

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, Millions of Dollars Except Per Share Amounts)

	<u>SECOND QUARTER</u>		<u>YEAR TO DATE</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<i>NET SALES</i>	\$ 2,869.3	\$ 2,567.0	\$ 5,356.5	\$ 4,993.1
<i>COSTS AND EXPENSES</i>				
Cost of sales	1,861.8	1,636.7	3,438.1	3,150.8
Gross margin	1,007.5	930.3	1,918.4	1,842.3
% of Net Sales	35.1%	36.2%	35.8%	36.9%
Selling, general and administrative	682.3	626.2	1,352.2	1,263.5
% of Net sales	23.8%	24.4%	25.2%	25.3%
Operating margin	325.2	304.1	566.2	578.8
% of Net sales	11.3%	11.8%	10.6%	11.6%
Other - net	71.7	82.5	142.7	150.4
Restructuring (credits) charges	(30.7)	24.4	12.2	64.4
Income from operations	284.2	197.2	411.3	364.0
Interest - net	36.4	32.4	73.1	63.8
<i>EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</i>	247.8	164.8	338.2	300.2
Income taxes on continuing operations	53.2	38.6	62.0	68.4
<i>NET EARNINGS FROM CONTINUING OPERATIONS</i>	194.6	126.2	276.2	231.8
Less: net loss attributable to non-controlling interests	(0.3)	(0.3)	(0.7)	(1.0)
<i>NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO COMMON SHAREOWNERS</i>	194.9	126.5	276.9	232.8
<i>NET (LOSS) EARNINGS FROM DISCONTINUED OPERATIONS</i>	(7.8)	28.3	(8.7)	43.8
<i>NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS</i>	<u>\$ 187.1</u>	<u>\$ 154.8</u>	<u>\$ 268.2</u>	<u>\$ 276.6</u>
<i>BASIC EARNINGS (LOSS) PER SHARE OF COMMON STOCK</i>				
Continuing operations	\$ 1.26	\$ 0.77	\$ 1.78	\$ 1.42
Discontinued operations	(0.05)	0.17	(0.06)	0.27
Total basic earnings per share of common stock	<u>\$ 1.21</u>	<u>\$ 0.94</u>	<u>\$ 1.73</u>	<u>\$ 1.68</u>
<i>DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK</i>				
Continuing operations	\$ 1.23	\$ 0.75	\$ 1.75	\$ 1.38
Discontinued operations	(0.05)	0.17	(0.05)	0.26
Total diluted earnings per share of common stock	<u>\$ 1.18</u>	<u>\$ 0.92</u>	<u>\$ 1.69</u>	<u>\$ 1.64</u>
<i>DIVIDENDS PER SHARE</i>	<u>\$ 0.49</u>	<u>\$ 0.41</u>	<u>\$ 0.98</u>	<u>\$ 0.82</u>
<i>AVERAGE SHARES OUTSTANDING (in thousands)</i>				
Basic	<u>155,064</u>	<u>164,082</u>	<u>155,137</u>	<u>164,162</u>
Diluted	<u>158,351</u>	<u>167,921</u>	<u>158,483</u>	<u>168,158</u>

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited, Millions of Dollars)

	<u>June 29,</u> <u>2013</u>	<u>December 29,</u> <u>2012</u>
ASSETS		
Cash and cash equivalents	\$ 561.7	\$ 716.0
Accounts and notes receivable, net	1,794.3	1,537.6
Inventories, net	1,475.8	1,316.0
Assets held for sale	-	135.2
Other current assets	425.1	394.1
<i>Total current assets</i>	4,256.9	4,098.9
Property, plant and equipment, net	1,398.0	1,333.6
Goodwill and other intangibles, net	10,613.3	9,955.5
Other assets	434.7	456.0
<i>Total assets</i>	\$ 16,702.9	\$ 15,844.0
 LIABILITIES AND SHAREOWNERS' EQUITY		
Short-term borrowings	\$ 1,289.5	\$ 11.5
Accounts payable	1,558.7	1,349.7
Accrued expenses	1,083.5	1,681.5
Liabilities held for sale	-	30.9
<i>Total current liabilities</i>	3,931.7	3,073.6
Long-term debt	3,428.9	3,526.5
Other long-term liabilities	2,587.8	2,516.8
Stanley Black & Decker, Inc. shareowners' equity	6,675.9	6,667.1
Non-controlling interests' equity	78.6	60.0
<i>Total liabilities and equity</i>	\$ 16,702.9	\$ 15,844.0

