

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

	FIRST QUARTER	
	2011	2010
NET SALES	\$ 2,380.7	\$ 1,262.0
COSTS AND EXPENSES		
Cost of sales	1,498.2	806.1
<i>Gross Margin</i>	882.5	455.9
<i>% to Net Sales</i>	37.1%	36.1%
Selling, general and administrative	605.7	382.5
<i>% to Net sales</i>	25.4%	30.3%
<i>Operating margin</i>	276.8	73.4
<i>% to Net sales</i>	11.6%	5.8%
Other - net	52.5	64.9
Restructuring charges and asset impairments	13.3	97.4
<i>Income (loss) from operations</i>	211.0	(88.9)
Interest - net	29.5	18.1
EARNINGS (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	181.5	(107.0)
Income taxes	23.1	1.5
NET EARNINGS (LOSS) FROM CONTINUING OPERATIONS	158.4	(108.5)
Less: net (loss) earnings attributable to non-controlling interests	(0.3)	0.1
NET EARNINGS (LOSS) ATTRIBUTABLE TO COMMON SHAREOWNERS	\$ 158.7	\$ (108.6)
BASIC EARNINGS (LOSS) PER SHARE OF COMMON STOCK		
Total basic earnings (loss) per share of common stock	\$ 0.95	\$ (1.11)
DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK		
Total diluted earnings (loss) per share of common stock	\$ 0.92	\$ (1.11)
DIVIDENDS PER SHARE	\$ 0.41	\$ 0.33
AVERAGE SHARES OUTSTANDING (in thousands)		
Basic	167,259	97,672
Diluted	171,945	97,672

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Millions of Dollars)

	(Unaudited)	
	April 2,	January 1,
	2011	2011
	<hr/>	<hr/>
ASSETS		
Cash and cash equivalents	\$ 1,883.5	\$ 1,745.4
Accounts and notes receivable, net	1,547.8	1,417.1
Inventories, net	1,413.6	1,272.0
Other current assets	329.6	381.1
<i>Total current assets</i>	<hr/> 5,174.5	<hr/> 4,815.6
Property, plant and equipment, net	1,144.9	1,166.5
Goodwill and other intangibles, net	9,062.5	8,814.1
Other assets	374.1	343.2
<i>Total assets</i>	<hr/> <hr/> \$ 15,756.0	<hr/> <hr/> \$ 15,139.4
 LIABILITIES AND SHAREOWNERS' EQUITY		
Short-term borrowings	\$ 553.5	\$ 417.7
Accounts payable	1,170.6	998.6
Accrued expenses	1,268.0	1,325.9
<i>Total current liabilities</i>	<hr/> 2,992.1	<hr/> 2,742.2
Long-term debt	3,008.5	3,018.1
Other long-term liabilities	2,369.6	2,309.4
Stanley Black & Decker, Inc. shareowners' equity	7,333.4	7,017.0
Non-controlling interests' equity	52.4	52.7
<i>Total liabilities and equity</i>	<hr/> <hr/> \$ 15,756.0	<hr/> <hr/> \$ 15,139.4

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

	<u>FIRST QUARTER</u>	
	<u>2011</u>	<u>2010</u>
<i>OPERATING ACTIVITIES</i>		
Net earnings (loss)	\$ 158.7	\$ (108.6)
Depreciation and amortization	103.9	\$ 59.7
Changes in working capital	(70.3)	(90.4)
Other	(71.9)	106.6
<i>Net cash provided by (used in) operating activities</i>	<u>120.4</u>	<u>(32.7)</u>
<i>INVESTING AND FINANCING ACTIVITIES</i>		
Capital and software expenditures	(70.1)	(22.1)
Business acquisitions and asset disposals	(44.5)	(7.2)
Cash acquired from Black & Decker	-	949.4
Proceeds from issuance of common stock	55.4	14.0
Payments on long-term debt	(0.5)	(200.8)
Net borrowings on short-term borrowings	141.4	435.9
Cash dividends on common stock	(68.6)	(34.3)
Other	4.6	2.5
<i>Net cash provided by investing and financing activities</i>	<u>17.7</u>	<u>1,137.4</u>
<i>Increase in Cash and Cash Equivalents</i>	138.1	1,104.7
<i>Cash and Cash Equivalents, Beginning of Period</i>	<u>1,745.4</u>	<u>400.7</u>
<i>Cash and Cash Equivalents, End of Period</i>	<u>\$ 1,883.5</u>	<u>\$ 1,505.4</u>

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

	FIRST QUARTER	
	2011	2010
<i>NET SALES</i>		
Construction & DIY	\$ 1,210.8	\$ 549.0
Security	557.4	413.9
Industrial	612.5	299.1
<i>Total</i>	\$ 2,380.7	\$ 1,262.0
<i>SEGMENT PROFIT</i>		
Construction & DIY	\$ 156.5	\$ 47.5
Security	72.7	64.1
Industrial	106.9	37.3
<i>Segment Profit</i>	336.1	148.9
Corporate Overhead	(59.3)	(75.5)
<i>Total</i>	\$ 276.8	\$ 73.4
<i>Segment Profit as a Percentage of Net Sales</i>		
Construction & DIY	12.9%	8.7%
Security	13.0%	15.5%
Industrial	17.5%	12.5%
<i>Segment Profit</i>	14.1%	11.8%
Corporate Overhead	-2.5%	-6.0%
<i>Total</i>	11.6%	5.8%

