STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited, Millions of Dollars Except Per Share Amounts)

NET SALES 2,088.5 2,088.5 2,088.5 2,088.5 2,088.5 5,025.0 5,033.3 COSTS AND EXPENSES 1,083.2 1,085.2 3,511.5 3,410.2 Gross margin 1,053.3 1,005.3 2,003.5 1,914.2 Schling, general and administrative 66.2 2,27.7 2,27.7 2,27.8 Sclling, general and administrative 390.4 328.5 70.2 35.2 Sclling, general and administrative 390.4 328.5 70.2 25.2 Operating margin 390.4 328.5 70.2 572.3 Restrict Sclut 4 10.7 30.0 12.2 12.2 12.2<			SECOND (D QUARTER YEA		YEAR T	AR TO DATE		
COSTS AND EXPENSES 1,832.2 1,832.5 3,511.5 3,419.2 Gross margin 1,053.3 1,005.7 2,015.5 1,194.2 % of Net Sales 36,5% 35,2% 36,4% 35,5% Selling, general and administrative 662.9 677.2 1,310.6 1,341.9 % of Net Sales 23,0% 23,7% 23,7% 25,2% Operating margin 390.4 328.5 70.29 572.3 % of Net Sales 13,35% 11,5% 10.7% 10.7% Oher- net 58.7 71.4 120.2 142.3 Restructuring (credits) charges (1.7) 30.9 (5.4) 12.0 Income from operations 333.4 288.0 588.1 418.0 Interest - net 40.3 36.3 81.2 73.0 EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 293.1 251.7 506.9 345.0 Income taxes on continuting operations 73.7 54.4 120.5 63.1 NET EARNINGS FROM CONTINUING OPERATIONS ATTR			2014		2013		2014		2013
Cost of sales 1.832.2 1.852.5 3.51.5 3.419.2 Gross margin 1.053.3 1.057.7 2.013.5 1.914.2 Selling, general and administrative 662.9 677.2 1.31.06 1.341.9 Selling, general and administrative 662.9 677.2 1.31.06 1.341.9 Vo f Net Sales 23.0% 23.7% 23.7% 25.2% Operating margin 390.4 328.5 70.29 572.3 % of Net Sales 13.3% 11.5% 12.7% 10.7% Other - net 58.7 71.4 120.2 142.3 Restructuring (credits) charges (1.7) 33.9 55.4 120.0 Income from operations 333.4 288.0 588.1 418.0 Interest - net 40.3 36.3 81.2 73.0 EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 293.1 251.7 506.9 345.0 EARNINGS FROM CONTINUING OPERATIONS 219.4 197.3 386.4 281.9 Eas: net earnings (loss)	NET SALES	\$	2,885.5	\$	2,858.2	\$	5,525.0	\$	5,333.4
Seling	COSTS AND EXPENSES								
% of Net Sales 36.5% 35.2% 36.4% 35.9% Selling, general and administrative 662.9 677.2 1,310.6 1,314.9 % of Net Sales 23.0% 23.0% 23.7% 25.2% Operating margin 390.4 328.5 702.9 572.3 % of Net Sales 13.5% 11.5% 12.0% 10.7% Other - net 58.7 71.4 120.2 142.3 Restructuring (credits) charges (1.7) (30.9) (5.4) 12.0 Increest - net 40.3 36.3 81.2 73.0 EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 293.1 251.7 50.69 345.0 Income taxes on continuing operations 73.7 54.4 120.5 63.1 NET EARNINGS FROM CONTINUING OPERATIONS 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) NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE 218.5 197.6 385.3 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>									
% of Net Sales 23.0% 23.7% 23.7% 25.2% Operating margin 390.4 338.5 70.29 572.3 % of Net Sales 11.5% 11.5% 120.9 572.3 Other - net 5.8.7 7.14 120.2 142.3 Restructuring (credits) charges (1.7) 30.99 55.4 120.0 Income from operations 333.4 288.0 588.1 418.0 Increst - net 40.3 36.3 81.2 73.0 EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 293.1 251.7 506.9 345.0 Increst - net 40.3 36.3 81.2 73.0 EARNINGS FROM CONTINUING OPERATIONS 219.4 197.3 386.4 281.9 Less: net earnings (loss) attributable to non-controlling interests 219.4 197.3 385.3 282.6 NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE 218.5 197.6 385.3 282.6 NET LOSS FROM DISCONTINUED OPERATIONS 2.1 1.0 1.0 1.0 1.0					,				,-
