

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

	SECOND QUARTER		YEAR TO DATE	
	2014	2013	2014	2013
<i>NET SALES</i>	\$ 2,885.5	\$ 2,858.2	\$ 5,525.0	\$ 5,333.4
<i>COSTS AND EXPENSES</i>				
Cost of sales	1,832.2	1,852.5	3,511.5	3,419.2
Gross margin	1,053.3	1,005.7	2,013.5	1,914.2
<i>% of Net Sales</i>	36.5%	35.2%	36.4%	35.9%
Selling, general and administrative	662.9	677.2	1,310.6	1,341.9
<i>% of Net Sales</i>	23.0%	23.7%	23.7%	25.2%
Operating margin	390.4	328.5	702.9	572.3
<i>% of Net Sales</i>	13.5%	11.5%	12.7%	10.7%
Other - net	58.7	71.4	120.2	142.3
Restructuring (credits) charges	(1.7)	(30.9)	(5.4)	12.0
<i>Income from operations</i>	333.4	288.0	588.1	418.0
Interest - net	40.3	36.3	81.2	73.0
<i>EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</i>	293.1	251.7	506.9	345.0
Income taxes on continuing operations	73.7	54.4	120.5	63.1
<i>NET EARNINGS FROM CONTINUING OPERATIONS</i>	219.4	197.3	386.4	281.9
Less: net earnings (loss) attributable to non-controlling interests	0.9	(0.3)	1.1	(0.7)
<i>NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO COMMON SHAREOWNERS</i>	218.5	197.6	385.3	282.6
<i>NET LOSS FROM DISCONTINUED OPERATIONS</i>	(2.0)	(10.5)	(6.9)	(14.4)
<i>NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS</i>	\$ 216.5	\$ 187.1	\$ 378.4	\$ 268.2
<i>BASIC EARNINGS (LOSS) PER SHARE OF COMMON STOCK</i>				
Continuing operations	\$ 1.40	\$ 1.27	\$ 2.47	\$ 1.82
Discontinued operations	(0.01)	(0.07)	(0.04)	(0.09)
Total basic earnings per share of common stock	\$ 1.38	\$ 1.21	\$ 2.42	\$ 1.73
<i>DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK</i>				
Continuing operations	\$ 1.37	\$ 1.25	\$ 2.42	\$ 1.78
Discontinued operations	(0.01)	(0.07)	(0.04)	(0.09)
Total diluted earnings per share of common stock	\$ 1.36	\$ 1.18	\$ 2.37	\$ 1.69
<i>DIVIDENDS PER SHARE</i>	\$ 0.50	\$ 0.49	\$ 1.00	\$ 0.98
<i>AVERAGE SHARES OUTSTANDING (in thousands)</i>				
Basic	156,316	155,064	156,097	155,137
Diluted	159,666	158,351	159,354	158,483

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

	<b>June 28, 2014</b>	<b>December 28, 2013</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 515.7	\$ 496.2
Accounts and notes receivable, net	1,788.8	1,633.0
Inventories, net	1,721.7	1,485.2
Assets held for sale	5.0	10.1
Other current assets	369.4	344.2
<i>Total current assets</i>	4,400.6	3,968.7
Property, plant and equipment, net	1,483.7	1,485.3
Goodwill and other intangibles, net	10,589.6	10,632.9
Other assets	484.9	448.2
<i>Total assets</i>	\$ 16,958.8	\$ 16,535.1
<b>LIABILITIES AND SHAREOWNERS' EQUITY</b>		
Short-term borrowings	\$ 484.0	\$ 402.6
Accounts payable	1,701.2	1,575.9
Accrued expenses	1,196.9	1,236.2
Liabilities held for sale	4.9	6.3
<i>Total current liabilities</i>	3,387.0	3,221.0
Long-term debt	3,849.3	3,799.4
Other long-term liabilities	2,585.2	2,634.2
Stanley Black & Decker, Inc. shareowners' equity	7,054.9	6,799.2
Non-controlling interests' equity	82.4	81.3
<i>Total liabilities and equity</i>	\$ 16,958.8	\$ 16,535.1

