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STANLEY WORKS  
Form 8-K  
October 22, 2003

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 22, 2003

The Stanley Works

-----  
(Exact name of registrant as specified in charter)

Connecticut

1-5244

06-0548860

-----  
(State or other  
jurisdiction of  
incorporation)

(Commission  
File Number)

(IRS Employer  
Identification No.)

1000 Stanley Drive, New Britain, Connecticut

06053

-----  
(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (860) 225-5111  
-----

Not Applicable

-----  
(Former name or former address, if changed since last report)

Exhibit Index is located on Page 4

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Item 7. Financial Statements and Exhibits.  
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- (c) 20(i) Press Release dated October 22, 2003 announcing third quarter 2003 results and providing fourth quarter and full year 2003 guidance.
  
- (c) 20(ii) Cautionary Statements relating to forward looking statements included in Exhibit 20(i).

Item 12. In a press release attached to this Form 8-K, the company reported its results for the third quarter of 2003, provided guidance for the full year 2003 and elaborated on certain other activities.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE STANLEY WORKS

Date: October 22, 2003

-----

By:

-----

Name: Bruce H. Beatt

Title: Vice President, General  
Counsel and Secretary

EXHIBIT INDEX

Current Report on Form 8-K  
Dated October 22, 2003

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Exhibit 20(i)

THE STANLEY WORKS

Third Quarter EPS At High End of Guided Range

EPS Ex-Charges Exceeds Guidance On Stronger Than Expected Sales; Record Quarterly Free Cash Flow Tops \$138 Million

New Britain, Connecticut, October 22, 2003 ... The Stanley Works (NYSE: SWK) announced that third quarter 2003 net income was \$42 million (51 cents per fully-diluted share) compared with \$55 million (62 cents per fully-diluted share) last year, and within the range of company estimates of 39-51 cents provided July 22.

This result included \$17 million (14 cents per fully diluted share) of pre-tax restructuring costs, impairment charges and other exit costs related to its previously announced Operation 15 business improvement initiatives. Aside from such costs, earnings per fully diluted share were 65 cents, above the company's range of estimates of 60-63 cents, versus 62 cents last year.

Reported results for the third quarter and first nine months of 2003 and 2002 are supplemented with related amounts and percentages that exclude restructuring costs, impairment charges, other exit costs, one-time executive retirement costs and a 2002 pension gain. Management believes these supplemental financial measures provide useful information by removing the effect of variances in reported results that are not indicative of fundamental changes in the company's earnings capacity. A full reconciliation with reported amounts is included on pages 9-10. Refer to previous 8K filings or to [www.stanleyworks.com](http://www.stanleyworks.com) for first and second quarter reconciliations to reported amounts.

Free cash flow before dividends (cash from operations less capital expenditures) of \$138 million was up 48% over \$93 million last year. Debt reduction of \$77 million in the quarter improved the company's debt-to-total capital ratio from 54% to 51%. On a year-to-date basis, free cash flow was 43% higher (\$239 million versus \$166 million last year).

Net sales were \$716 million, up 8% over last year and slightly above expectations. Exclusive of the Best Access Systems acquisition and the decline from exiting the Mac Direct business, sales declined 1% with currency adding 2%. Sales in the consumer channel decreased principally due to the carryover impact of a lost region of a major customer in entry doors that occurred in the fourth quarter of 2002.

Third quarter 2003 gross income was \$239 million, or 33.4% of sales, versus \$210 million in the prior year, a margin improvement of 190 basis points. The margin improvement resulted from the inclusion of Best Access, stabilization of pricing levels / mix and the realization of productivity benefits.

Selling, general and administrative ("SG&A") expenses of \$148 million, or 20.7% of sales, were \$15 million and 70 bps above third quarter 2002 levels, reflecting the inclusion of Best Access Systems. SG&A expenses were \$7 million and 140 basis points lower than the second quarter of 2003, aside from aforementioned Mac Direct exit and other costs, reflecting the continued benefits of Operation 15 actions.

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Resulting operating income was \$91 million versus \$77 million last year, and operating margins were 12.8% versus 11.5% last year. On a sequential basis operating margins of 12.8% improved over 11.5% in second quarter and 9.0% in the first quarter of 2003, exclusive of aforementioned Mac Direct exit and other restructuring costs included in those prior quarters. This sequential improvement is attributed to volume leverage, the benefits of organization streamlining, the exit of Mac Direct and employment reductions accomplished through Operation 15 actions.

Other, net expense in the third quarter increased \$9 million, aside from exit and other costs, primarily due to increased intangible amortization expense and the absence of certain prior year environmental and asset disposition gains.

John M. Trani, Chairman and Chief Executive Officer commented: "Operation 15 is on track to deliver expected savings, and achievement of the 15% rate is within our grasp. The sequential improvements in operating margin rate and record cash generation clearly stand out as the most encouraging aspects of the third quarter results. Our business model is working as anticipated, with record free cash flow being utilized for dividends, debt reduction and pursuing plans for growth in our Security Solutions and Tools Groups."