Operating margin % of Net Sales 390.4 328.5 702.9 572.6 Other - net 58.7 71.4 120.2 142.3 Restructuring (credits) charges 11.7 30.9 55.4 120. Income from operations 333.4 288.0 588.1 418.0 Interest - net 40.3 36.3 81.2 73.0 EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 293.1 251.7 506.9 345.0 Income taxes on continuing operations 73.7 54.4 120.5 63.1 NET EARNINGS FROM CONTINUING OPERATIONS 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) NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO COMMON SHAREOWKERS 218.5 197.6 385.3 282.6 NET LOSS FROM DISCONTINUED OPERATIONS 2.0 (10.5) 6.9 (1.44) NET EARNINGS (LOSS) PER SHARE OF COMMON STOCK 2.1 2.2 2.7 8.2 Continuing operations	Selling, general and administrative		662.9		677.2		1,310.6		1,341.9
Colter - net	% of Net Sales		23.0%		23.7%		23.7%		25.2%
Other - net 58.7 71.4 120.2 142.0 Restructuring (credits) charges (1.7) (30.9) (5.4) 12.0 Income from operations 333.4 288.0 588.1 418.0 Interest - net 40.3 36.3 81.2 73.0 EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 293.1 251.7 506.9 345.0 Income taxes on continuing operations 73.7 54.4 120.5 63.1 NET EARNINGS FROM CONTINUING OPERATIONS 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) NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO COMMON SHAREOWRES 218.5 197.6 385.3 282.6 NET LOSS FROM DISCONTINUED OPERATIONS 2 1.2 1.8 378.4 2.68.2 NET EARNINGS (LOSS) PER SHARE OF COMMON SHAREOWRES 2.16.5 1.87.1 3.78.4 2.68.2 EASIC EARNINGS (LOSS) PER SHARE OF COMMON STOCK 2 1.4 2.1.2 2.4.7 1.8	Operating margin		390.4		328.5		702.9		572.3
Restructuring (credits) charges Income from operations (1.7) (30.9) (5.4) 12.0 Income from operations 333.4 288.0 588.1 418.0 Interest - net 40.3 36.3 81.2 73.0 EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 293.1 251.7 506.9 345.0 Income taxes on continuing operations 73.7 54.4 120.5 63.1 NET EARNINGS FROM CONTINUING OPERATIONS 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) NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE 218.5 197.6 385.3 282.6 NET ELOSS FROM DISCONTINUED OPERATIONS 2.0 10.5 6.9 1.44 NET ELOSS PER MISE OF COMMON SHAREOWNERS 2.16.5 1.87.1 378.4 2.68.2 EASIC EARNINGS (LOSS) PER SHARE OF COMMON STOCK 2.1.2 1.87.2 2.4.7 1.8.2 Continuing operations 9.1.3 1.25 2.4.2 1.7.3 Dis	% of Net Sales		13.5%		11.5%		12.7%		10.7%
Interest - net	Other - net		58.7		71.4		120.2		142.3
Interest - net	Restructuring (credits) charges		(1.7)		(30.9)		(5.4)		12.0
EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 293.1 251.7 506.9 345.0 Income taxes on continuing operations 73.7 54.4 120.5 63.1 NET EARNINGS FROM CONTINUING OPERATIONS 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) NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO COMMON SHAREOWNERS 218.5 197.6 385.3 282.6 NET LOSS FROM DISCONTINUED OPERATIONS (2.0) (10.5) (6.9) (14.4) NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS 216.5 187.1 \$378.4 268.2 EASIC EARNINGS (LOSS) PER SHARE OF COMMON STOCK \$1.40 \$1.27 \$2.47 \$1.82 Continuing operations (0.01) (0.07) (0.04) (0.09) Total basic earnings per share of common stock \$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 \$1.37 \$1.25	Income from operations				288.0		588.1		418.0
Income taxes on continuing operations 73.7 54.4 120.5 63.1 NET EARNINGS FROM CONTINUING OPERATIONS 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) NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO COMMON SHAREOWNERS 218.5 197.6 385.3 282.6 NET LOSS FROM DISCONTINUED OPERATIONS 2.00 (10.5) (6.9) (14.4) NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS 216.5 187.1 378.4 268.2 DISCONTINUED OPERATIONS 2.00 (0.01) (0.07) (0.04) (0.09) Total basic earnings per share of common stock 2.138 2.12 2.24 2.173 DISCONTINUED OPERATIONS 2.138 2.12 2.24 2.173 DISCONTINUED OPERATIONS (LOSS) PER SHARE OF COMMON STOCK 2.138 2.12 2.24 2.173 DISCONTINUED OPERATIONS (LOSS) PER SHARE OF COMMON STOCK 2.138 2.12 2.24 2.173 DISCONTINUED OPERATIONS (LOSS) PER SHARE OF COMMON STOCK 2.138 2.12 2.24 2.173 DISCONTINUED OPERATIONS (LOSS) PER SHARE OF COMMON STOCK 2.138 2.12 2.24 2.173 DISCONTINUED OPERATIONS (LOSS) PER SHARE OF COMMON STOCK 2.138 2.12 2.24 2.173 DISCONTINUED OPERATIONS (LOSS) PER SHARE OF COMMON STOCK 2.138 2.12 2.24 2.173 DISCONTINUED OPERATIONS (LOSS) PER SHARE OF COMMON STOCK 2.138 2.12 2.24 2.173 DISCONTINUED OPERATIONS (LOSS) PER SHARE OF COMMON STOCK 2.138 2.12 2.24 2.173 DISCONTINUED OPERATIONS (LOSS) PER SHARE OF COMMON STOCK 2.138 2.12 2.24 2.173 DISCONTINUED OPERATIONS (LOSS) PER SHARE OF COMMON STOCK 2.138 2.12 2.24 2.173 DISCONTINUED OPERATIONS (LOSS) PER SHARE OF COMMON STOCK 2.138 2.12 2.24 2.173 DISCONTINUED OPERATIONS (LOSS) PER SHARE OF COMMON STOCK 2.138 2.12 2.24 2.173 DISCONTINUED OPERATIONS (LOSS) PER SHARE OF COMMON STOCK 2.138 2.12 2.24 2.173 DISCONTINUED OPERATIONS (LOSS) PER SHARE OF COMMON STOCK 2.138 2.127 2.24 2.173 DISCONTINUED OPERATIONS (LOSS) PER SHARE O	Interest - net		40.3		36.3		81.2		73.0
NET EARNINGS FROM CONTINUING OPERATIONS 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) NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO COMMON SHAREOWNERS 218.5 197.6 385.3 282.6 NET LOSS FROM DISCONTINUED OPERATIONS (2.0) (10.5) (6.9) (14.4) NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS \$ 216.5 187.1 \$ 378.4 \$ 268.2 BASIC EARNINGS (LOSS) PER SHARE OF COMMON STOCK \$ 1.40 \$ 1.27 \$ 2.47 \$ 1.82 Continuing 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 DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK \$ 1.37 \$ 1.25 \$ 2.42 \$ 1.78 Discontinued operations \$ 1.37 \$ 1.25 \$ 2.42 \$ 1.78 Discontinued operations \$ 0.01 (0.01) (0.04) (0.09) Total diluted earnings per share of common stock \$ 1.36 \$	EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES		293.1		251.7		506.9		345.0
Less: net earnings (loss) attributable to non-controlling interests 0.9 (0.3) 1.1 (0.7) NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO COMMON SHAREOWNERS 218.5 197.6 385.3 282.6 NET LOSS FROM DISCONTINUED OPERATIONS (2.0) (10.5) (6.9) (14.4) NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS \$ 216.5 \$ 187.1 \$ 378.4 \$ 268.2 BASIC EARNINGS (LOSS) PER SHARE OF COMMON STOCK \$ 1.40 \$ 1.27 \$ 2.47 \$ 1.82 Discontinued operations \$ 1.40 \$ 1.27 \$ 2.47 \$ 1.82 Discontinued operations \$ 1.38 \$ 1.21 \$ 2.42 \$ 1.73 DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK \$ 1.38 \$ 1.21 \$ 2.42 \$ 1.73 DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK \$ 1.37 \$ 1.25 \$ 2.42 \$ 1.73 Continuing operations \$ 1.37 \$ 1.25 \$ 2.42 \$ 1.73 Discontinued operations \$ 0.01 (0.07) (0.04) (0.09) Total diluted earnings per share of common stock \$ 1.36 \$ 1.18	Income taxes on continuing operations		73.7		54.4		120.5		63.1
NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO COMMON SHAREOWNERS 218.5 197.6 385.3 282.6 NET LOSS FROM DISCONTINUED OPERATIONS (2.0) (10.5) (6.9) (14.4) NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS \$ 216.5 \$ 187.1 \$ 378.4 \$ 268.2 BASIC EARNINGS (LOSS) PER SHARE OF COMMON STOCK \$ 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 DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK \$ 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 \$ 1.37 \$ 1.25 \$ 2.42 \$ 1.78 DIVIDENDS PER SHARE \$ 0.50 \$ 0.49 \$ 1.00 \$ 0.99 AVERAGE SHARES OUTSTANDING (in thousands) 156,316 155,064 156,097 155,137	NET EARNINGS FROM CONTINUING OPERATIONS		219.4		197.3		386.4		281.9