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

	SECOND QUARTER		YEAR TO DATE	
	2014	2013	2014	2013
<b>OPERATING ACTIVITIES</b>				
Net earnings from continuing operations	\$ 219.4	\$ 197.3	\$ 386.4	\$ 281.9
Net loss from discontinued operations	(2.0)	(10.5)	(6.9)	(14.4)
Depreciation and amortization	114.4	108.1	224.8	213.9
Changes in working capital <sup>1</sup>	55.9	67.6	(274.4)	(127.4)
Other	49.5	(178.3)	(44.7)	(317.3)
<i>Net cash provided by operating activities</i>	437.2	184.2	285.2	36.7
<b>INVESTING AND FINANCING ACTIVITIES</b>				
Capital and software expenditures	(61.4)	(80.0)	(119.2)	(156.6)
Proceeds from sale of business / assets	1.0	94.5	7.0	95.5
Acquisitions, net of cash acquired	-	(56.0)	(3.2)	(909.9)
Proceeds from issuances of common stock	14.4	23.2	27.6	106.4
Net short-term (repayments) borrowings	(199.7)	(60.1)	82.6	1,270.4
Cash dividends on common stock	(78.4)	(78.4)	(159.1)	(157.5)
Purchases of common stock for treasury	-	(3.7)	(19.4)	(24.8)
Payment on forward share purchase contract	-	-	-	(350.0)
Other	(30.0)	(19.5)	(82.0)	(64.5)
<i>Net cash used in investing and financing activities</i>	(354.1)	(180.0)	(265.7)	(191.0)
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	83.1	4.2	19.5	(154.3)
<i>Cash and Cash Equivalents, Beginning of Period</i>	432.6	557.5	496.2	716.0
<i>Cash and Cash Equivalents, End of Period</i>	\$ 515.7	\$ 561.7	\$ 515.7	\$ 561.7
<b>Free Cash Flow Computation<sup>2</sup></b>				
Operating cash inflow	\$ 437.2	\$ 184.2	\$ 285.2	\$ 36.7
Less: capital and software expenditures	(61.4)	(80.0)	(119.2)	(156.6)
Free cash inflow (outflow) (before dividends)	\$ 375.8	\$ 104.2	\$ 166.0	\$ (119.9)
Merger & Acquisition-related charges and payments <sup>4</sup>	34.8	122.1	86.6	216.6
Free cash inflow, normalized (before dividends) <sup>3</sup>	\$ 410.6	\$ 226.3	\$ 252.6	\$ 96.7

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

<sup>2,3</sup> 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 free cash flow, as reconciled above, is considered a meaningful pro forma metric to aid the understanding of the Company's cash flow performance aside from the material impact of merger and acquisition-related activities.

<sup>4</sup> Merger & 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.

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

	SECOND QUARTER		YEAR TO DATE	
	2014	2013	2014	2013
<b>NET SALES</b>				
Construction & DIY	\$ 1,394.6	\$ 1,392.8	\$ 2,609.4	\$ 2,542.0
Industrial	889.2	861.5	1,741.2	1,595.4
Security	601.7	603.9	1,174.4	1,196.0
<i>Total</i>	\$ 2,885.5	\$ 2,858.2	\$ 5,525.0	\$ 5,333.4
<b>SEGMENT PROFIT</b>				
Construction & DIY	\$ 218.2	\$ 209.9	\$ 387.3	\$ 375.9
Industrial	150.3	117.6	280.6	207.0
Security	67.0	54.7	116.6	112.1
<i>Segment Profit</i>	435.5	382.2	784.5	695.0
Corporate Overhead	(45.1)	(53.7)	(81.6)	(122.7)
<i>Total</i>	\$ 390.4	\$ 328.5	\$ 702.9	\$ 572.3
<b>Segment Profit as a Percentage of Net Sales</b>				
Construction & DIY	15.6%	15.1%	14.8%	14.8%
Industrial	16.9%	13.7%	16.1%	13.0%
Security	11.1%	9.1%	9.9%	9.4%
<i>Segment Profit</i>	15.1%	13.4%	14.2%	13.0%
Corporate Overhead	(1.6%)	(1.9%)	(1.5%)	(2.3%)
<i>Total</i>	13.5%	11.5%	12.7%	10.7%

