

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

	<u>FOURTH QUARTER</u>		<u>YEAR TO DATE</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>NET SALES</b>	\$ 2,982.5	\$ 2,880.6	\$ 11,338.6	\$ 10,889.5
<b>COSTS AND EXPENSES</b>				
Cost of sales	1,931.4	1,853.8	7,235.9	6,985.8
Gross margin	1,051.1	1,026.8	4,102.7	3,903.7
% of Net Sales	35.2%	35.6%	36.2%	35.8%
Selling, general and administrative	658.3	696.9	2,595.9	2,690.6
% of Net Sales	22.1%	24.2%	22.9%	24.7%
Operating margin	392.8	329.9	1,506.8	1,213.1
% of Net Sales	13.2%	11.5%	13.3%	11.1%
Other - net	60.5	98.2	239.6	304.5
Restructuring charges	24.4	133.2	18.8	173.7
Income from operations	307.9	98.5	1,248.4	734.9
Interest - net	42.2	38.3	163.6	147.3
<b>EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	265.7	60.2	1,084.8	587.6
Income tax expense (benefit) on continuing operations	46.7	(10.2)	227.1	68.6
<b>NET EARNINGS FROM CONTINUING OPERATIONS</b>	219.0	70.4	857.7	519.0
Less: net (loss) earnings attributable to non-controlling interests	(0.3)	(0.1)	0.5	(1.0)
<b>NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO COMMON SHAREOWNERS</b>	219.3	70.5	857.2	520.0
<b>NET LOSS FROM DISCONTINUED OPERATIONS</b>	(73.5)	(14.4)	(96.3)	(29.7)
<b>NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS</b>	<u>\$ 145.8</u>	<u>\$ 56.1</u>	<u>\$ 760.9</u>	<u>\$ 490.3</u>
<b>BASIC EARNINGS (LOSS) PER SHARE OF COMMON STOCK</b>				
Continuing operations	\$ 1.41	\$ 0.45	\$ 5.49	\$ 3.35
Discontinued operations	(0.47)	(0.09)	(0.62)	(0.19)
Total basic earnings per share of common stock	<u>\$ 0.94</u>	<u>\$ 0.36</u>	<u>\$ 4.87</u>	<u>\$ 3.16</u>
<b>DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK</b>				
Continuing operations	\$ 1.37	\$ 0.44	\$ 5.37	\$ 3.28
Discontinued operations	(0.46)	(0.09)	(0.60)	(0.19)
Total diluted earnings per share of common stock	<u>\$ 0.91</u>	<u>\$ 0.35</u>	<u>\$ 4.76</u>	<u>\$ 3.09</u>
<b>DIVIDENDS PER SHARE</b>	<u>\$ 0.52</u>	<u>\$ 0.50</u>	<u>\$ 2.04</u>	<u>\$ 1.98</u>
<b>AVERAGE SHARES OUTSTANDING (in thousands)</b>				
Basic	<u>155,799</u>	<u>155,512</u>	<u>156,090</u>	<u>155,237</u>
Diluted	<u>160,013</u>	<u>159,200</u>	<u>159,737</u>	<u>158,776</u>

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

	<b>January 3,</b>	<b>December 28,</b>
	<b>2015</b>	<b>2013</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 496.6	\$ 496.2
Accounts and notes receivable, net	1,396.7	1,578.5
Inventories, net	1,562.7	1,473.3
Assets held for sale	29.5	136.9
Other current assets	463.3	331.7
<i>Total current assets</i>	3,948.8	4,016.6
Property, plant and equipment, net	1,454.1	1,478.6
Goodwill and other intangibles, net	10,027.2	10,600.0
Other assets	114.6	439.9
<i>Total assets</i>	\$ 15,544.7	\$ 16,535.1
 <b>LIABILITIES AND SHAREOWNERS' EQUITY</b>		
Short-term borrowings	\$ 7.5	\$ 402.6
Accounts payable	1,579.2	1,552.9
Accrued expenses	1,221.9	1,219.5
Liabilities held for sale	23.4	61.0
<i>Total current liabilities</i>	2,832.0	3,236.0
Long-term debt	3,839.8	3,799.4
Other long-term liabilities	2,343.8	2,619.2
Stanley Black & Decker, Inc. shareowners' equity	6,446.3	6,799.2
Non-controlling interests' equity	82.8	81.3
<i>Total liabilities and equity</i>	\$ 15,544.7	\$ 16,535.1