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
SUMMARY OF CASH FLOW ACTIVITY
(Unaudited, Millions of Dollars)

	SECOND QUARTER		YEAR TO DATE	
	2013	2012	2013	2012
OPERATING ACTIVITIES				
Net earnings from continuing operations	\$ 194.6	\$ 126.2	\$ 276.2	\$ 231.8
Net (loss) earnings from discontinued operations	(7.8)	28.3	(8.7)	43.8
Depreciation and amortization	108.1	109.0	213.9	224.8
Changes in working capital ¹	67.6	40.2	(127.4)	(112.0)
Other	(178.3)	(4.5)	(317.3)	(121.5)
<i>Net cash provided by operating activities</i>	184.2	299.2	36.7	266.9
INVESTING AND FINANCING ACTIVITIES				
Capital and software expenditures	(88.4)	(109.0)	(167.9)	(170.5)
Proceeds from sale of business / assets	94.5	4.4	95.5	6.3
Acquisitions, net of cash acquired	(56.0)	(474.0)	(909.9)	(588.7)
Proceeds from issuances of common stock	23.2	10.9	106.4	75.5
Net short-term (repayments) borrowings	(60.1)	592.1	1,270.4	788.9
Cash dividends on common stock	(78.4)	(68.9)	(157.5)	(138.8)
Payments on long-term debt	(0.5)	(320.8)	(1.1)	(321.1)
Purchases of common stock for treasury	(3.7)	(206.9)	(24.8)	(217.8)
Payment on forward stock purchase contract	-	-	(350.0)	-
Other	(10.6)	(32.8)	(52.1)	(29.8)
<i>Net cash used in investing and financing activities</i>	(180.0)	(605.0)	(191.0)	(596.0)
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	4.2	(305.8)	(154.3)	(329.1)
<i>Cash and Cash Equivalents, Beginning of Period</i>	557.5	883.6	716.0	906.9
<i>Cash and Cash Equivalents, End of Period</i>	\$ 561.7	\$ 577.8	\$ 561.7	\$ 577.8

¹ The change in working capital is comprised of accounts receivable, inventory, accounts payable and deferred revenue.

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
BUSINESS SEGMENT INFORMATION
(Unaudited, Millions of Dollars)

	SECOND QUARTER		YEAR TO DATE	
	2013	2012	2013	2012
NET SALES				
Construction & DIY	\$ 1,445.8	\$ 1,331.3	\$ 2,638.2	\$ 2,503.3
Industrial	812.8	634.7	1,508.2	1,296.7
Security	610.7	601.0	1,210.1	1,193.1
<i>Total</i>	\$ 2,869.3	\$ 2,567.0	\$ 5,356.5	\$ 4,993.1
SEGMENT PROFIT				
Construction & DIY	\$ 215.7	\$ 196.9	\$ 384.9	\$ 345.3
Industrial	111.1	93.6	196.6	216.5
Security	52.1	70.1	107.4	139.9
<i>Segment Profit</i>	378.9	360.6	688.9	701.7
Corporate Overhead	(53.7)	(56.5)	(122.7)	(122.9)
<i>Total</i>	\$ 325.2	\$ 304.1	\$ 566.2	\$ 578.8
Segment Profit as a Percentage of Net Sales				
Construction & DIY	14.9%	14.8%	14.6%	13.8%
Industrial	13.7%	14.7%	13.0%	16.7%
Security	8.5%	11.7%	8.9%	11.7%
<i>Segment Profit</i>	13.2%	14.0%	12.9%	14.1%
Corporate Overhead	(1.9%)	(2.2%)	(2.3%)	(2.5%)
<i>Total</i>	11.3%	11.8%	10.6%	11.6%

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)

	SECOND QUARTER 2013		
	Reported	Merger & Acquisition-Related and Other Charges¹	Normalized³
Gross margin	\$ 1,007.5	\$ 7.9	\$ 1,015.4
<i>% of Net Sales</i>	<i>35.1%</i>		<i>35.4%</i>
Selling, general and administrative	682.3	(24.1)	658.2
<i>% of Net Sales</i>	<i>23.8%</i>		<i>22.9%</i>
Operating margin	325.2	32.0	357.2
<i>% of Net Sales</i>	<i>11.3%</i>		<i>12.4%</i>
Earnings from continuing operations before income taxes	247.8	5.3	253.1
Income taxes on continuing operations	53.2	9.1	62.3
Net earnings from continuing operations	194.9	(3.8)	191.1
Diluted earnings per share of common stock	\$ 1.23	\$ (0.02)	\$ 1.21

¹ Merger and acquisition-related and other charges relate primarily to the Black & Decker merger and Niscayah and Infastech acquisitions, including facility closure-related charges, employee-related charges and integration costs, as well as a restructuring reversal due to the termination of a previously approved restructuring action.