TO COMMON SHAREOWNERS 218.5 197.6 385.3 282.6 NET LOSS FROM DISCONTINUED OPERATIONS (2.0) (10.5) (6.9) (14.4) NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS \$ 216.5 187.1 \$ 378.4 \$ 268.2 BASIC EARNINGS (LOSS) PER SHARE OF COMMON STOCK \$ 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 \$ 1.37 \$ 1.25 \$ 2.42 \$ 1.78 Discontinued 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 DIVIDENDS PER SHARE \$ 0.50 \$ 0.49 \$ 1.00 \$ 0.98 AVERAGE SHARES OUTSTANDING (in thousands) \$ 156,316 \$ 155,064 \$ 156,097 \$ 155,137	Less: net earnings (loss) attributable to non-controlling interests		0.9		(0.3)		1.1		(0.7)
NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS \$ 216.5 \$ 187.1 \$ 378.4 \$ 268.2 BASIC EARNINGS (LOSS) PER SHARE OF COMMON STOCK \$ 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 DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK \$ 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 DIVIDENDS PER SHARE \$ 0.50 \$ 0.49 \$ 1.00 \$ 0.98 AVERAGE SHARES OUTSTANDING (in thousands) \$ 156,316 155,064 156,097 155,137			218.5		197.6		385.3		282.6
BASIC EARNINGS (LOSS) PER SHARE OF COMMON STOCK Continuing operations	NET LOSS FROM DISCONTINUED OPERATIONS		(2.0)		(10.5)		(6.9)		(14.4)
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 DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK 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 DIVIDENDS PER SHARE \$ 0.50 \$ 0.49 \$ 1.00 \$ 0.98 AVERAGE SHARES OUTSTANDING (in thousands) \$ 156,316 155,064 156,097 155,137	NET EARNINGS ATTRIBUTABLE TO COMMON SHAREOWNERS	\$	216.5	\$	187.1	\$	378.4	\$	268.2
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 DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK 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 DIVIDENDS PER SHARE \$ 0.50 \$ 0.49 \$ 1.00 \$ 0.98 AVERAGE SHARES OUTSTANDING (in thousands) \$ 156,316 155,064 156,097 155,137	RASIC FARNINGS (LOSS) PER SHARE OF COMMON STOCK								
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 DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK 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 DIVIDENDS PER SHARE \$ 0.50 \$ 0.49 \$ 1.00 \$ 0.98 AVERAGE SHARES OUTSTANDING (in thousands) Basic 156,316 155,064 156,097 155,137	·	\$	1 40	\$	1 27	\$	2 47	\$	1.82
Total basic earnings per share of common stock \$ 1.38 \$ 1.21 \$ 2.42 \$ 1.73 DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK 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 DIVIDENDS PER SHARE \$ 0.50 \$ 0.49 \$ 1.00 \$ 0.98 AVERAGE SHARES OUTSTANDING (in thousands) Basic 156,316 155,064 156,097 155,137	6 I	Ψ		Ψ		Ψ.		Ψ	
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 DIVIDENDS PER SHARE \$ 0.50 \$ 0.49 \$ 1.00 \$ 0.98 AVERAGE SHARES OUTSTANDING (in thousands) Basic 156,316 155,064 156,097 155,137	*	\$		\$		\$		\$	
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 DIVIDENDS PER SHARE \$ 0.50 \$ 0.49 \$ 1.00 \$ 0.98 AVERAGE SHARES OUTSTANDING (in thousands) \$ 156,316 \$ 155,064 \$ 156,097 \$ 155,137	DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK								
Total diluted earnings per share of common stock \$ 1.36 \$ 1.18 \$ 2.37 \$ 1.69 DIVIDENDS PER SHARE \$ 0.50 \$ 0.49 \$ 1.00 \$ 0.98 AVERAGE SHARES OUTSTANDING (in thousands) \$ 156,316 155,064 156,097 155,137	Continuing operations	\$	1.37	\$	1.25	\$	2.42	\$	1.78
DIVIDENDS PER SHARE \$ 0.50 \$ 0.49 \$ 1.00 \$ 0.98 AVERAGE SHARES OUTSTANDING (in thousands) \$ 156,316 155,064 156,097 155,137	Discontinued operations		(0.01)		(0.07)		(0.04)		(0.09)
AVERAGE SHARES OUTSTANDING (in thousands) Basic 156,316 155,064 156,097 155,137	Total diluted earnings per share of common stock	\$	1.36	\$	1.18	\$	2.37	\$	1.69
Basic <u>156,316</u> <u>155,064</u> <u>156,097</u> <u>155,137</u>	DIVIDENDS PER SHARE	\$	0.50	\$	0.49	\$	1.00	\$	0.98
	AVERAGE SHARES OUTSTANDING (in thousands)								
Diluted 159,666 158,351 159,354 158,483	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

