acquisition and dispositions of businesses, affecting cash provided by operations			
Accounts receivable	(3,612)	(3,704)	895
Inventories	(26,853)	(6,364)	504
Prepaid marketing costs	(5,548)	(4,413)	(4,877)
Other assets	(725)	506	(908)
Accounts payable and accrued expenses	(7,622)	7,636	(2,871)
Income taxes payable	3,686	2,114	(3,395)
	-----	-----	-----
Net cash provided by (used in) operating activities			
Continuing operations	(10,787)	15,360	20,700
Discontinued operations	(570)	4,823	1,020
	-----	-----	-----
Net cash provided by (used in) operating activities	(11,357)	20,183	21,720
	-----	-----	-----
Cash flows from investing activities			
Proceeds from sale of property and equipment			
Proceeds from sale of property and equipment	148	3,306	3,300
Capital expenditures for continuing operations	(8,567)	(8,320)	(8,566)
Proceeds from sale of discontinued operations	17,600	--	--
Capital expenditures for discontinued operations	--	(1,490)	(4,086)
	-----	-----	-----
Net cash provided(used in) investing activities	9,181	(6,504)	(9,352)
	-----	-----	-----
Cash flows from financing activities			
Proceeds from issuance of note payable and long--term obligations	--	125,101	35,183
Proceeds from sale of investment held as collateral	--	--	3,600
Payments of dividends	--	(792)	(1,603)
Purchases of treasury stock	--	--	(1,180)
Payments of note and long--term obligations	--	(122,781)	(48,627)
Other	1,042	361	259
	-----	-----	-----
Net cash provided by (used in) financing activities	1,042	1,889	(12,368)
Effect of exchange rate changes on cash	(7)	(4)	13
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	(1,141)	15,564	13
Cash and cash equivalents at beginning of year	15,706	142	129
	-----	-----	-----

Cash and cash equivalents at end of year	\$14,565	\$ 15,706	\$ 142
	=====	=====	=====
Cash paid during the year for			
Interest	\$ 5,942	\$ 9,851	\$ 12,557
Income taxes	(3,479)	184	7,912
</TABLE>			

See accompanying notes to consolidated financial statements.

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EKCO GROUP, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its subsidiaries (the "Company"). The Company's principal operating subsidiaries are wholly-owned Ekco Housewares, Inc. ("Housewares"), wholly-owned Ekco Cleaning, Inc. and subsidiaries ("Cleaning"), and majority-owned Woodstream Corporation ("Woodstream"). All significant intercompany accounts and transactions have been eliminated.

BASIS OF PRESENTATION

The Company uses a 52-53 week fiscal year ending on the Sunday nearest December 31. Accordingly, the accompanying consolidated financial statements include the fiscal years ended December 28, 1997 ("Fiscal 1997"), December 29, 1996 ("Fiscal 1996"), and December 31, 1995 ("Fiscal 1995").

CASH AND CASH EQUIVALENTS

The Company considers all short-term investments which have an original maturity of 90 days or less to be cash equivalents.

MARKET EXPANSION PROGRAMS AND ADVERTISING COSTS

The Company incurs certain costs in connection with maintaining and expanding its market position. These costs are deferred and amortized using the straight-line method over the lesser of the period of benefit or the program period. Program periods currently range from one to three years. It is the Company's policy to periodically review and evaluate whether the benefits associated with these costs are expected to be realized and that continued deferral and amortization is justified. Approximately \$4.1 and \$2.9 million of these costs are included in prepaid expenses at December 28, 1997 and December 29, 1996, respectively.

The Company expenses all advertising costs as incurred.

INVENTORIES

Inventories are stated at the lower of cost or market. Cost is determined on a first-in, first-out ("FIFO") basis for all subsidiaries except for Cleaning, whose cost is determined on a last-in, first-out ("LIFO") basis.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. The Company provides for depreciation and amortization over the estimated useful lives of assets or terms of capital leases on the straight-line method. Improvements are capitalized, while repair and maintenance costs are charged to operations. When assets are retired or disposed of, the cost and accumulated depreciation thereon are removed from the accounts, and gains or losses, if any, are included in operations.

INTANGIBLE ASSETS

The excess of cost over fair value of net assets acquired ("goodwill") is being amortized over 30 to 40 year periods. It is the Company's policy to periodically review and evaluate the recoverability of goodwill by assessing long-term trends of profitability and undiscounted cash flows and to determine whether the amortization of goodwill over its remaining life can be recovered through expected future results of operations and cash flows.

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Favorable lease rights included in other assets are being amortized over the life of the lease. Deferred financing costs included in other assets are debt issuance costs which have been deferred and are being amortized over the terms of the respective financing arrangements.

INCOME RECOGNITION

Revenues from product sales are recognized at the time the product is shipped. Investment income is accrued as earned.

TRANSLATION OF FOREIGN CURRENCY

The assets and liabilities of the Company's foreign subsidiaries are translated at year-end exchange rates. Income and expenses are translated at exchange rates prevailing during the year. The resulting net translation adjustment for each year is included as a separate component of stockholders' equity.

INCOME TAXES

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect, if any, on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Provision for U.S. income taxes on the undistributed earnings of foreign subsidiaries is made only on those amounts in excess of the funds considered to be permanently reinvested.

EARNINGS PER COMMON SHARE

In December 1997, the Company adopted Financial Accounting Standards Board Statement No. 128, "Earnings Per Share" ("FAS 128"). All previously reported earnings per share information has been restated to reflect the impact of adopting FAS 128.

USE OF ESTIMATES

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RECENT ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board has recently issued Statement of Financial Accounting Standards No. 130 "Reporting Comprehensive Income" and Statement of Financial Accounting Standards No. 131 "Disclosure about Segments of an Enterprise and Related Information". The Company intends on making the required disclosures based on each statement in fiscal 1998.

(2) DISCONTINUED OPERATIONS

On January 31, 1997, the Company's Board of Directors approved management's plan to dispose of the Company's molded plastic products business. Accordingly, the Company reported the results of the operations of the molded plastic products business and the loss on disposal as discontinued operations. During Fiscal 1997, the Company sold all of the assets of its molded plastics products business for cash proceeds of approximately \$17.6 million and a \$2.0 million promissory note, which is included in other assets at December 28, 1997.

Net assets of discontinued operations classified separately in the consolidated balance sheets as of December 29, 1996 are as follows: (Amounts in thousands)

<TABLE>	
<S>	
Accounts receivable, net	\$ 4,210
Inventories	6,138
Prepared expenses and other current assets	67
Property and equipment, net	16,743
Excess of cost over fair value	--
Accounts payable	(2,416)
Accrued expenses	(2,212)
Loss on disposal	(5,500)

	\$17,030
	=====

</TABLE>

Certain information with respect to statements of operations from discontinued operations is summarized as follows:

<TABLE>

<CAPTION>

	Fiscal 1996	Fiscal 1995
	-----	-----
	(Amounts in thousands)	
<S>	<C>	<C>
Net revenues	\$ 26,764	\$30,991
	-----	-----
Cost of sales	26,758	30,410
Selling, general and administrative	3,325	3,631
Special charges	22,728	--
Goodwill amortization	601	801
	-----	-----
	53,412	34,842
	-----	-----
Loss before income taxes	(26,648)	(3,851)
Income tax benefit	(1,928)	(1,934)
	-----	-----
Loss from discontinued operations	\$ (24,720)	\$ (1,917)
	=====	=====

</TABLE>

The special charge of \$22.7 million (principally goodwill) was a reduction in the third quarter of Fiscal 1996 of the carrying value of the molded plastic products business. Under the provisions of Statement of Financial Accounting Standard No. 121, which establishes accounting standards for the impairment of long-lived assets, certain identifiable intangibles and goodwill related to those assets, the Company determined in the third quarter of Fiscal 1996 that an adjustment to the carrying value of the molded plastic products business was required.