**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)

	<b>SECOND QUARTER 2014</b>		
	<b>Reported</b>	<b>Merger &amp; Acquisition-Related Charges<sup>1</sup></b>	<b>Normalized<sup>3</sup></b>
Gross margin	\$ 1,053.3	\$ 0.3	\$ 1,053.6
<i>% of Net Sales</i>	<i>36.5%</i>		<i>36.5%</i>
Selling, general and administrative	662.9	(5.3)	\$ 657.6
<i>% of Net Sales</i>	<i>23.0%</i>		<i>22.8%</i>
Operating margin	390.4	5.6	396.0
<i>% of Net Sales</i>	<i>13.5%</i>		<i>13.7%</i>
Earnings from continuing operations before income taxes	293.1	4.1	297.2
Income taxes on continuing operations	73.7	(5.3)	68.4
Net earnings from continuing operations	218.5	9.4	227.9
Diluted earnings per share of common stock	\$ 1.37	\$ 0.06	\$ 1.43

<sup>1</sup> Merger and acquisition-related charges relate primarily to integration and employee-related matters.

	<b>SECOND QUARTER 2013</b>		
	<b>Reported</b>	<b>Merger &amp; Acquisition-Related and Other Charges<sup>2</sup></b>	<b>Normalized<sup>3</sup></b>
Gross margin	\$ 1,005.7	\$ 7.9	\$ 1,013.6
<i>% of Net Sales</i>	<i>35.2%</i>		<i>35.5%</i>
Selling, general and administrative	677.2	(24.0)	653.2
<i>% of Net Sales</i>	<i>23.7%</i>		<i>22.9%</i>
Operating margin	328.5	31.9	360.4
<i>% of Net Sales</i>	<i>11.5%</i>		<i>12.6%</i>
Earnings from continuing operations before income taxes	251.7	5.3	257.0
Income taxes on continuing operations	54.4	9.1	63.5
Net earnings from continuing operations	197.6	(3.8)	193.8
Diluted earnings per share of common stock	\$ 1.25	\$ (0.03)	\$ 1.22

<sup>2</sup> Merger and acquisition-related and other charges relate primarily to the Black & Decker merger and Niscayah and Infatech 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.

<sup>3</sup> The normalized 2014 and 2013 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)

	<b>YEAR TO DATE 2014</b>		
	<b>Reported</b>	<b>Merger &amp; Acquisition-Related Charges<sup>1</sup></b>	<b>Normalized<sup>3</sup></b>
Gross margin	\$ 2,013.5	\$ 1.4	\$ 2,014.9
<i>% of Net Sales</i>	<i>36.4%</i>		<i>36.5%</i>
Selling, general and administrative	1,310.6	(11.6)	1,299.0
<i>% of Net Sales</i>	<i>23.7%</i>		<i>23.5%</i>
Operating margin	702.9	13.0	715.9
<i>% of Net Sales</i>	<i>12.7%</i>		<i>13.0%</i>
Earnings from continuing operations before income taxes	506.9	8.0	514.9
Income taxes on continuing operations	120.5	(3.9)	116.6
Net earnings from continuing operations	385.3	11.9	397.2
Diluted earnings per share of common stock	\$ 2.42	\$ 0.07	\$ 2.49

<sup>1</sup> Merger and acquisition-related charges relate primarily to integration and employee-related matters.

	<b>YEAR TO DATE 2013</b>		
	<b>Reported</b>	<b>Merger &amp; Acquisition-Related and Other Charges<sup>2</sup></b>	<b>Normalized<sup>3</sup></b>
Gross margin	\$ 1,914.2	\$ 21.2	\$ 1,935.4
<i>% of Net Sales</i>	<i>35.9%</i>		<i>36.3%</i>
Selling, general and administrative	1,341.9	(58.3)	1,283.6
<i>% of Net Sales</i>	<i>25.2%</i>		<i>24.1%</i>
Operating margin	572.3	79.5	651.8
<i>% of Net Sales</i>	<i>10.7%</i>		<i>12.2%</i>
Earnings from continuing operations before income taxes	345.0	111.4	456.4
Income taxes on continuing operations	63.1	34.1	97.2
Net earnings from continuing operations	282.6	77.3	359.9
Diluted earnings per share of common stock	\$ 1.78	\$ 0.49	\$ 2.27

<sup>2</sup> 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.