	June 28, 2014			December 28, 2013			
ASSETS							
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			
Total current assets		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			
Total assets	\$	16,958.8	\$	16,535.1			
LIABILITIES AND SHAREOWNERS' EQUITY							
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			
Total current liabilities		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			
Total liabilities and equity	\$	16,958.8	\$	16,535.1			

STANLEY BLACK & DECKER, INC. AND SUBSIDIARIES SUMMARY OF CASH FLOW ACTIVITY

		SECOND QUARTE		RTER		YEAR T	TO DATE	
		2014		2013		2014		2013
OPERATING ACTIVITIES			-				-	
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 ¹		55.9		67.6		(274.4)		(127.4)
Other		49.5		(178.3)		(44.7)		(317.3)
Net cash provided by operating activities		437.2		184.2		285.2		36.7
INVESTING AND FINANCING ACTIVITIES								
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)
Net cash used in investing and financing activities		(354.1)		(180.0)		(265.7)		(191.0)
Increase (Decrease) in Cash and Cash Equivalents		83.1		4.2		19.5		(154.3)
Cash and Cash Equivalents, Beginning of Period		432.6		557.5		496.2		716.0
Cash and Cash Equivalents, End of Period	\$	515.7	\$	561.7	\$	515.7	\$	561.7
Free Cash Flow Computation ²								
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 ⁴		34.8		122.1		86.6		216.6
Free cash inflow, normalized (before dividends) ³	\$	410.6	\$	226.3	\$	252.6	\$	96.7
1100 cash miles, normanzed (octobe dividende)	Ψ	710.0	Ψ	440.3	Ψ	232.0	Ψ	70.7

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

^{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 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.

⁴ 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

	 SECOND (QUAR	TER	YEA		R TO DATE	
	 2014		2013		2014		2013
NET SALES							
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
Total	\$ 2,885.5	\$	2,858.2	\$	5,525.0	\$	5,333.4
SEGMENT PROFIT							
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
Segment Profit	 435.5		382.2		784.5		695.0
Corporate Overhead	(45.1)		(53.7)		(81.6)		(122.7)
Total	\$ 390.4	\$	328.5	\$	702.9	\$	572.3
Segment Profit as a Percentage of Net Sales							
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%
Segment Profit	 15.1%		13.4%		14.2%		13.0%
Corporate Overhead	 (1.6%)		(1.9%)		(1.5%)		(2.3%)
Total	 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)

		SE	COND (QUARTER	2014	
	R	Acqı Re	rger & uisition- elated arges ¹	Normalized ³		
Gross margin % of Net Sales	\$	1,053.3 36.5%	\$	0.3	\$	1,053.6 36.5%
Selling, general and administrative % of Net Sales		662.9 23.0%		(5.3)	\$	657.6 22.8%
Operating margin % of Net Sales		390.4 13.5%		5.6		396.0 13.7%
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

¹ Merger and acquisition-related charges relate primarily to integration and employee-related matters.