The charge in Fiscal 1996 for loss on disposal of the molded plastic business includes the following: (Amounts in thousands)

<TABLE>

<S>	<C>
Carrying value of net assets in excess of anticipated proceeds	\$3,300
Expenses of asset disposal and anticipated operating loss for the period December 29, 1996 through the estimated date of disposal	2,200

Loss on disposal before taxes	5,500
Income tax benefit	1,925

Loss on disposal	\$3,575
	=====

</TABLE>

(3) INVENTORIES

Inventories consisted of the following:

<TABLE>

<CAPTION>

	DECEMBER 28, 1997	DECEMBER 29, 1996
	-----	-----
	(AMOUNTS IN THOUSANDS)	
<S>	<C>	<C>
Raw materials	\$12,984	\$ 9,628
Work in process	3,811	3,253
Finished goods	57,355	34,541
	-----	-----
	\$74,150	\$47,422
	=====	=====

</TABLE>

At December 28, 1997, and December 29, 1996, inventories carried under the

LIFO method represented approximately 22.2% and 21.8%, respectively, of total year-end inventories. The effect of using LIFO for these inventories for Fiscal 1997 and Fiscal 1996 was immaterial to the financial position and results of operations of the Company.

(4) PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following:

<TABLE>

<CAPTION>

	DECEMBER 28, 1997	DECEMBER 29, 1996
	-----	-----
	(AMOUNTS IN THOUSANDS)	
<S>	<C>	<C>
Property and equipment at cost		
Land, buildings and improvements	\$14,598	\$14,623
Equipment, furniture and fixtures	60,624	58,963
	-----	-----
	75,222	73,586
Less accumulated depreciation and amortization	39,544	38,588
	-----	-----
	\$35,678	\$34,998
	=====	=====

</TABLE>

(5) LONG-TERM OBLIGATIONS AND OTHER LONG-TERM LIABILITIES

Long-term obligations consisted of the following:

<TABLE>

<CAPTION>

	DECEMBER 28, 1997	DECEMBER 29, 1996
	-----	-----
	(AMOUNTS IN THOUSANDS)	
<S>	<C>	<C>
Credit Facility	\$ --	\$ --
9.25% Senior Notes, due 2006 (net of unamortized discount of \$730 and \$818)	124,270	124,182
	-----	-----
	\$124,270	\$124,182
	=====	=====

Other long-term liabilities consisted of the following:

Accrued pension cost (see Note 8)	\$ 2,553	\$ 2,327
Deferred income taxes	3,710	2,028
Other long-term liabilities	5,711	6,697
	-----	-----
	\$11,974	\$11,052
	=====	=====

</TABLE>

On March 25, 1996, the Company sold \$125.0 million of its 9.25% Senior Notes due 2006 ("Senior Notes") at a price of 99.291% of face value in a private offering to institutional investors. Interest on the Senior Notes is payable semi-annually on April 1 and October 1 of each year. The Company used the net proceeds of the Senior Note offering to (i) repurchase its outstanding 12.70% Notes due 1998 and 7.0% Convertible Subordinated Note due 2002 and (ii) to repay substantially all amounts outstanding under its revolving credit facility. Concurrently with closing the sale of the Senior Notes, the Company entered into an amendment to its revolving credit facility, which amendment consolidated the outstanding debt and borrowing capacity of the Company and its wholly-owned subsidiaries, and revised certain financial covenants. In July 1997, the Company and its lender bank amended and restated the credit agreement, which revised certain financial covenants and reduced the number of lender banks to one. On December 15, 1997, the Company and its lender bank agreed to certain modifications to its amended and restated credit agreement (as amended, the "Credit Facility"). Effective with the acquisition of APP Holding Corporation (see Note 19), the Credit Facility was increased to include a maximum revolving credit line of \$55 million, up from a level of \$35 million under the previous agreement and an additional \$10 million was made available under a term loan credit facility. The maximum outstanding balance of the revolving credit line

may not exceed to 80% of eligible accounts receivable and 50% of eligible inventory, provided that the amount attributable to eligible inventory may not exceed \$35 million, as determined at the end of each calendar month. The Credit Facility provides for a commitment fee of three-eighths of one percent on the unused portion of the commitment. Borrowings under the Credit Facility bear interest at the bank's prime rate, or at LIBOR plus 1.25% or 1.5%, depending on the Company's borrowing strategy and the ratio of total debt to cash flow, as defined. Borrowings under the Credit Facility mature in November 2002 and are collateralized by substantially all of the assets of the Company. The Credit Facility contains certain financial and operating covenants, of which the most restrictive requires the Company to maintain a minimum level of cash flow. The Senior Notes, as well as the Credit Facility, contain certain financial covenants that may restrict the sale of assets, payment of dividends, the incurrence of additional indebtedness and certain investments and acquisitions by the Company.

The Company has suspended the payment of quarterly dividends and does not anticipate paying cash dividends for the foreseeable future. In order for the Company to pay a dividend, its arrangements with holders of its Senior Notes would need to be amended and the payment of the dividend would have to be permitted under certain covenants of the Credit Facility.

The early extinguishment of the 12.7% Notes and 7% Convertible Subordinated Note resulted in an extraordinary charge of \$3.2 million consisting of the following:

<TABLE>

(Amounts in thousands)

<S>	<C>
Premium on 12.70% Notes, due 1998	\$ 6,511
Discount on prepayment of 7% Convertible Subordinated Note, due 2002	(3,218)
Write-off of related unamortized financing costs	2,054

Extraordinary charge before income tax benefit	5,347
Income tax benefit	2,139

Net extraordinary charge	\$ 3,208
	=====

</TABLE>

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Certain information with respect to credit agreements follows:

<TABLE>

<CAPTION>

	FISCAL 1997	FISCAL 1996	FISCAL 1995
	-----	-----	-----
	(AMOUNTS IN THOUSANDS, EXCEPT PERCENTAGES)		
<S>	<C>	<C>	<C>
Average interest rate of borrowings outstanding at end of year	N/A	N/A	7.48%
Maximum amount of borrowings outstanding at any month-end	\$1,242	\$31,909	\$56,533
Average aggregate borrowings during the year	\$ 176	\$ 9,390	\$43,392
Weighted average interest rate during the year	8.5%	7.68%	8.08%

</TABLE>

(6) ACCRUED EXPENSES

Accrued expenses consisted of the following:

<TABLE>

<CAPTION>

	DECEMBER 28, 1997	DECEMBER 29, 1996
	-----	-----
	(AMOUNTS IN THOUSANDS)	
<S>	<C>	<C>
Payroll	\$ 2,464	\$ 5,033
Compensated absences	1,651	1,755
Sales and promotional allowances	9,470	6,393
Provisions related to consolidation of		

cleaning business	-	1,697
Interest and non-income taxes	4,168	4,326
Insurance 3,241	2,516	
Professional fees	575	715
Provision for environmental matters	1,738	1,782
Other	5,983	4,471
	-----	-----
	\$29,290	\$28,688
	=====	=====

</TABLE>

(7) INCOME TAXES

Total income tax expense (benefit) for Fiscal 1997, Fiscal 1996 and Fiscal 1995 was allocated as follows:

<TABLE>

<CAPTION>

	FISCAL 1997	FISCAL 1996	FISCAL 1995
	-----	-----	-----
	(AMOUNTS IN THOUSANDS)		
<S>	<C>	<C>	<C>
Income (loss) from continuing operations	\$6,247	\$ 2,370	\$ 9,828
Income (loss) from discontinued operations	--	(1,928)	(1,934)
Income (loss) from disposal of discontinued operations	--	(1,925)	--
Extraordinary charge for early retirement of debt	--	(2,139)	--
Stockholders' equity, for compensation expense for tax purposes in excess of amounts recognized for financial reporting purposes	(366)	--	(74)
	-----	-----	-----
	\$5,881	\$ (3,622)	\$ 7,820
	=====	=====	=====

</TABLE>

A reconciliation of the provision for income taxes from continuing operations to the statutory income tax rate applied to combined domestic and foreign income before income taxes for Fiscal 1997, Fiscal 1996 and Fiscal 1995 was as follows:

22

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<TABLE>

<CAPTION>

	FISCAL 1997	FISCAL 1996	FISCAL 1995
	-----	-----	-----
	(AMOUNTS IN THOUSANDS, EXCEPT PERCENTAGES)		
<S>	<C>	<C>	<C>
Income (loss) from continuing operations before income taxes			
Domestic	\$13,704	\$ (19)	\$20,408
Foreign	(1,440)	(282)	(618)
	-----	-----	-----
	\$12,264	\$ (301)	\$19,790
	=====	=====	=====
Federal income tax (credit) at normal rates	35%	(35%)	35%
State income taxes, net of federal benefit	7%	141%	5%
Difference between foreign and federal effective rates	--	30%	1%
Amortization of excess of cost over fair value	10%	423%	6%
Special charges	--	227%	--
Other	(1%)	1%	3%
	-----	-----	-----
	51%	787%	50%
	=====	=====	=====

</TABLE>

The components of the provision for income taxes for continuing operations were as follows:

<TABLE>

<CAPTION>

	FEDERAL	STATE	FOREIGN	TOTAL
	-----	-----	-----	-----
	(AMOUNTS IN THOUSANDS)			
<S>	<C>	<C>	<C>	<C>

FISCAL 1997

Current	\$ 550	\$ 165	\$ (130)	\$ 585
Deferred	4,565	1,243	(146)	5,662
	-----	-----	-----	-----
	\$5,115	\$1,408	\$ (276)	\$6,247
	=====	=====	=====	=====

FISCAL 1996

Current	\$4,189	\$1,688	\$ (8)	\$5,869
Deferred	(2,608)	(891)	-	(3,499)
	-----	-----	-----	-----
	\$1,581	\$ 797	\$ (8)	\$2,370
	=====	=====	=====	=====

FISCAL 1995

Current	\$5,986	\$ 993	\$ (41)	\$6,938
Deferred	2,562	312	16	2,890
	-----	-----	-----	-----
	\$8,548	\$1,305	\$ (25)	\$9,828
	=====	=====	=====	=====

</TABLE>

The significant components of deferred income tax expense attributable to income from continuing operations for Fiscal 1997, Fiscal 1996 and Fiscal 1995 were as follows:

23

24

<TABLE>

<CAPTION>

	FISCAL 1997	FISCAL 1996	FISCAL 1995
	-----	-----	-----
	(AMOUNTS IN THOUSANDS)		
<S>	<C>	<C>	<C>
Depreciation	\$ (1,078)	\$ (644)	\$1,713
Inventory	(1,594)	516	193
Benefit plans	406	(167)	(72)
Accruals, provisions and other liabilities	8,520	(4,461)	1,414
Other	(592)	1,257	(358)
	-----	-----	-----
	\$ 5,662	\$ (3,499)	\$2,890
	=====	=====	=====

</TABLE>

The tax effects of temporary differences and carry forwards that give rise to significant portions of net deferred tax asset (liability) consisted of the following:

<TABLE>

<CAPTION>

	DECEMBER 28, 1997	DECEMBER 29, 1996
	-----	-----
	(AMOUNTS IN THOUSANDS)	
<S>	<C>	<C>
Receivables	\$ 962	\$ 244
Inventory	2,440	846
Benefit plans	3,166	3,572
Accruals, provisions and other liabilities	1,526	10,046
Depreciation	(3,927)	(5,005)
Other	(1,000)	(874)
	-----	-----
	\$ 3,167	\$ 8,829
	=====	=====

</TABLE>

The Company's federal income tax returns for all years subsequent to December 1987 are subject to review by the Internal Revenue Service.

(8) RETIREMENT PLANS, POST-RETIREMENT AND POST-EMPLOYMENT BENEFITS

The Company and certain of its subsidiaries have various pension plans which cover certain of their employees and provide for periodic payments to

eligible employees upon retirement. Benefits for non-union employees are generally based upon earnings and years of service prior to 1989 and certain non-union employees receive benefits from allocated accounts under a defined contribution plan. Benefits for certain union employees are based upon dollar amounts attributed to each year of credited service; certain other union employees receive benefits from allocated accounts under a defined contribution plan and from prior contributions to a multi-employer plan. The Company's policy is to make contributions to these plans sufficient to meet the minimum funding requirements of applicable laws and regulations, plus such amounts, if any, as the Company's actuarial consultants determine to be appropriate. The Company also provides supplemental retirement benefits for certain management personnel based on earnings and years of service.

At December 28, 1997, and December 29, 1996, the Company reported, as a separate component of stockholders' equity, the amount of the additional liability in excess of the unrecognized prior service costs of its pension plans.

24

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Net pension expense consisted of the following:

	FISCAL 1997	FISCAL 1996	FISCAL 1995
	-----	-----	-----
	(AMOUNTS IN THOUSANDS)		
<S>	<C>	<C>	<C>
U.S. defined benefit plans			
Service cost-benefits earned during the period	\$ 205	\$ 232	\$ 211
	-----	-----	-----
Interest accrued on projected benefit obligation	561	607	597
	-----	-----	-----
Expected return on assets			
Actual return	(566)	(516)	(582)
Unrecognized gain (loss)	4	(32)	69
	-----	-----	-----
	(562)	(548)	(513)
Amortization of prior service cost and unrecognized loss	108	390	110
Settlement loss	30	38	89
	-----	-----	-----
U.S. defined benefit plans, net	342	719	494
Canadian defined benefit plan	2	2	(2)
U.S. defined contribution plans	125	150	113
	-----	-----	-----
Total net pension expense	\$ 469	\$ 871	\$ 605
	=====	=====	=====

</TABLE>

The following sets forth the funded status of the Company's defined benefit pension plans and amounts recognized in the consolidated balance sheets:

	DECEMBER 28, 1997	DECEMBER 29, 1996	
	-----	-----	-----
	PLANS WITH ACCUMULATED BENEFITS EXCEEDING ASSETS	PLANS WITH ASSETS EXCEEDING ACCUMULATED BENEFITS	PLANS WITH ACCUMULATED BENEFITS EXCEEDING ASSETS
	-----	-----	-----
<S>	<C>	<C>	<C>
Accumulated benefit obligation			
Vested	\$ (8,464)	\$ (1,708)	\$ (7,294)
Nonvested	(111)	(2)	(87)
	-----	-----	-----
Total	(8,575)	(1,710)	(7,381)
Effect of projected compensation increases	(454)	(259)	--
	-----	-----	-----
Projected benefit obligation	(9,029)	(1,969)	(7,381)
Plan assets	6,693	2,510	5,001
	-----	-----	-----

Plan assets in excess of (less than)			
projected benefit obligations	(2,336)	541	(2,380)
Unrecognized actuarial net gain (losses)	1,905	(107)	1,865
Unrecognized prior service cost	51	99	35
Additional liability	(2,173)	--	(1,847)
	-----	-----	-----
Prepaid (accrued) pension cost included in consolidated balance sheet	\$ (2,553)	\$ 533	\$ (2,327)
	=====	=====	=====

</TABLE>

25

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Plan assets are invested primarily in pooled funds maintained by insurance companies. The projected benefit obligation was determined using an assumed discount rate of 7.0% for Fiscal 1997 and 7.5% for Fiscal 1996. The nature of the domestic pension plans is such that an estimate of future compensation increases is not required. The assumed long-term rate of return on plan assets was 9%. At December 28, 1997, the various plans held an aggregate of 11,410 shares of the Company's common stock.

The Company sponsors defined benefit post-retirement health and life insurance plans that cover certain retired and active employees. The Company expects to continue these benefits indefinitely, but reserves the right to amend or discontinue all or any part of the plans at any time.

In accordance with Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Post-retirement Benefits Other Than Pensions" ("FAS 106"), the cost of these benefits are recognized in the financial statements during the employees' active working lives. The Company's funding policy for these plans is on a pay-as-you-go basis.