	SECOND QUARTER 2012		
	Reported	Merger & Acquisition-Related Charges²	Normalized³
Gross margin	\$ 930.3	\$ 4.3	\$ 934.6
<i>% of Net Sales</i>	<i>36.2%</i>		<i>36.4%</i>
Selling, general and administrative	626.2	(33.6)	592.6
<i>% of Net Sales</i>	<i>24.4%</i>		<i>23.1%</i>
Operating margin	304.1	37.9	342.0
<i>% of Net Sales</i>	<i>11.8%</i>		<i>13.3%</i>
Earnings from continuing operations before income taxes	164.8	73.9	238.7
Income taxes on continuing operations	38.6	11.3	49.9
Net earnings from continuing operations	126.5	62.8	189.3
Diluted earnings per share of common stock	\$ 0.75	\$ 0.37	\$ 1.13

² 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.

³ The normalized 2013 and 2012 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 and other charges.

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 2013		
	Reported	Merger & Acquisition-Related and Other Charges¹	Normalized³
Gross margin <i>% of Net Sales</i>	\$ 1,918.4 35.8%	\$ 21.2	\$ 1,939.6 36.2%
Selling, general and administrative <i>% of Net Sales</i>	1,352.2 25.2%	(58.4)	1,293.8 24.2%
Operating margin <i>% of Net Sales</i>	566.2 10.6%	79.6	645.8 12.1%
Earnings from continuing operations before income taxes	338.2	111.4	449.6
Income taxes on continuing operations	62.0	34.1	96.1
Net earnings from continuing operations	276.9	77.3	354.2
Diluted earnings per share of common stock	\$ 1.75	\$ 0.49	\$ 2.24

¹ Merger and acquisition-related and other charges relate primarily to the Black & Decker merger and Niscayah and Infastech acquisitions, including facility closure-related charges, employee-related charges and integration costs, as well as a restructuring reversal due to the termination of a previously approved restructuring action.

	YEAR TO DATE 2012		
	Reported	Merger & Acquisition-Related Charges²	Normalized³
Gross margin <i>% of Net Sales</i>	\$ 1,842.3 36.9%	\$ 6.6	\$ 1,848.9 37.0%
Selling, general and administrative <i>% of Net Sales</i>	1,263.5 25.3%	(61.0)	1,202.5 24.1%
Operating margin <i>% of Net Sales</i>	578.8 11.6%	67.6	646.4 12.9%
Earnings from continuing operations before income taxes	300.2	153.7	453.9
Income taxes on continuing operations	68.4	32.0	100.4
Net earnings from continuing operations	232.8	121.7	354.5
Diluted earnings per share of common stock	\$ 1.38	\$ 0.73	\$ 2.11

² 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.

³ The normalized 2013 and 2012 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 and other charges.

STANLEY BLACK & DECKER INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP CASH FLOW FINANCIAL MEASURES TO CORRESPONDING
NON-GAAP FINANCIAL MEASURES

(Unaudited, Millions of Dollars)

	SECOND QUARTER 2013		
		Merger & Acquisition- Related Charges and Payments¹	
	Reported		Normalized⁴
<u>Free Cash Flow Computation³</u>			
Net cash provided by operating activities	\$ 184.2	87.5	\$ 271.7
Less: capital and software expenditures	(88.4)	34.6	(53.8)
Free Cash Inflow (before dividends)	\$ 95.8		\$ 217.9

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

	SECOND QUARTER 2012		
		Merger & Acquisition- Related Charges and Payments²	
	Reported		Normalized⁴
<u>Free Cash Flow Computation³</u>			
Net cash provided by operating activities	\$ 299.2	67.2	\$ 366.4
Less: capital and software expenditures	(109.0)	45.2	(63.8)
Free Cash Inflow (before dividends)	\$ 190.2		\$ 302.6

² Merger and acquisition-related charges and payments relate primarily to the Black & Decker merger and Niscayah acquisition, including facility closure-related charges, employee-related charges and integration costs.

