STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP EARNINGS FINANCIAL MEASURES TO CORRESPONDING NON-GAAP FINANCIAL MEASURES
(Unaudited, Millions of Dollars Except Per Share Amounts)

	YEAR TO DATE 2011		
	Reported	Merger & Acquisition-Related Charges[1]	Normalized[2]
Gross margin	$ 3,793.5	$ 36.8	$ 3,830.3
% to Net Sales	36.6%		36.9%
Selling, general and administrative	2,551.9	(99.2)	2,452.7
% to Net Sales	24.6%		23.6%
Operating margin	1,241.6	136.0	1,377.6
% to Net Sales	12.0%		13.3%
Earnings from continuing operations before income taxes	779.8	255.9	1,035.7
Income taxes on continuing operations	88.6	56.3	144.9
Net earnings from continuing operations	691.3	199.6	890.9
Diluted earnings per share of common stock	$ 4.06	$ 1.18	$ 5.24

[1] Merger and acquisition-related charges relate primarily to the Black & Decker merger and Niscayah acquisition, including facility closure-related charges, employee-related charges and integration costs.

	YEAR TO DATE 2010		
	Reported	Merger & Acquisition-Related Charges[3]	Normalized[2]
Gross margin	$ 2,934.8	$ 195.4	$ 3,130.2
% to Net Sales	35.2%		37.5%
Selling, general and administrative	2,153.4	(82.4)	2,071.0
% to Net Sales	25.8%		24.8%
Operating margin	781.4	277.8	1,059.2
% to Net Sales	9.4%		12.7%
Earnings from continuing operations before income taxes	239.8	538.4	778.2
Income taxes on continuing operations	37.7	117.3	155.0
Net earnings from continuing operations	202.1	421.1	623.2
Diluted earnings per share of common stock	$ 1.35	$ 2.80	$ 4.15

[2] The normalized 2011 and 2010 information, as reconciled to GAAP above, is considered relevant to aid analysis of the company's margin and earnings results aside from the material impact of the merger & acquisition-related charges.

[3] Merger and acquisition-related charges relate primarily to the Black & Decker merger, including inventory step-up, certain executive compensation and severance costs associated with the change in control, transaction and integration costs.

STANLEY BLACK & DECKER INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP CASH FLOW FINANCIAL MEASURES TO CORRESPONDING NON-GAAP FINANCIAL MEASURES
(Unaudited, Millions of Dollars)

	YEAR TO DATE 2011		
	Reported	Merger & Acquisition-Related Charges and Payments[1]	Normalized[2]
Net cash provided by operating activities	998.9	218.4	1,217.3
Free Cash Flow Computation[3]			
Operating Cash Inflow	$ 998.9		$ 1,217.3
Less: capital and software expenditures	(302.1)	88.6	(213.5)
Free Cash Inflow (before dividends)	$ 696.8		$ 1,003.8

[1] Merger and acquisition-related charges relate primarily to the Black & Decker merger and Niscayah acquisition, including facility closure-related charges, employee-related charges and integration costs.

	YEAR TO DATE 2010		
	Reported	Merger & Acquisition-Related Charges and Payments[4]	Normalized[2]
Net cash provided by operating activities	739.3	381.6	1,120.9
Free Cash Flow Computation[3]			
Operating Cash Inflow	$ 739.3		$ 1,120.9
Less: capital and software expenditures	(185.5)	-	(185.5)
Free Cash Inflow (before dividends)	$ 553.8		$ 935.4

[2, 3] Free cash flow is defined as cash flow from operations less capital and software expenditures. Management considers free cash flow an important measure of its liquidity, as well as its ability to fund future growth and to provide a return to the shareowners. Free cash flow does not include deductions for mandatory debt service, other borrowing activity, discretionary dividends on the Company's common stock and business acquisitions, among other items. Normalized cash flow and free cash flow, as reconciled above, are considered meaningful pro forma metrics to aid the understanding of the company's cash flow performance aside from the material impact of merger and acquisition related activities.

[4] Merger and acquisition-related charges relate primarily to the Black & Decker merger, including inventory step-up, certain executive compensation and severance costs associated with the change in control, transaction and integration costs.

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP SEGMENT PROFIT FINANCIAL MEASURES TO CORRESPONDING NON-GAAP FINANCIAL MEASURES
(Unaudited, Millions of Dollars)

	YEAR TO DATE 2011		
	Reported	**Merger & Acquisition-Related Charges[1]**	**Normalized[2]**
SEGMENT PROFIT			
Construction & DIY	$ 681.6	$ 19.8	$ 701.4
Security	399.0	31.6	430.6
Industrial	406.3	9.4	415.7
Segment Profit	1,486.9	60.8	1,547.7
Corporate Overhead	(245.3)	75.2	(170.1)
Total	$ 1,241.6	$ 136.0	$ 1,377.6
Segment Profit as a Percentage of Net Sales			
Construction & DIY	13.0%		13.4%
Security	15.1%		16.3%
Industrial	16.2%		16.6%
Segment Profit	14.3%		14.9%
Corporate Overhead	(2.3%)		(1.6%)
Total	12.0%		13.3%

[1] Merger and acquisition-related charges relate primarily to the Black & Decker merger and Niscayah acquisition, including facility closure-related charges, employee-related charges and integration costs.

	YEAR TO DATE 2010		
	Reported	**Merger & Acquisition-Related Charges[3]**	**Normalized[2]**
SEGMENT PROFIT			
Construction & DIY	$ 458.6	$ 126.6	$ 585.2
Security	308.5	43.2	351.7
Industrial	259.0	26.6	285.6
Segment Profit	1,026.1	196.4	1,222.5
Corporate Overhead	(244.7)	81.4	(163.3)
Total	$ 781.4	$ 277.8	$ 1,059.2
Segment Profit as a Percentage of Net Sales			
Construction & DIY	10.5%		13.4%
Security	14.8%		16.9%
Industrial	13.7%		15.1%
Segment Profit	12.3%		14.7%
Corporate Overhead	(2.9%)		(2.0%)
Total	9.4%		12.7%

[2] The normalized 2011 and 2010 business segment information, as reconciled to GAAP above, is considered relevant to aid analysis of the company's segment profit results aside from the material impact of the merger & acquisition-related charges.

[3] Merger and acquisition-related charges relate primarily to the Black & Decker merger, including inventory step-up, certain executive compensation and severance costs associated with the change in control, transaction and integration costs.