The following sets forth the amounts recognized in the consolidated balance sheets for the Company's post-retirement benefit plans:

<TABLE>

<CAPTION>

	DECEMBER 28, 1997	DECEMBER 29, 1996
	-----	-----
	(AMOUNTS IN THOUSANDS)	
<S>	<C>	<C>
Accumulated post-retirement benefit obligation		
Fully eligible active employees	\$ 397	\$ 765
Retirees	1,445	1,035
Other active employees	483	649
	-----	-----
	2,325	2,449
Plan assets	-	-
Unrecognized net (gain) loss	301	137
	-----	-----
Accrued post-retirement benefit cost	\$2,626	\$2,586
	=====	=====

<CAPTION>

Post-retirement benefit expense consisted of the following:

	FISCAL 1997	FISCAL 1996	FISCAL 1995
	-----	-----	-----
	(AMOUNTS IN THOUSANDS)		
<S>	<C>	<C>	
Service cost (benefits attributed to employee services during the year)	\$ 30	\$ 51	\$ 43
Interest expense on the accumulated post-retirement benefit obligation	159	172	182
Amortization of gain	(22)	-	-
	----	----	----
Net periodic post-retirement benefit Expense	\$167	\$223	\$225
	=====	=====	=====

</TABLE>

The discount rates used in determining the accumulated post-retirement benefit obligation as of December 28, 1997 was 7.0% and as of December 29, 1996 was 7.5%. The Company subsidy is a defined dollar amount and will not increase in the future; therefore, no medical trend rate has been assumed and the results of the calculation of the plan liabilities will not be affected by future medical cost trends. The pay-as-you-go expenditures for post-retirement benefits were \$127,000, \$147,000, and \$484,000 for Fiscal 1997, Fiscal 1996 and Fiscal

1995, respectively.

In accordance with Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Post-employment Benefits" ("FAS 112"), the Company accrues benefits provided to former or inactive employees after employment but before retirement. The ongoing impact of FAS 112 does not have a material effect on earnings.

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(9) EMPLOYEE STOCK OWNERSHIP PLAN

On February 23, 1989, the Company's Board of Directors adopted the Ekco Group, Inc. Employees' Stock Ownership Plan (the "ESOP") for non-union United States employees of the Company and subsidiaries designated by the Company's Board of Directors as participants in the ESOP. The ESOP holds Company preferred and common stock.

SERIES B ESOP CONVERTIBLE PREFERRED STOCK

The Company sold 1.8 million shares of the Series B ESOP Convertible Preferred Stock at a price of \$3.61 per share to the ESOP trust in 1989. At December 28, 1997, approximately 1.3 million shares of the Company's common stock were reserved for conversion of Series B ESOP Convertible Preferred Stock.

An unearned ESOP compensation amount is reported as an offset to the Series B ESOP Convertible Preferred Stock amount in the consolidated balance sheets. The unearned compensation is being amortized as shares in the Series B ESOP Convertible Preferred Stock are allocated to employees. Shares are allocated ratably over the life of the ESOP Loan (as defined below) or, if less, the actual period of time over which the indebtedness is repaid. The allocation of shares is based upon a formula equal to a percentage of the Company's payroll costs. The percentage is determined by the Company's Board of Directors annually and may require principal prepayments. The Company's Board of Directors approved principal prepayments of \$511,000, \$522,000, and \$567,000 for Fiscal 1997, Fiscal 1996 and Fiscal 1995 to be paid in 1998, 1997 and 1996, respectively. For Fiscal 1997, Fiscal 1996 and Fiscal 1995, \$740,000, \$816,000, and \$652,000, respectively, has been charged to operations. The actual cash contributions, excluding the above mentioned prepayments, to the ESOP by the Company during Fiscal 1997, Fiscal 1996 and Fiscal 1995 were \$402,000, \$402,000, and \$302,000, respectively.

Upon retirement or termination from the Company, each employee has the option to either convert the vested Series B ESOP Convertible Preferred Stock into common stock of the Company or redeem the Series B ESOP Convertible Preferred Stock for cash at a price of \$3.61 per share. The change in the principal amount of the Series B ESOP Convertible Preferred Stock from year to year is solely due to redemptions and conversions by vested employees retiring or leaving the Company. The Series B ESOP Convertible Preferred Stock pays a dividend equal to any dividend on the Company's common stock.

Series B ESOP Convertible Preferred Stock, net, consisted of the following:

<TABLE>

<CAPTION>

	DECEMBER 28, 1997	DECEMBER 29, 1996
	-----	-----
	(AMOUNTS IN THOUSANDS)	
<S>	<C>	<C>
Series B ESOP Convertible Preferred Stock,		
par value \$.01	\$4,757	\$ 5,196
Unearned compensation	(358)	(1,098)
	-----	-----
	\$4,399	\$ 4,098
	=====	=====

</TABLE>

ESOP COMMON STOCK

In October 1990, the Company's Board of Directors authorized the Trustee of the ESOP to purchase up to 1.0 million shares of the Company's common stock. The Company financed the purchase through a 20-year 10% loan from the Company to the ESOP (the "ESOP Loan"). The ESOP has purchased, in open market transactions, a total of 1.0 million shares of the Company's common stock at a total cost of approximately \$3.3 million. Unearned compensation equal to such cost (included as a component of stockholders' equity) is being amortized as shares of the Company's common stock are allocated to employee accounts. Shares are allocated ratably over the life of the loan or, if less, the actual period of time over which the indebtedness is repaid, subject to a minimum

allocation of 50,000 shares each year. For each of Fiscal 1997, Fiscal 1996 and Fiscal 1995, 50,000 shares were allocated to employees' accounts. For each of Fiscal 1997, Fiscal 1996 and Fiscal 1995, \$165,000 has been charged to operations.

(10) MINORITY INTEREST

Minority interest consists of 5% cumulative preferred stock of Woodstream Corporation, \$50 par value (redeemable at Woodstream's option at \$52 per share). Dividends on the 5% cumulative preferred stock are included in interest expense.

(11) STOCKHOLDERS' EQUITY

PREFERRED STOCK, \$.01 PAR VALUE

On February 12, 1987, the Company's stockholders authorized a class of 20 million shares of preferred stock which may be divided and issued in one or more series having such relative rights and preferences as may be determined by the Company's Board of Directors.

PREFERRED STOCK RIGHTS

In 1987, the Board of Directors of the Company declared a dividend payable to stockholders of record as of April 9, 1987, of one preferred share purchase right ("Right") for each outstanding share of common stock. In 1988, 1989 and 1992, the Company's Board of Directors amended the preferred share purchase rights plan and in March 1997 amended and restated the plan. The amended and restated plan provides that each Right, when exercisable, will entitle the holder thereof until April 9, 2007, to purchase one one-hundredth of a share of Series A Junior Participating Preferred Stock, par value \$.01 per share, at an exercise price of \$30, subject to certain anti-dilution adjustments. The Rights will not be exercisable or transferable apart from shares of common stock until the earlier of (i) the day on which there is a public announcement that a person or group has acquired beneficial ownership of 15% or more of the outstanding shares of common stock (an "Acquiring Person") or (ii) the tenth business day after a person commences, or announces an intention to commence, a tender or exchange offer for 15% or more of the outstanding shares of common stock. The Rights are redeemable by the Company at \$.01 per Right at any time prior to the time that a person or group becomes an Acquiring Person. At any time after a person becomes an Acquiring Person, the Company's Board of Directors may exchange all or any part of the Rights for common shares at an exchange ratio of one common share per Right. This option is extinguished when any person becomes the beneficial owner of 50% or more of the common shares outstanding.

In the event that the Company is a party to a merger or other business combination transaction in which the Company is not the surviving entity, each Right will entitle the holder to purchase, at the exercise price of the Right, that number of shares of the common stock of the acquiring company which, at the time of such transaction, would have a market value of two times the exercise price of the Right. In addition, if a person or group becomes an Acquiring Person, each Right not owned by such person or group would become exercisable for the number of shares of common stock which, at that time, would have a market value of two times the exercise price of the Right.