	SECOND QUARTER 2013									
			Acq Rela	erger & uisition- ated and Other						
	R	eported	Ch	narges ²	No	rmalized ³				
Gross margin % of Net Sales	\$	1,005.7 35.2%	\$	7.9	\$	1,013.6 35.5%				
Selling, general and administrative % of Net Sales		677.2 23.7%		(24.0)		653.2 22.9%				
Operating margin % of Net Sales		328.5 11.5%		31.9		360.4 12.6%				
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				

² 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.

³ 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)

		Y	EAR T	O DATE 20)14	
	R	Acq R	erger & uisition- elated narges ¹	Normalized ³		
Gross margin % of Net Sales	\$	2,013.5 36.4%	\$	1.4	\$	2,014.9 36.5%
Selling, general and administrative % of Net Sales		1,310.6 23.7%		(11.6)		1,299.0 23.5%
Operating margin % of Net Sales		702.9 12.7%		13.0		715.9 13.0%
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

¹ Merger and acquisition-related charges relate primarily to integration and employee-related matters.

		Y	EAR T	O DATE 20)13	
	D	Merger & Acquisition- Related and Other Reported Charges ²			No	rmalized ³
		eporteu		arges	1101	manzeu
Gross margin % of Net Sales	\$	1,914.2 35.9%	\$	21.2	\$	1,935.4 36.3%
Selling, general and administrative % of Net Sales		1,341.9 25.2%		(58.3)		1,283.6 24.1%
Operating margin % of Net Sales		572.3 10.7%		79.5		651.8 12.2%
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

² 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.

³ 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

		SE	COND	QUARTER	R 2014	
			Acqu Re	rger & nisition- lated		3
SEGMENT PROFIT	Re	ported	Cha	arges ¹	Normalized ³	
Construction & DIY Industrial Security Segment Profit Corporate Overhead Total	\$	218.2 150.3 67.0 435.5 (45.1) 390.4	\$	0.2 1.2 1.2 2.6 3.0 5.6	\$	218.4 151.5 68.2 438.1 (42.1) 396.0
Segment Profit as a Percentage of Net Sales Construction & DIY Industrial Security Segment Profit Corporate Overhead Total		15.6% 16.9% 11.1% 15.1% (1.6%) 13.5%				15.7% 17.0% 11.3% 15.2% (1.5%) 13.7%

¹ Merger and acquisition-related charges relate primarily to integration and employee-related matters.

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

² 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.

³ 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

	YEAR TO DATE 2014								
			,						
CECLUTIVE PROFIE	Re	ported	Charges ¹		Nor	malized ³			
SEGMENT PROFIT									
Construction & DIY	\$	387.3	\$	0.6	\$	387.9			
Industrial		280.6		3.4		284.0			
Security		116.6		3.5		120.1			
Segment Profit		784.5		7.5		792.0			
Corporate Overhead		(81.6)		5.5		(76.1)			
Total	\$	702.9	\$	13.0	\$	715.9			
Segment Profit as a Percentage of Net Sales									
Construction & DIY		14.8%				14.9%			
Industrial		16.1%				16.3%			
Security		9.9%				10.2%			
Segment Profit		14.2%				14.3%			
Corporate Overhead		(1.5%)				(1.4%)			
Total		12.7%				13.0%			

¹ Merger and acquisition-related charges relate primarily to integration and employee-related matters.

		7	YEAR T	TO DATE 2	2013	
			Acqı Ro	rger & uisition- elated		
	Re	ported	Ch	arges ²	Nor	malized ³
SEGMENT PROFIT						
Construction & DIY	\$	375.9	\$	6.1	\$	382.0
Industrial		207.0		18.5		225.5
Security		112.1		15.2		127.3
Segment Profit		695.0		39.8		734.8
Corporate Overhead		(122.7)		39.7		(83.0)
Total	\$	572.3	\$	79.5	\$	651.8
Segment Profit as a Percentage of Net Sales						
Construction & DIY		14.8%				15.0%
Industrial		13.0%				14.1%
Security		9.4%				10.6%
Segment Profit		13.0%				13.8%
Corporate Overhead		(2.3%)				(1.6%)
Total		10.7%				12.2%

² 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.

³ 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.