APPENDIX A

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)

	FIRST QUARTER 2011		
	Reported	Merger & Acquisition-Related Charges ¹	Normalized ²
Cost of sales	\$ 1,498.2	\$ (6.3)	\$ 1,491.9
Gross margin % to Net Sales	882.5 37.1%	6.3	\$ 888.8 37.3%
Selling, general and administrative % to Net Sales	605.7 25.4%	(15.6)	\$ 590.1 24.8%
Operating margin % to Net Sales	276.8 11.6%	21.9	\$ 298.7 12.5%
Net earnings attributable to Common Shareowners	\$ 158.7	\$ 27.8	186.5
Diluted earnings per share of common stock	\$ 0.92	\$ 0.16	\$ 1.08

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

² The normalized 2011 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 primarily associated with the Black & Decker merger.

	FIRST QUARTER 2010		
	Reported	Merger & Acquisition-Related Charges ³	Normalized ⁴
Cost of sales	\$ 806.1	\$ (41.6)	\$ 764.5
Gross margin % to Net Sales	455.9 36.1%	41.6	\$ 497.5 39.4%
Selling, general and administrative % to Net Sales	382.5 30.3%	(49.0)	\$ 333.5 26.4%
Operating margin % to Net Sales	73.4 5.8%	90.6	\$ 164.0 13.0%
Net (loss) earnings attributable to Common Shareowners	\$ (108.6)	\$ 178.7	70.1
Diluted (loss) earnings per share of common stock	\$ (1.11)	\$ 1.80	\$ 0.70

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.

⁴ The normalized 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 associated with the Black & Decker merger.

APPENDIX A (CONTINUED)

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

(Unaudited, Millions of Dollars)

	FIRST QUARTER 2011		
	Reported	Merger & Acquisition-Related Charges and Payments¹	Normalized²
Net cash provided by operating activities	120.4	11.1	131.5
<u>Free Cash Flow Computation³</u>			
Operating Cash Inflow	\$ 120.4		\$ 131.5
Less: capital and software expenditures	(70.1)		(70.1)
Free Cash Inflow (before dividends)	<u>\$ 50.3</u>		<u>\$ 61.4</u>

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

	FIRST QUARTER 2010		
	Reported	Merger & Acquisition-Related Charges and Payments⁴	Normalized²
Net cash (used in) provided by operating activities	(32.7)	92.0	59.3
<u>Free Cash Flow Computation³</u>			
Operating Cash (Outflow) Inflow	\$ (32.7)		\$ 59.3
Less: capital and software expenditures	(22.1)		(22.1)
Free Cash (Outflow) Inflow (before dividends)	<u>\$ (54.8)</u>		<u>\$ 37.2</u>

^{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 Black & Decker merger-related payments and charges.

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

APPENDIX A (CONTINUED)

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

FIRST QUARTER 2011

SEGMENT PROFIT	FIRST QUARTER 2011		
	Reported	Merger & Acquisition-Related Charges ¹	Normalized ²
Construction & DIY	\$ 156.5	\$ 2.4	\$ 158.9
Security	72.7	4.5	77.2
Industrial	106.9	-	106.9
Segment Profit	336.1	6.9	343.0
Corporate Overhead	(59.3)	15.0	(44.3)
Total	\$ 276.8	\$ 21.9	\$ 298.7
<i>Segment Profit as a Percentage of Net Sales</i>			
Construction & DIY	12.9%		13.1%
Security	13.0%		13.9%
Industrial	17.5%		17.5%
Segment Profit	14.1%		14.4%
Corporate Overhead	-2.5%		-1.9%
Total	11.6%		12.5%

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

² The normalized 2011 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 associated with the Black & Decker merger.

FIRST QUARTER 2010

SEGMENT PROFIT	FIRST QUARTER 2010		
	Reported	Merger & Acquisition-Related Charges ³	Normalized ⁴
Construction & DIY	\$ 47.5	\$ 31.9	\$ 79.4
Security	64.1	5.3	69.4
Industrial	37.3	4.4	41.7
Segment Profit	148.9	41.6	190.5
Corporate Overhead	(75.5)	49.0	(26.5)
Total	\$ 73.4	\$ 90.6	\$ 164.0
<i>Segment Profit as a Percentage of Net Sales</i>			
Construction & DIY	8.7%		14.5%
Security	15.5%		16.8%
Industrial	12.5%		13.9%
Segment Profit	11.8%		15.1%
Corporate Overhead	-6.0%		-2.1%
Total	5.8%		13.0%

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

⁴ The normalized 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 associated with the Black & Decker merger.