COMMON STOCK, \$.01 PAR VALUE

Share information regarding Common Stock consisted of the following:

<TABLE>

<CAPTION>

	DECEMBER 28, 1997	DECEMBER 29, 1996
	-----	-----
<S>	<C>	<C>
Authorized shares	60,000,000	60,000,000
	=====	=====
Shares issued	28,481,788	27,996,648
Shares held in treasury	9,415,361	9,417,004
	-----	-----
Shares outstanding	19,066,427	18,579,644
	=====	=====

</TABLE>

TREASURY STOCK

During Fiscal 1995, the Company purchased approximately 205,000 shares of its common stock in open-market transactions at a cost of approximately \$1.2 million.

STOCK COMPENSATION PLANS

At December 28, 1997, the Company had five stock based compensation plans which are described below. The Company applies Accounting Principle Board Opinion No. 25 "Accounting for Stock Issued to Employees" ("APB 25") and related Interpretations in accounting for its employee stock compensation plans. Accordingly, no compensation has been recognized for its stock option plans and its employee stock purchase plan for options issued to employees. Compensation costs for its restricted stock purchase plans and 1996 Performance Unit Rights Award Plan are described below. Since the Company accounts for compensation plans under APB 25, certain pro forma information regarding net income and earnings per share is required by Statement of Financial Accounting Standards Board No. 123 "Accounting for Stock Based Compensation" ("FASB 123") as if the Company had accounted for its compensation plans under the fair value approach of this statement. For the purposes of the pro forma disclosures, the estimated fair value of the compensation plans is amortized to expense over the option vesting period. The Company's pro forma information is as follows:

<TABLE>

<CAPTION>

FISCAL 1997 FISCAL 1996 FISCAL 1995

(amounts in thousands except for per share data)

<S>		<C>	<C>	<C>
Net income (loss)	As reported	\$6,017	\$(34,174)	\$8,045
	Pro forma	\$4,961	\$(35,891)	\$7,869
Basic earnings (loss)				
per share	As reported	\$.32	\$ (1.85)	\$.44
	Pro forma	\$.26	\$ (1.94)	\$.43
Diluted earnings				
(loss) per share	As reported	\$.29	\$ (1.85)	\$.40
	Pro forma	\$.24	\$ (1.94)	\$.39

</TABLE>

The fair value of the Company's stock option plans and 1996 Performance Unit Rights Award Plan was estimated at the grant date using a Black-Scholes option pricing model. The estimated weighted average assumptions under that model for Fiscal 1997 were: volatility factor of the expected market price of the Company's stock of 0.40; zero future dividend yield and risk free interest rates of 5.64%, 5.66%, 5.71%, and 5.80%, based on one, two, three and six year strip yields of U.S. Treasury Securities at December 28, 1997. It was also assumed that the stock options have a weighted average expected life of six years and eleven months. The estimated weighted average assumptions under that model for Fiscal 1996 and Fiscal 1995 were: volatility factor of the expected market price of the Company's stock of 0.45; zero future dividend yield and risk free interest rates of 5.6%, 5.89%, 6.05% and 6.22%, based on one, two, three and six year strip yields of U.S. Treasury Securities at December 29, 1996. It was also assumed that the stock options had a weighted average expected life of five years and nine months and the Performance Unit Rights Awards had a weighted average expected life of two years and three months.

STOCK OPTION PLANS

At December 28, 1997, approximately 450,000 shares of the Company's stock were available for grants of options to employees, directors and consultants under the Company's stock option plans. Options granted under the plans are granted at prices not less than 100% of the fair market value (as defined) on the dates the options are granted. Accordingly, under APB 25 no compensation cost is recognized for options issued to employees. During Fiscal 1997 an option to purchase 15,000 shares of the Company's common stock was granted to a consultant for services rendered. Total compensation to be expensed over a five year period will be \$50,000. The pro forma net income impact under FASB 123 is \$1,029,000 for Fiscal 1997, \$1,183,000 for Fiscal

1996 and \$136,000 for Fiscal 1995. Options must be exercised within the period described by the respective stock option plan agreements, but not later than 10 years for certain options and 11 years for others.

A summary of the Company's stock option activity, and related information for Fiscal 1997 and 1996 follows:

<TABLE>
<CAPTION>

	FISCAL 1997		FISCAL 1996	
	SHARES	WEIGHTED AVERAGE OPTION PRICE PER SHARE	SHARES	WEIGHTED AVERAGE OPTION PRICE PER SHARE
<S>	<C>	<C>	<C>	<C>
(amounts in thousands except for per share information)				
Outstanding at beginning of year	2,809	\$5.04	2,551	\$6.36
Options granted	869	4.86	1,208	4.02
Options exercised	(308)	2.43	(25)	2.38
Options canceled	(119)	8.21	(925)	7.42
Options outstanding at end of year	3,251	5.12	2,809	5.04
Options exercisable at end of year	2,987	4.96	1,840	5.11
Weighted-average fair value of options granted during the year	\$ 2.46		\$ 2.02	

</TABLE>

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Exercise prices for options outstanding as of December 28, 1997 ranged from \$2.13 to \$11.31. The weighted-average remaining contractual life of those options is 6.9 years.

Changes in options and option shares under the plans during the respective fiscal years were as follows:

<TABLE>
<CAPTION>

	FISCAL 1997		FISCAL 1996		FISCAL 1995	
	OPTION PRICE PER SHARE	NUMBER OF SHARES	OPTION PRICE PER SHARE	NUMBER OF SHARES	OPTION PRICE PER SHARE	NUMBER OF SHARES
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Options outstanding, beginning of year	\$2.13-\$11.31	2,809,805	\$2.13-\$11.31	2,551,436	\$2.13-\$11.31	2,593,093
Options granted	\$4.13-\$ 8.19	868,977	\$3.38-\$ 5.94	1,207,792	\$6.06-\$ 6.56	340,895
Options exercised	\$2.13-\$ 6.31	(308,266)	\$2.25-\$ 2.63	(24,700)	\$2.19-\$ 3.38	(150,814)
Options canceled	\$5.94-\$11.31	(119,721)	\$3.69-\$11.31	(924,723)	\$2.63-\$11.31	(231,738)
Options outstanding, end of year	\$2.13-\$11.31	3,250,795	\$2.13-\$11.31	2,809,805	\$2.13-\$11.31	2,551,436
Options exercisable, end of year	\$2.13-\$11.31	2,986,657	\$2.13-\$11.31	1,840,305	\$2.13-\$11.31	2,047,779
Shares reserved for future grants		446,906		1,196,162		

</TABLE>

31

32

<TABLE>
<CAPTION>

OPTION PRICE AND MARKET VALUE AT DATE OF GRANT

	NUMBER OF SHARES	PER SHARE	AMOUNT
	-----	-----	-----
<S>	<C>	<C>	<C>
Options outstanding at December 28, 1997, which were granted during fiscal years:			
1987	150,000	\$ 3.69	\$ 553,125
1988	241,428	\$2.13-\$ 2.25	519,999
1989	31,373	\$ 3.19	100,001
1990	57,500	\$ 2.56	147,344
1991	32,600	\$ 2.63	85,575
1992	177,700	\$7.50-\$10.06	1,754,044
1993	245,740	\$7.44-\$11.31	2,659,574
1994	177,000	\$7.31-\$ 7.56	1,326,063
1995	167,044	\$6.06-\$ 6.50	1,059,659
1996	1,101,433	\$3.38-\$ 5.94	4,219,446
1997	868,977	\$4.13-\$ 8.19	4,220,485
	-----		-----
	3,250,795		\$16,645,315
	=====		=====

</TABLE>

Of the options outstanding at December 28, 1997, options to acquire 1,605,911 shares at a weighted average exercise price of \$5.10 per share became exercisable on the grant date. Under certain circumstances, a portion of the shares purchased pursuant to the exercise of such options are subject to repurchase by the Company within three years of the date of grant of the option at the option exercise price. At December 28, 1997, 324,201 of such shares were subject to such repurchase. Additionally, outstanding and exercisable at December 28, 1997 were options to acquire 900,000 shares at an exercise price of \$3.38 per share.