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

	FOURTH QUARTER		YEAR TO DATE	
	2014	2013	2014	2013
<b>OPERATING ACTIVITIES</b>				
Net earnings from continuing operations	\$ 219.0	\$ 70.4	\$ 857.7	\$ 519.0
Net loss from discontinued operations	(73.5)	(14.4)	(96.3)	(29.7)
Depreciation and amortization	112.4	118.6	449.8	441.3
Changes in working capital <sup>1</sup>	433.2	384.9	(9.8)	13.3
Other	56.2	172.2	80.2	(75.9)
<i>Net cash provided by operating activities</i>	747.3	731.7	1,281.6	868.0
<b>INVESTING AND FINANCING ACTIVITIES</b>				
Capital and software expenditures	(111.6)	(95.0)	(291.0)	(340.3)
(Payments) proceeds from sales of businesses / assets	(1.3)	1.0	11.5	97.5
Acquisitions, net of cash acquired	-	(7.3)	(3.2)	(933.9)
Premium paid on debt extinguishment	-	(42.8)	-	(42.8)
Proceeds from long-term borrowings	-	726.7	-	726.7
Proceeds from issuances of common stock	34.6	15.9	85.6	154.6
Net short-term (repayments) borrowings	(424.8)	(810.8)	(391.0)	388.7
Net investment hedge settlements	3.6	(3.4)	(61.4)	3.6
Cash dividends on common stock	(80.8)	(77.7)	(321.3)	(312.7)
Purchases of common stock for treasury	(7.5)	(6.6)	(28.2)	(39.2)
Premium paid for equity option	-	(83.2)	-	(83.2)
Payment on long-term debt	(45.7)	(300.5)	(46.6)	(302.2)
Payment on forward share purchase contract	-	-	-	(350.0)
Effect of exchange rate changes on cash	(84.0)	(11.6)	(147.1)	(44.9)
Other	(20.0)	(9.3)	(88.5)	(9.7)
<i>Net cash used in investing and financing activities</i>	(737.5)	(704.6)	(1,281.2)	(1,087.8)
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	9.8	27.1	0.4	(219.8)
<i>Cash and Cash Equivalents, Beginning of Period</i>	486.8	469.1	496.2	716.0
<i>Cash and Cash Equivalents, End of Period</i>	\$ 496.6	\$ 496.2	\$ 496.6	\$ 496.2
<b>Free Cash Flow Computation<sup>2</sup></b>				
Operating cash inflow	\$ 747.3	\$ 731.7	\$ 1,281.6	\$ 868.0
Less: capital and software expenditures	(111.6)	(95.0)	(291.0)	(340.3)
Free cash inflow (before dividends)	\$ 635.7	\$ 636.7	\$ 990.6	\$ 527.7
Merger & Acquisition-related charges and payments <sup>4</sup>	36.1	69.4	152.2	351.7
Free cash inflow, normalized (before dividends) <sup>3</sup>	\$ 671.8	\$ 706.1	\$ 1,142.8	\$ 879.4

<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 Nisacayah 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)