Tools segment sales of \$487 million were 2% lower than last year, principally reflecting the impact of the Mac Direct exit, somewhat offset by strong volume in the traditional Mac Tools and auto assembly tools businesses. Operating margins were 11.4% versus 10.4% last year, and notably improved by 210 and 270 basis points sequentially over the second and first quarters, respectively, excluding exit charges and other restructuring costs, due to the impact of Operation 15.

Doors segment sales increased 36% to \$229 million, but organic sales declined 3% as weakness in consumer doors more than offset growth in Access Technologies. Door Systems were adversely affected by the previously announced loss of one region of a major retail customer in addition to customer inventory reductions.

Doors operating margins were 15.8% versus 14.8% last year and improved 610 basis points in the past six months, excluding exit charges and other restructuring costs, due to volume and the benefits of the Best Access Systems integration. Improved mix due to inclusion of Best Access was primarily responsible for the margin gain versus the prior year.

The company incurred \$17 million of pre-tax restructuring, impairment and other charges related to its Operation 15 initiatives. A summary of the pre-tax charges recorded in 2003 and referred to above follows:

(\$ millions)	First Half -----	Third Quarter -----	Year-To-Date -----
Operation 15			
Mac Direct	\$ 42	\$ 6	\$ 48
Other	12	11	23
	-----	-----	-----
Total Operation 15	\$ 54	\$ 17	\$ 71
Severance	3	-	3
CEO Retirement	8	-	8
	-----	-----	-----
Total	\$ 65	\$ 17	\$ 82

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The charges pertaining to Operation 15 are within the expected range communicated during the company's May 8 analyst meeting. The company expects additional charges to be incurred in the next few quarters in connection with this profit improvement initiative.

Despite continuing weak sales, primarily in consumer tools and entry doors, the company expects a fourth quarter net sales increase of about 7% over the prior year. Earnings per fully diluted share are expected to be in the range of 50-55 cents and, aside from 9-11 cents of expected charges related to Operation 15 actions, in the range of 61-64 cents versus 42 cents last year on a comparable basis. On a basis which excludes restructuring, impairment and other charges, the current full-year 2003 First Call consensus of \$2.15 per share is within the range of management expectations, aside from such charges.

During the third quarter, the company sold a substantial portion of its Mac Tools distributor financing receivables for \$26 million cash. The company plans to sell the remainder of these receivables during the fourth quarter and to minimize future exposure to such credit risk.

The favorable aspects of the Mac Tools repositioning and related asset liquidations enable the company to forecast higher full-year earnings than the \$1.10 per share previously indicated on July 22, 2003. Full year earnings are now expected to approximate \$1.36 - \$1.41 per fully diluted share, with the aforementioned restructuring costs, impairment charges, other exit costs and one-time expenses approximating 74-76 cents per share.

The company is now projecting that fourth quarter free cash flow (before dividends) will approximate \$100 million, resulting in about \$340 million for 2003. This represents a 55% improvement over the \$220 million forecasted at the company's May 8 analyst conference, and will far surpass the record free cash flow of \$233 million in 2002.

In this regard, the company indicated that operating and free cash flows are far exceeding management's previous estimates. Mr. Trani added: "The combined free cash generated in 2002 and projected for 2003 will be over \$570 million, about the same amount generated in the previous five year period 1997-2001. Our record third quarter and expected fourth quarter performances should position us very nicely going forward."

During the third quarter, the company entered into a contract in the Tools segment that will involve acquisition of assets, as well as marketing, sourcing and manufacturing cooperation. The contract is subject to certain contingencies expected to be resolved during the fourth quarter, at which time the company will invest \$30 million cash.

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The Stanley Works, an S&P 500 company, is a worldwide supplier of tools, hardware and doors systems for professional, industrial and consumer use. More information about The Stanley Works can be found at <http://www.stanleyworks.com>.

Contact: Gerard J. Gould  
Vice President, Investor Relations  
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This press release contains forward-looking statements. Cautionary statements accompanying these forward-looking statements are set forth, along with this

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news release, in a Form 8-K filed with the Securities and Exchange Commission today. The Stanley Works corporate press releases are available on the company's corporate web site at <http://www.stanleyworks.com>. Click on "Investor Relations" and then on "News Releases".

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THE STANLEY WORKS AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited, Millions of Dollars Except Per Share Amounts)

	Third Quarter		Year to Date	
	2003	2002	2003	2002
NET SALES	\$ 715.7	\$ 665.5	\$ 2,081.6	\$ 1,931.3