The remaining options outstanding at December 28, 1997, which cover the acquisition of 744,884 shares at a weighted average exercise price of \$7.27 per share, become exercisable in five equal annual installments beginning on the first anniversary of the date of grant.

RESTRICTED STOCK PURCHASE PLANS

Under the Company's restricted stock purchase plans, the Company may offer to sell shares of common stock to employees of the Company and its subsidiaries at a price per share of not less than par value (\$.01) and not more than 10% of market value on the date the offer is approved, and on such other terms as deemed appropriate. Shares are awarded in the name of the employee, who has all rights of a stockholder, subject to certain repurchase provisions. Restrictions on the disposition of shares for the shares purchased expire annually, over a period not to exceed five years, if certain performance targets are achieved, otherwise they lapse on the tenth anniversary. Common stock reserved for future grants under these plans aggregated approximately 700,000 shares at December 28, 1997. The following table summarizes the activity of the restricted stock purchase plans during the respective fiscal years (fair market value determined at date of purchase).

32

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<TABLE>
<CAPTION>

	FISCAL 1997		FISCAL 1996		FISCAL 1995	
	NUMBER OF SHARES	FAIR MARKET VALUE	NUMBER OF SHARES	FAIR MARKET VALUE	NUMBER OF SHARES	FAIR MARKET VALUE
	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
(AMOUNTS IN THOUSANDS)						
Unvested shares outstanding, beginning of year	132	\$827	257	\$ 1,660	51	\$ 312
Shares issued	3	19	40	232	288	1,824
Shares repurchased	-	-	(13)	(61)	(45)	(297)
Shares vested	(7)	(61)	(152)	(1,004)	(37)	(179)
	---	----	----	-----	---	-----
Unvested shares outstanding, end of year	128	\$785	132	\$ 827	257	\$1,660
	===	=====	=====	=====	===	=====

</TABLE>

The difference between the issue price and the fair market value of the shares at the date of issuance is accounted for as unearned compensation and amortized to expense over the lapsing of restrictions. During Fiscal 1997, Fiscal 1996 and Fiscal 1995, unearned compensation charged to operations was \$78,000, \$1.0 million (including a special charge of \$482,000 pursuant to a severance arrangement with the Company's former chief executive officer), and \$270,000, respectively. To the extent the amount deductible for income taxes exceeds the amount charged to operations for financial statement purposes, the related tax benefits are credited to additional paid-in-capital when realized. The pro forma net income impact under FASB 123 is not material.

EMPLOYEE STOCK PURCHASE PLAN

The Company has an employee stock purchase plan (the "Plan") that permits employees to purchase up to a maximum of 500 shares per quarter of the Company's common stock at a 15% discount from market value. During Fiscal 1997, Fiscal 1996 and Fiscal 1995, employees purchased 62,015 shares, 56,983 shares, and 72,844 shares, respectively, for a total of approximately \$248,000, \$255,000, and \$376,000, respectively. At December 28, 1997, approximately 1.0 million shares were reserved for future issuances under the Plan. Under APB 25, there have been no charges to income in connection with the Plan other than incidental expenses. The pro forma net income impact under FASB 123 is not material.

1996 PERFORMANCE UNIT RIGHTS AWARD PLAN

In September 1996, the Company's Board of Directors approved the 1996 Performance Unit Rights Award Plan whereby selected key employees and directors may receive performance unit rights ("Rights") which are rights to receive an amount based on the appreciated value of the Company's common stock over an established base price. The maximum number of Rights that may be granted under the plan as amended is 2,000,000. On December 4, 1996 the Company issued 525,718 Rights at a weighted average base price of \$4.26 per Right with a cap on the value of the common stock underlying the Rights on the exercise date of \$6.63 per Right under a severance arrangement with the Company's former CEO. A provision of \$256,000 for Fiscal 1996 was included in special charges for these Rights. The pro forma net income impact under FASB 123 for Fiscal 1996 was estimated to be \$507,000 in additional compensation expense. During Fiscal 1997 the Rights were fully exercised and a provision of \$783,000 was included in special charges.

INCOME TAX BENEFITS

Income tax benefits relating to stock option plans, restricted stock plans and employee stock purchase plan credited to additional paid-in-capital as realized in Fiscal 1997 and Fiscal 1995 were \$366,000 and \$74,000, respectively.

(12) EARNINGS (LOSS) PER COMMON SHARE

Basic earnings (loss) per common share is based upon the weighted average common stock outstanding during each period. Diluted earnings (loss) per common share is based upon the weighted average of common stock and dilutive common stock equivalent shares, including Series B ESOP Convertible Preferred Stock, outstanding during each period. The weighted average number of shares used in computation of diluted earnings per share consisted of the following for the periods presented:

<TABLE>

<CAPTION>

	FISCAL 1997 -----	FISCAL 1996 -----	FISCAL 1995 -----
	(AMOUNTS IN THOUSANDS)		
<S>	<C>	<C>	<C>
Weighted average shares of common stock outstanding during the year	18,907	18,489	18,354
Weighted average common equivalent shares due to stock options	558	anti- dilutive	426
Shares of common stock from conversion of convertible debt	--	--	2,095
Series B ESOP Convertible Preferred Stock	1,384	anti- dilutive	1,538
	-----	-----	-----
	20,849	18,489	22,413
	=====	=====	=====

</TABLE>

The income used in determining diluted earnings per share consisted of the following for the periods presented:

<TABLE>

<CAPTION>

	FISCAL 1997 -----	FISCAL 1996 -----	FISCAL 1995 -----
	(AMOUNTS IN THOUSANDS)		
<S>	<C>	<C>	<C>
Income (loss) from continuing operations used in calculating basic earnings per share	\$6,017	\$ (2,671)	\$ 9,962
Interest savings from conversion of convertible debt	--	--	1,541
Effect of deferred financing costs	--	--	107
Tax effect at 40%	--	--	(659)
	-----	-----	-----
Income (loss) from continuing operations used in calculating diluted earnings per share	\$6,017	\$ (2,671)	\$10,951
	=====	=====	=====

</TABLE>

(13) COMMITMENTS AND CONTINGENCIES

EMPLOYMENT CONTRACTS

The Company has employment agreements and arrangements with its executive officers and certain management personnel. The agreements generally continue until terminated by the executive or the Company, and provide for severance payments under certain circumstances. The majority of the agreements and arrangements provide the employees with certain additional rights after a Change of Control (as defined) of the Company occurs. A portion of the Company's obligations under certain agreements are secured by letters of credit. The agreements include a covenant against competition with the Company, which extends for a period of time after termination for any reason. As of December 28, 1997, if all of the employees under contract were to be terminated by the Company without good cause (as defined) under these contracts, the Company's liability would be approximately \$4.3 million (\$7.5 million following a Change of Control).

SEVERANCE POLICY

The Board of Directors of the Company has adopted a severance policy for all exempt employees of the Company. In the event of a Change of Control (as defined),

each exempt employee of the Company whose employment is terminated, whose duties or responsibilities are substantially diminished, or who is directed to relocate within 12 months after such Change of Control, will receive, in addition to all other severance benefits accorded to similarly situated employees, salary continuation benefits for a period of months determined by dividing his or her then yearly salary by \$10,000, limited to not more than 12 months. This policy does not apply to any exempt employee of the Company who is a party to a contractual commitment with the Company which provides him or her with greater than 12 months salary, severance payment or salary continuation upon his or her termination in the event of a Change of Control. This policy may be rescinded at any time by the Company's Board of Directors prior to a Change of Control.

LEASES

The Company leases offices, warehouse facilities, vehicles and equipment under operating and capital leases. The terms of certain leases provide for payment of minimum rent, real estate taxes, insurance and maintenance. Rents of approximately \$3.0 million, \$2.6 million and \$3.4 million, were charged to operations for Fiscal 1997, Fiscal 1996 and Fiscal 1995, respectively. The Company received rental income from properties held for sale in Fiscal 1996 and Fiscal 1995. Rental income included in selling, general and administrative expenses was approximately \$96,000, and \$154,000, for Fiscal 1996 and Fiscal 1995, respectively.