	<b>FOURTH QUARTER</b>		<b>YEAR TO DATE</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>NET SALES</b>				
Construction & DIY	\$ 1,496.4	\$ 1,397.4	\$ 5,559.3	\$ 5,271.4
Industrial	891.4	881.3	3,498.8	3,302.6
Security	594.7	601.9	2,280.5	2,315.5
<i>Total</i>	<u>\$ 2,982.5</u>	<u>\$ 2,880.6</u>	<u>\$ 11,338.6</u>	<u>\$ 10,889.5</u>
<b>SEGMENT PROFIT</b>				
Construction & DIY	\$ 244.5	\$ 202.8	\$ 871.5	\$ 777.1
Industrial	136.7	135.1	553.5	456.7
Security	69.7	66.8	259.2	233.3
<i>Segment Profit</i>	450.9	404.7	1,684.2	1,467.1
Corporate Overhead	(58.1)	(74.8)	(177.4)	(254.0)
<i>Total</i>	<u>\$ 392.8</u>	<u>\$ 329.9</u>	<u>\$ 1,506.8</u>	<u>\$ 1,213.1</u>
<b>Segment Profit as a Percentage of Net Sales</b>				
Construction & DIY	16.3%	14.5%	15.7%	14.7%
Industrial	15.3%	15.3%	15.8%	13.8%
Security	11.7%	11.1%	11.4%	10.1%
<i>Segment Profit</i>	15.1%	14.0%	14.9%	13.5%
Corporate Overhead	(1.9%)	(2.6%)	(1.6%)	(2.3%)
<i>Total</i>	<u>13.2%</u>	<u>11.5%</u>	<u>13.3%</u>	<u>11.1%</u>

**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>FOURTH QUARTER 2014</b>		
	<b>Reported</b>	<b>Merger &amp; Acquisition-Related Charges<sup>1</sup></b>	<b>Normalized<sup>3</sup></b>
Gross margin	\$ 1,051.1	\$ 0.3	\$ 1,051.4
<i>% of Net Sales</i>	<i>35.2%</i>		<i>35.3%</i>
Selling, general and administrative	658.3	(14.1)	\$ 644.2
<i>% of Net Sales</i>	<i>22.1%</i>		<i>21.6%</i>
Operating margin	392.8	14.4	407.2
<i>% of Net Sales</i>	<i>13.2%</i>		<i>13.7%</i>
Earnings from continuing operations before income taxes	265.7	39.9	305.6
Income taxes on continuing operations	46.7	9.1	55.8
Net earnings from continuing operations	219.3	30.8	250.1
Diluted earnings per share of common stock	\$ 1.37	\$ 0.19	\$ 1.56

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

	<b>FOURTH 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	\$ 1,026.8	\$ 3.1	\$ 1,029.9
<i>% of Net Sales</i>	<i>35.6%</i>		<i>35.8%</i>
Selling, general and administrative	696.9	(45.8)	651.1
<i>% of Net Sales</i>	<i>24.2%</i>		<i>22.6%</i>
Operating margin	329.9	48.9	378.8
<i>% of Net Sales</i>	<i>11.5%</i>		<i>13.2%</i>
Earnings from continuing operations before income taxes	60.2	212.2	272.4
Income tax (benefit) expense on continuing operations	(10.2)	69.9	59.7
Net earnings from continuing operations	70.5	142.3	212.8
Diluted earnings per share of common stock	\$ 0.44	\$ 0.89	\$ 1.34

<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 cost containment charges. Other charges relate to the loss on extinguishment of debt.

<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	\$ 4,102.7	\$ 1.8	\$ 4,104.5
<i>% of Net Sales</i>	36.2%		36.2%
Selling, general and administrative	2,595.9	(31.6)	2,564.3
<i>% of Net Sales</i>	22.9%		22.6%
Operating margin	1,506.8	33.4	1,540.2
<i>% of Net Sales</i>	13.3%		13.6%
Earnings from continuing operations before income taxes	1,084.8	53.9	1,138.7
Income taxes on continuing operations	227.1	5.2	232.3
Net earnings from continuing operations	857.2	48.7	905.9
Diluted earnings per share of common stock	\$ 5.37	\$ 0.30	\$ 5.67