^{3,4} 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.

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 2013		
		Merger & Acquisition- Related Charges and Payments¹	
	Reported		Normalized⁴
<u>Free Cash Flow Computation³</u>			
Net cash provided by operating activities	\$ 36.7	170.9	\$ 207.6
Less: capital and software expenditures	(167.9)	45.7	(122.2)
Free Cash (Outflow) Inflow (before dividends)	\$ (131.2)		\$ 85.4

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

	YEAR TO DATE 2012		
		Merger & Acquisition- Related Charges and Payments²	
	Reported		Normalized⁴
<u>Free Cash Flow Computation³</u>			
Net cash provided by operating activities	\$ 266.9	128.7	\$ 395.6
Less: capital and software expenditures	(170.5)	68.8	(101.7)
Free Cash Inflow (before dividends)	\$ 96.4		\$ 293.9

² Merger and acquisition-related charges and payments relate primarily to the Black & Decker merger and Niscayah acquisition, including facility closure-related charges, employee-related charges and integration costs.

^{3,4} 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.

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

SECOND QUARTER 2013			
	Reported	Merger & Acquisition- Related Charges ¹	Normalized ³
SEGMENT PROFIT			
Construction & DIY	\$ 215.7	\$ 2.9	\$ 218.6
Industrial	111.1	6.1	117.2
Security	52.1	8.8	60.9
Segment Profit	378.9	17.8	396.7
Corporate Overhead	(53.7)	14.2	(39.5)
Total	\$ 325.2	\$ 32.0	\$ 357.2
 <i>Segment Profit as a Percentage of Net Sales</i>			
Construction & DIY	14.9%		15.1%
Industrial	13.7%		14.4%
Security	8.5%		10.0%
Segment Profit	13.2%		13.8%
Corporate Overhead	(1.9%)		(1.4%)
Total	11.3%		12.4%

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

SECOND QUARTER 2012			
	Reported	Merger & Acquisition- Related Charges ²	Normalized ³
SEGMENT PROFIT			
Construction & DIY	\$ 196.9	\$ 10.5	\$ 207.4
Industrial	93.6	1.0	94.6
Security	70.1	8.7	78.8
Segment Profit	360.6	20.2	380.8
Corporate Overhead	(56.5)	17.7	(38.8)
Total	\$ 304.1	\$ 37.9	\$ 342.0
 <i>Segment Profit as a Percentage of Net Sales</i>			
Construction & DIY	14.8%		15.6%
Industrial	14.7%		14.9%
Security	11.7%		13.1%
Segment Profit	14.0%		14.8%
Corporate Overhead	(2.2%)		(1.5%)
Total	11.8%		13.3%

² 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.

³ The normalized 2013 and 2012 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 and acquisition-related charges.

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 2013			
	Reported	Merger & Acquisition- Related Charges ¹	Normalized ³
SEGMENT PROFIT			
Construction & DIY	\$ 384.9	\$ 6.2	\$ 391.1
Industrial	196.6	18.5	215.1
Security	107.4	15.2	122.6
Segment Profit	688.9	39.9	728.8
Corporate Overhead	(122.7)	39.7	(83.0)
Total	\$ 566.2	\$ 79.6	\$ 645.8
 <i>Segment Profit as a Percentage of Net Sales</i>			
Construction & DIY	14.6%		14.8%
Industrial	13.0%		14.3%
Security	8.9%		10.1%
Segment Profit	12.9%		13.6%
Corporate Overhead	(2.3%)		(1.5%)
Total	10.6%		12.1%

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

YEAR TO DATE 2012			
	Reported	Merger & Acquisition- Related Charges ²	Normalized ³
SEGMENT PROFIT			
Construction & DIY	\$ 345.3	\$ 13.8	\$ 359.1
Industrial	216.5	3.0	219.5
Security	139.9	15.6	155.5
Segment Profit	701.7	32.4	734.1
Corporate Overhead	(122.9)	35.2	(87.7)
Total	\$ 578.8	\$ 67.6	\$ 646.4
 <i>Segment Profit as a Percentage of Net Sales</i>			
Construction & DIY	13.8%		14.3%
Industrial	16.7%		16.9%
Security	11.7%		13.0%
Segment Profit	14.1%		14.7%
Corporate Overhead	(2.5%)		(1.8%)
Total	11.6%		12.9%

² 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.

³ The normalized 2013 and 2012 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 and acquisition-related charges.