Minimum rental payments required under leases that had initial or remaining noncancellable lease terms in excess of one year as of December 28, 1997, were as follows (amounts in thousands):

<TABLE>

FISCAL YEAR	
<S>	<C>
1998	\$2,851
1999	2,312
2000	1,771

</TABLE>

LEGAL PROCEEDINGS

The Company is a party to several pending legal proceedings and claims. Although the outcome of such proceedings and claims cannot be determined with certainty, the Company's management, after consultation with outside legal counsel, is of the opinion that the expected final outcome should not have a material adverse effect on the Company's financial position, results of operations or liquidity.

ENVIRONMENTAL MATTERS

From time to time, the Company has had claims asserted against it by regulatory agencies or private parties for environmental matters relating to the generation or handling of hazardous substances by the Company or its predecessors and has incurred obligations for investigations or remedial actions with respect to certain of such matters. While the Company does not believe that any such claims asserted or obligations incurred to date will result in a material adverse effect upon the Company's financial position, results of operations or liquidity, the Company is aware that at its facilities at Massillon and Hamilton, Ohio; Easthampton, Massachusetts; Chicago, Illinois; Lititz, Pennsylvania and at the previously owned facility in Hudson, New Hampshire hazardous substances and oil have been detected and that additional investigation will be, and remedial action will or may be, required. Operations at these and other facilities currently or previously owned or leased by the Company utilize, or in the past have utilized, hazardous substances. There can be no assurance that activities at these or any other facilities owned or operated by the Company or future facilities may not result in additional environmental claims being asserted against the Company or additional investigations or remedial actions being required.

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In connection with the acquisition of Cleaning by the Company in 1993, the Company engaged environmental engineering consultants ("Consultants") to review potential environmental liabilities at all of Cleaning's properties. Such investigation and testing resulted in the identification of likely environmental remedial actions, operation, maintenance and ground water monitoring and the estimated costs thereof. Management, based upon the engineering studies, originally estimated the total remediation and ongoing ground water monitoring costs to be approximately \$6.0 million, including the effects of inflation, and accordingly at that time, recorded a liability of approximately \$3.8 million, representing the undiscounted costs of remediation and the net present value of future costs discounted at 6%. Based upon the most recent cost estimates provided by the Consultants, the Company believes the total remaining remediation and compliance costs will be approximately \$1.1 million and the expense for the ongoing operation, maintenance and ground water monitoring will be approximately \$20,500 for fiscal 1998 and for each of the thirty years thereafter. As of December 28, 1997, the liability recorded by the Company was approximately \$2.8 million. Although the current estimated costs of remediation are less than the liability recorded at December 28, 1997, the Company does not consider any further adjustment to be prudent at this time given the inherent uncertainties involved in completing the remediation processes. The Company expects to pay approximately \$145,000 of the remediation costs in fiscal 1998 with the balance being paid out in fiscal 1999. During Fiscal 1997, the Company paid approximately \$23,000 of such costs. The estimates may subsequently change should additional sites be identified or further remediation measures be required or undertaken or interpretation of current laws or regulations be modified. The Company has not anticipated any insurance proceeds or third-party payments in arriving at the above estimates.

CONCENTRATIONS OF CREDIT RISK

Financial instruments which subject the Company to concentrations of credit risk consist primarily of trade receivables. Mass merchandisers comprise a significant portion of the Company's customer base. The Company had trade receivables of approximately \$12.7 million and \$12.9 million from mass merchandisers at December 28, 1997 and December 29, 1996, respectively. Although the Company's exposure to credit risk associated with non-payment by mass merchandisers is affected by conditions or occurrences within the retail industry, trade receivables from mass merchandisers were current at December 28, 1997 and one mass merchandiser accounted for 13% of the Company's receivables at that date while no other retailer accounted for more than 10% of receivables.

(14) INDUSTRY AND GEOGRAPHIC AREA INFORMATION

The Company is a manufacturer and marketer of multiple categories of branded housewares products for everyday home use. The Company operates in one industry segment, with revenues derived from sales in four principal product categories: (i) bakeware, (ii) kitchenware, (iii) cleaning products, and (iv)

pest control and small animal care and control products. Sales and marketing operations outside the United States are conducted principally through subsidiaries in Canada and the United Kingdom and by direct sales. One customer accounted for net revenues from continuing operations of approximately \$35.9 million (13.3%), \$27.5 million (11.0%), and \$30.5 million (12.3%) for Fiscal 1997, Fiscal 1996 and Fiscal 1995, respectively.

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The following table shows information by geographic area from continuing operations:

<TABLE> <CAPTION>			
	UNAFFILIATED NET REVENUES	INCOME BEFORE INCOME TAXES	TOTAL ASSETS
	-----	-----	-----
	(AMOUNTS IN THOUSANDS)		
<S>	<C>	<C>	<C>
FISCAL 1997			

United States	\$254,040	\$13,842	\$293,398
Canada	13,679	(729)	9,348
United Kingdom	2,817	(711)	3,678
Eliminations	--	(138)	(5,619)
	-----	-----	-----
Consolidated	\$270,536	\$12,264	\$300,805
	=====	=====	=====
FISCAL 1996			

United States	\$236,901	\$ 6	\$288,259
Canada	12,969	(282)	9,104
Eliminations	--	(25)	(5,287)
	-----	-----	-----
Consolidated	\$249,870	\$ (301)	\$292,076
	=====	=====	=====
FISCAL 1995			

United States	\$235,642	\$20,512	\$298,579
Canada	11,362	(618)	7,742
Eliminations	--	(104)	(5,263)
	-----	-----	-----
Consolidated	\$247,004	\$19,790	\$301,058
	=====	=====	=====

</TABLE>

United States revenues include approximately \$12.1 million, \$10.9 million, and \$9.1 million of export sales to unaffiliated customers for Fiscal 1997, Fiscal 1996 and Fiscal 1995, respectively.

(15) SUPPLEMENTARY INFORMATION

The following amounts were charged to costs and expenses:

<TABLE> <CAPTION>			
	FISCAL 1997	FISCAL 1996	FISCAL 1995
	-----	-----	-----
	(AMOUNTS IN THOUSANDS)		
<S>	<C>	<C>	<C>
Advertising	\$6,784	\$6,971	\$5,751
	=====	=====	=====
Provision for doubtful accounts	\$ 183	\$ 130	\$ (290)
	=====	=====	=====
Amortization of excess of cost over fair value	\$3,631	\$3,636	\$3,636
	=====	=====	=====
Amortization of deferred finance costs	\$ 578	\$ 517	\$ 590
	=====	=====	=====
Other amortization			
Prepaid marketing costs	\$4,308	\$5,025	\$5,799
Unearned compensation	983	1,509	1,087
Favorable lease rights	73	73	73
	-----	-----	-----
	\$5,364	\$6,607	\$6,959
	=====	=====	=====

</TABLE>

37

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(16) QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The following table presents the unaudited quarterly results of operations for Fiscal 1997 and Fiscal 1996:

<TABLE>

<CAPTION>

	FIRST QUARTER -----	SECOND QUARTER -----	THIRD QUARTER -----	FOURTH QUARTER -----	TOTAL YEAR -----
	(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)				
<S>	<C>	<C>	<C>	<C>	<C>
FISCAL 1997					

CONTINUING OPERATIONS					
Net revenues	\$ 53,888	\$ 57,510	\$ 81,818	\$ 77,320	\$ 270,536
Gross profit	17,018	18,352	29,184	24,675	89,229
Special charges	(294)	(320)	(169)	--	(783)
Income (loss) before taxes	(1,950)	(578)	8,986	5,806	12,264
Income (loss)	(1,008)	(297)	4,536	2,786	6,017
Basic earnings (loss) per share	(.05)	(.02)	.24	.15	.32
Diluted earnings (loss) per share	(.05)	(.02)	.22	.13	.29
FISCAL 1996					