<sup>1</sup> Merger and acquisition-related charges relate primarily to integration and consulting costs, as well as 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	\$ 3,903.7	\$ 29.5	\$ 3,933.2
<i>% of Net Sales</i>	35.8%		36.1%
Selling, general and administrative	2,690.6	(135.7)	2,554.9
<i>% of Net Sales</i>	24.7%		23.5%
Operating margin	1,213.1	165.2	1,378.3
<i>% of Net Sales</i>	11.1%		12.7%
Earnings from continuing operations before income taxes	587.6	390.3	977.9
Income taxes on continuing operations	68.6	120.0	188.6
Net earnings from continuing operations	520.0	270.3	790.3
Diluted earnings per share of common stock	\$ 3.28	\$ 1.70	\$ 4.98

<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 cost containment charges. Other charges relate to the loss on extinguishment of debt.

<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>FOURTH 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	\$ 244.5	\$ 0.3	\$ 244.8
Industrial	136.7	2.2	138.9
Security	69.7	3.1	72.8
<i>Segment Profit</i>	450.9	5.6	456.5
Corporate Overhead	(58.1)	8.8	(49.3)
<i>Total</i>	\$ 392.8	\$ 14.4	\$ 407.2
 <b>Segment Profit as a Percentage of Net Sales</b>			
Construction & DIY	16.3%		16.4%
Industrial	15.3%		15.6%
Security	11.7%		12.2%
<i>Segment Profit</i>	15.1%		15.3%
Corporate Overhead	(1.9%)		(1.7%)
<i>Total</i>	13.2%		13.7%

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

	<b>FOURTH 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	\$ 202.8	\$ 3.8	\$ 206.6
Industrial	135.1	4.0	139.1
Security	66.8	11.4	78.2
<i>Segment Profit</i>	404.7	19.2	423.9
Corporate Overhead	(74.8)	29.7	(45.1)
<i>Total</i>	\$ 329.9	\$ 48.9	\$ 378.8
 <b>Segment Profit as a Percentage of Net Sales</b>			
Construction & DIY	14.5%		14.8%
Industrial	15.3%		15.8%
Security	11.1%		13.0%
<i>Segment Profit</i>	14.0%		14.7%
Corporate Overhead	(2.6%)		(1.6%)
<i>Total</i>	11.5%		13.2%

<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	\$ 871.5	\$ 1.0	\$ 872.5
Industrial	553.5	6.8	560.3
Security	259.2	6.9	266.1
<i>Segment Profit</i>	1,684.2	14.7	1,698.9
Corporate Overhead	(177.4)	18.7	(158.7)
<i>Total</i>	\$ 1,506.8	\$ 33.4	\$ 1,540.2
 <i>Segment Profit as a Percentage of Net Sales</i>			
Construction & DIY	15.7%		15.7%
Industrial	15.8%		16.0%
Security	11.4%		11.7%
<i>Segment Profit</i>	14.9%		15.0%
Corporate Overhead	(1.6%)		(1.4%)
<i>Total</i>	13.3%		13.6%

<sup>1</sup> Merger and acquisition-related charges relate primarily to integration and consulting costs, as well as 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	\$ 777.1	\$ 13.0	\$ 790.1
Industrial	456.7	24.8	481.5
Security	233.3	38.0	271.3
<i>Segment Profit</i>	1,467.1	75.8	1,542.9
Corporate Overhead	(254.0)	89.4	(164.6)
<i>Total</i>	\$ 1,213.1	\$ 165.2	\$ 1,378.3
 <i>Segment Profit as a Percentage of Net Sales</i>			
Construction & DIY	14.7%		15.0%
Industrial	13.8%		14.6%
Security	10.1%		11.7%
<i>Segment Profit</i>	13.5%		14.2%
Corporate Overhead	(2.3%)		(1.5%)
<i>Total</i>	11.1%		12.7%

<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.