

## Financial Highlights

(MILLIONS OF DOLLARS, EXCEPT PER-SHARE AMOUNTS)	2010 <sup>(1)</sup>	2009	2008	2007	2006
<b>SWK</b>					
Revenue	\$8,409.6	\$ 3,737.1	\$ 4,426.2	\$ 4,360.5	\$ 3,897.3
Gross Margin	\$ 3,144.2	\$ 1,508.3	\$ 1,671.4	\$ 1,653.0	\$ 1,413.0
Gross Margin	37.4%	40.4%	37.8%	37.9%	36.3%
Working Capital Turns	5.7	7.9	5.9	5.3	4.5
Free Cash Flow*	935	446	422	457	359
Diluted EPS from Continuing Operations	\$ 4.12	\$ 2.82	\$ 2.74	\$ 3.95	\$ 3.46
<b>CDIY</b>					
Revenue	\$ 4,446.1	\$ 1,295.3	\$ 1,655.5	\$ 1,715.2	\$ 1,640.5
Segment Profit	\$ 603.4	\$ 154.1	\$ 190.7	\$ 254.2	\$ 251.9
Segment Profit	13.6%	11.9%	11.5%	14.8%	15.4%
Working Capital Turns	6.1	7.7	5.6	5.0	4.1
<b>Security</b>					
Revenue	\$ 2,112.9	\$ 1,560.2	\$ 1,497.2	\$ 1,399.5	\$ 1,127.4
Segment Profit	\$ 349.4	\$ 307.0	\$ 268.7	\$ 239.9	\$ 169.2
Segment Profit	16.5%	19.7%	17.9%	17.1%	15.0%
Working Capital Turns	6.6	7.3	7.0	5.6	4.8
<b>Industrial</b>					
Revenue	\$ 1,850.6	\$ 881.6	\$ 1,273.5	\$ 1,245.8	\$ 1,129.4
Segment Profit	\$ 268.5	\$ 89.3	\$ 164.2	\$ 182.7	\$ 122.9
Segment Profit	14.5%	10.1%	12.9%	14.7%	10.9%
Working Capital Turns	4.7	5.2	4.8	4.2	3.9

(1) Excludes merger and acquisition-related charges/payments.

\* Free Cash Flow = Net cash provided by operating activities minus capital expenditures minus capitalized software. In 2010, free cash flow excludes \$382 million of merger and acquisition-related payments incurred primarily in connection with the Black & Decker merger. Such normalized free cash flow is considered a meaningful metric to aid the understanding of the Company's cash flow performance aside from the material impact of these merger and acquisition-related payments. In 2008, free cash flow also excludes income taxes paid on the gain from the CST/Berger divestiture due to the fact the taxes are non-recurring and the directly related gross cash proceeds are classified in investing cash flows. Refer to page 36 in the enclosed 10-K for the reconciliation of operating cash flow to free cash flow.