<sup>3</sup> The normalized 2014 and 2013 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 SEGMENT PROFIT FINANCIAL MEASURES TO CORRESPONDING**  
**NON-GAAP FINANCIAL MEASURES**  
(Unaudited, Millions of Dollars)

	<b>SECOND QUARTER 2014</b>		
	<b>Reported</b>	<b>Merger &amp; Acquisition- Related Charges<sup>1</sup></b>	<b>Normalized<sup>3</sup></b>
<b>SEGMENT PROFIT</b>			
Construction & DIY	\$ 218.2	\$ 0.2	\$ 218.4
Industrial	150.3	1.2	151.5
Security	67.0	1.2	68.2
<i>Segment Profit</i>	435.5	2.6	438.1
Corporate Overhead	(45.1)	3.0	(42.1)
<i>Total</i>	\$ 390.4	\$ 5.6	\$ 396.0
 <i>Segment Profit as a Percentage of Net Sales</i>			
Construction & DIY	15.6%		15.7%
Industrial	16.9%		17.0%
Security	11.1%		11.3%
<i>Segment Profit</i>	15.1%		15.2%
Corporate Overhead	(1.6%)		(1.5%)
<i>Total</i>	13.5%		13.7%

<sup>1</sup> Merger and acquisition-related charges relate primarily to integration and employee-related matters.

	<b>SECOND QUARTER 2013</b>		
	<b>Reported</b>	<b>Merger &amp; Acquisition- Related Charges<sup>2</sup></b>	<b>Normalized<sup>3</sup></b>
<b>SEGMENT PROFIT</b>			
Construction & DIY	\$ 209.9	\$ 2.8	\$ 212.7
Industrial	117.6	6.1	123.7
Security	54.7	8.8	63.5
<i>Segment Profit</i>	382.2	17.7	399.9
Corporate Overhead	(53.7)	14.2	(39.5)
<i>Total</i>	\$ 328.5	\$ 31.9	\$ 360.4
 <i>Segment Profit as a Percentage of Net Sales</i>			
Construction & DIY	15.1%		15.3%
Industrial	13.7%		14.4%
Security	9.1%		10.5%
<i>Segment Profit</i>	13.4%		14.0%
Corporate Overhead	(1.9%)		(1.4%)
<i>Total</i>	11.5%		12.6%

<sup>2</sup> 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.

<sup>3</sup> The normalized 2014 and 2013 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 2014		
	Reported	Merger & Acquisition- Related Charges <sup>1</sup>	Normalized <sup>3</sup>
<b>SEGMENT PROFIT</b>			
Construction & DIY	\$ 387.3	\$ 0.6	\$ 387.9
Industrial	280.6	3.4	284.0
Security	116.6	3.5	120.1
<i>Segment Profit</i>	784.5	7.5	792.0
Corporate Overhead	(81.6)	5.5	(76.1)
<i>Total</i>	\$ 702.9	\$ 13.0	\$ 715.9
 <i>Segment Profit as a Percentage of Net Sales</i>			
Construction & DIY	14.8%		14.9%
Industrial	16.1%		16.3%
Security	9.9%		10.2%
<i>Segment Profit</i>	14.2%		14.3%
Corporate Overhead	(1.5%)		(1.4%)
<i>Total</i>	12.7%		13.0%

<sup>1</sup> Merger and acquisition-related charges relate primarily to integration and employee-related matters.

	YEAR TO DATE 2013		
	Reported	Merger & Acquisition- Related Charges <sup>2</sup>	Normalized <sup>3</sup>
<b>SEGMENT PROFIT</b>			
Construction & DIY	\$ 375.9	\$ 6.1	\$ 382.0
Industrial	207.0	18.5	225.5
Security	112.1	15.2	127.3
<i>Segment Profit</i>	695.0	39.8	734.8
Corporate Overhead	(122.7)	39.7	(83.0)
<i>Total</i>	\$ 572.3	\$ 79.5	\$ 651.8
 <i>Segment Profit as a Percentage of Net Sales</i>			
Construction & DIY	14.8%		15.0%
Industrial	13.0%		14.1%
Security	9.4%		10.6%
<i>Segment Profit</i>	13.0%		13.8%
Corporate Overhead	(2.3%)		(1.6%)
<i>Total</i>	10.7%		12.2%

<sup>2</sup> Merger and acquisition-related charges relate primarily to the Black & Decker merger and Nisacayah and Infastech acquisitions, including facility closure-related charges, employee-related charges and integration costs.

<sup>3</sup> The normalized 2014 and 2013 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.