CONTINUING OPERATIONS					
Net revenues	\$ 51,090	\$ 50,606	\$ 73,116	\$ 75,058	\$ 249,870
Gross profit	15,639	16,033	27,273	26,420	85,365
Special charges	--	--	(2,000)	(7,877)	(9,877)
Income (loss) before taxes	(775)	(1,333)	5,065	(3,258)	(301)
Income (loss)	(31)	(329)	1,579	(3,890)	(2,671)
Basic earnings (loss) per share	--	(.02)	.09	(.21)	(.14)
Diluted earnings (loss) per share	--	(.02)	.08	(.21)	(.14)
DISCONTINUED OPERATIONS					
Net revenues	5,871	5,274	10,344	5,275	26,764
Gross profit	233	503	284	(1,014)	6
Special charges	--	--	(22,728)	--	(22,728)
Loss before taxes	(757)	(282)	(23,657)	(1,952)	(26,648)
(Loss)	(347)	(206)	(22,909)	(1,258)	(24,720)
Loss per share	(.02)	(.01)	(1.24)	(.07)	(1.34)
Loss on disposal net of taxes	--	--	--	(3,575)	(3,575)
Loss on disposal per share	--	--	--	(.19)	(.19)
EXTRAORDINARY CHARGE					
Charge before tax benefit	(5,347)	--	--	--	(5,347)
Net extraordinary charge per share	(3,208)	--	--	--	(3,208)
Extraordinary charge per share	(.18)	--	--	--	(.18)
NET LOSS	(3,586)	(535)	(21,330)	(8,723)	(34,174)
Basic net loss per share	(.19)	(.03)	(1.15)	(.47)	(1.85)
Diluted net loss per share	(.19)	(.03)	(1.05)	(.47)	(1.85)

</TABLE>

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(17) SPECIAL CHARGES

The special charge for Fiscal 1997 relates to the exercise of stock appreciation rights granted to the Company's former chief executive officer ("CEO") pursuant to a December 1996 severance arrangement.

The special charges in Fiscal 1996 consisted of the following (amounts in thousands):

<TABLE>

<S>

<C>

Writedown of the carrying value of

certain real property to fair market value	\$2,000
Severance arrangement of the Company's former CEO	2,956
Consolidation of the Company's cleaning products manufacturing activities	4,921

	\$9,877
	=====

</TABLE>

The components of the pre-tax charge set out above for consolidation of the Company's cleaning products manufacturing activities are as follows (amounts in thousands):

<TABLE>		<C>
<S>		
Severance and other personnel related costs	\$1,806	
Write-off of equipment	499	
Write-down of real property to fair market value	2,424	
Other	192	

	\$4,921	
	=====	

</TABLE>

(18) FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash, accounts receivable, accounts payable, and accrued expenses approximate fair value because of the short maturity of these items.

The carrying amount of the debt issued pursuant to the Company's bank credit agreement approximates fair value because the interest rates change with market interest rates.

The Senior Notes are not actively traded and there was no quoted market price at December 28, 1997. The estimated per note market price is \$103.50 resulting in an aggregate fair value of \$129.4 million at December 28, 1997.

There are no quoted market prices for the Series B ESOP Preferred Stock. Each share of Series B ESOP Preferred Stock is redeemable at a price of \$3.61 per share or convertible into one share of the Company's common stock. Assuming all shares were allocated and all employees were fully vested, the redemption value of the ESOP Preferred Stock would be \$4.7 million. Given these same assumptions the shares could be converted into common stock having a market value of \$9.5 million at December 28, 1997.

These fair value estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

(19) SUBSEQUENT EVENT

On January 16, 1998, the Company completed the acquisition (the "Acquisition") of all of the outstanding equity securities of APP Holding Corporation ("APP"), the parent corporation and sole stockholder of Aspen Pet Products, Inc. ("Aspen"), a marketer of dog and cat supplies and accessories as well as other pet products. Pursuant to the Stock Purchase and Sale Agreement, the Company paid approximately \$24.5 million in cash and refinanced APP's outstanding bank debt of approximately \$9.1 million. In addition, if Aspen achieves certain predetermined financial results during the five fiscal years ending December 31, 1998, 1999, 2000, 2001, and 2002, the Company will make additional annual payments to certain former APP stockholders equal, in the aggregate, to 25% of the amount by which Aspen's Gross Profit (as defined) of each such year exceeds the Base Profit Amount (as defined). The Acquisition will be accounted for under the purchase method of accounting and goodwill of approximately \$24 million will be amortized over 40 years. At December 29, 1997, APP's total assets were \$21 million and total liabilities were \$12 million.

For the year ended December 31, 1997, APP had net sales of approximately \$30 million and operating income of approximately \$3 million.

REPORT OF INDEPENDENT AUDITORS

Board of Directors and Stockholders
Ekco Group, Inc.

We have audited the accompanying consolidated balance sheets of Ekco Group, Inc. and subsidiaries as of December 28, 1997 and December 29, 1996, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the fiscal years in the three-year period ended December 28, 1997. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ekco Group, Inc. and subsidiaries as of December 28, 1997 and December 29, 1996, and the results of their operations and their cash flows for each of the fiscal years in the three-year period ended December 28, 1997, in conformity with generally accepted accounting principles.

Boston, Massachusetts
January 29, 1998

/s/ KPMG PEAT MARWICK
LLP

SUBSIDIARIES OF EKCO GROUP, INC.

The following are the subsidiaries of the registrant, all of which are wholly-owned except for Woodstream Corporation, which is majority-owned:

Subsidiary Name -----	Jurisdiction of Incorporation -----
OPERATING SUBSIDIARIES	
Aspen Pet Products, Inc.	Delaware
B. VIA International Housewares, Inc.	Delaware
Cleaning Specialty Co.	Tennessee
EKCO Canada Inc.	Ontario, Canada
EKCO Cleaning, Inc.	Massachusetts
EKCO Distribution of Illinois, Inc.	Delaware
EKCO International Housewares Limited	United Kingdom
EKCO International, Inc.	Delaware
EKCO Housewares, Inc.	Delaware
EKCO Manufacturing of Ohio, Inc.	Delaware
Woodstream Corporation	Pennsylvania
Wright-Bernet, Inc.	Ohio

INACTIVE SUBSIDIARIES

APP Holding Corporation	Delaware
Delhi Manufacturing Corporation	Delaware
EKCO Capital Enterprises, Inc.	Delaware

EKCO Wood Products Co.

Delaware

Fenwick

California

FPI, Inc.

Washington

Trappe of Aspen, Inc.

Pennsylvania

CONSENT OF INDEPENDENT AUDITORS

Board of Directors and Stockholders
Ekco Group, Inc.

We consent to incorporation by reference in the Registration Statement on Form S-8 (File No. 33-42785) pertaining to the 1984 and 1985 Restricted Stock Purchase Plans of Ekco Group, Inc., in the Registration Statement on Form S-8 (File No. 33-50800) pertaining to the 1984 Employee Stock Purchase Plan of Ekco Group, Inc., in the Registration Statement on Form S-8 (File No. 33-50802) pertaining to the 1987 Stock Option Plan of Ekco Group, Inc., in the Registration Statement on Form S-8 (File No. 33-29448) pertaining to the 1988 Directors' Stock Option Plan of Ekco Group, Inc., and in the Registration Statement on Form S-3 (File No. 33-58319) pertaining to the Dividend Reinvestment and Stock Purchase Plan of Ekco Group, Inc., of our report dated January 29, 1998 relating to the consolidated balance sheets of Ekco Group, Inc. and subsidiaries as of December 28, 1997 and December 29, 1996, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the fiscal years in the three-year period ended December 28, 1997, which report is included in the December 28, 1997 Annual Report on Form 10-K of Ekco Group, Inc.

/s/ KPMG Peat Marwick LLP

Boston, Massachusetts
March 19, 1997

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