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COSTS AND EXPENSES				
Cost of sales	476.3	455.6	1,392.7	1,282.9
Selling, general and administrative	148.0	133.4	494.1	403.4
Interest - net	7.3	4.8	22.0	17.1
Other - net	14.5	(0.5)	32.8	(19.4)
Restructuring charges and asset impairments	10.8	-	35.8	-
	-----	-----	-----	-----
	656.9	593.3	1,977.4	1,684.0
	-----	-----	-----	-----
EARNINGS BEFORE INCOME TAXES				
Income taxes	58.8	72.2	104.2	247.3
	17.1	17.5	30.9	80.4
	-----	-----	-----	-----
NET EARNINGS	\$ 41.7	\$ 54.7	\$ 73.3	\$ 166.9
	=====	=====	=====	=====
NET EARNINGS PER SHARE OF COMMON STOCK				
Basic	\$ 0.51	\$ 0.63	\$ 0.86	\$ 1.94
	=====	=====	=====	=====
Diluted	\$ 0.51	\$ 0.62	\$ 0.86	\$ 1.90
	=====	=====	=====	=====
DIVIDENDS PER SHARE				
	\$ 0.26	\$ 0.26	\$ 0.77	\$ 0.74
	=====	=====	=====	=====
AVERAGE SHARES OUTSTANDING (in thousands)				
Basic	81,475	86,582	84,930	85,991
	=====	=====	=====	=====
Diluted	82,126	88,041	85,482	87,985
	=====	=====	=====	=====

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THE STANLEY WORKS AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(Unaudited, Millions of Dollars)

September 27, 2003    June 28, 2003    September 28, 2002

ASSETS

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Cash and cash equivalents	\$ 169.6	\$ 127.7	\$ 132.6
Accounts receivable	551.7	516.1	578.5
Inventories	427.6	448.0	404.6
Other current assets	105.9	108.1	75.2
	-----	-----	-----
Total current assets	1,254.8	1,199.9	1,190.9
	-----	-----	-----
Property, plant and equipment	447.2	465.5	488.4
Goodwill and other intangibles	629.0	621.6	265.5
Other assets	138.7	183.5	156.1
	-----	-----	-----
	\$ 2,469.7	\$ 2,470.5	\$ 2,100.9
	=====	=====	=====

LIABILITIES AND SHAREOWNERS' EQUITY

Short-term borrowings	\$ 203.7	\$ 268.6	\$ 225.7
Accounts payable	258.7	248.2	259.8
Accrued expenses	314.4	276.9	265.1
	-----	-----	-----
Total current liabilities	776.8	793.7	750.6
	-----	-----	-----
Long-term debt	622.7	635.0	204.5
Other long-term liabilities	262.2	264.6	171.3
Shareowners' equity	808.0	777.2	974.5
	-----	-----	-----
	\$ 2,469.7	\$ 2,470.5	\$ 2,100.9
	=====	=====	=====

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THE STANLEY WORKS AND SUBSIDIARIES  
SUMMARY OF CASH FLOW ACTIVITY  
(Unaudited, Millions of Dollars)

	Third Quarter		Year to Date	
	2003	2002	2003	2002
	-----	-----	-----	-----
OPERATING ACTIVITIES				
Net earnings	\$ 41.7	\$ 54.7	\$ 73.3	\$166.9
Depreciation and amortization	21.0	15.8	65.5	48.5
Restructuring charges and asset impairments	10.8	-	35.8	-

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Changes in working capital	24.0	(31.8)	(22.1)	(24.9)
Changes in other operating assets and liabilities	53.3	65.2	114.1	17.9
	-----	-----	-----	-----
Net cash provided by operating activities	150.8	103.9	266.6	208.4
INVESTING AND FINANCING ACTIVITIES				
Capital and software expenditures	(12.4)	(10.7)	(27.7)	(41.9)
Business acquisitions and asset disposals	(4.4)	(31.2)	(16.7)	(21.9)
Cash dividends on common stock	(21.0)	(21.9)	(65.0)	(62.8)
Other net investing and financing activity	(71.1)	(47.1)	(109.3)	(64.4)
	-----	-----	-----	-----
Net cash used in investing and financing activities	(108.9)	(110.9)	(218.7)	(191.0)
Increase (Decrease) in Cash and Cash Equivalents	41.9	(7.0)	47.9	17.4
Cash and Cash Equivalents, Beginning of Period	127.7	139.6	121.7	115.2
	-----	-----	-----	-----
Cash and Cash Equivalents, End of Period	\$169.6	\$132.6	\$169.6	\$132.6
	=====	=====	=====	=====

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THE STANLEY WORKS AND SUBSIDIARIES  
BUSINESS SEGMENT INFORMATION  
(Unaudited, Millions of Dollars)

	Third Quarter		Year to Date	
	2003	2002	2003	2002
	-----	-----	-----	-----
INDUSTRY SEGMENTS				
Net Sales				
Tools	\$ 487.1	\$ 497.0	\$1,435.2	\$1,471.5
Doors	228.6	168.5	646.4	459.8
	-----	-----	-----	-----
Consolidated	\$ 715.7	\$ 665.5	\$2,081.6	\$1,931.3

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	=====	=====	=====	=====
Operating Profit				
Tools	\$ 55.3	\$ 51.5	\$ 106.3	\$ 178.9
Doors	36.1	25.0	88.5	66.1
	-----	-----	-----	-----
Consolidated	\$ 91.4	\$ 76.5	\$ 194.8	\$ 245.0
	=====	=====	=====	=====

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THE STANLEY WORKS AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS AND BUSINESS SEGMENT INFORMATION  
RECONCILIATION TO GAAP EARNINGS  
THIRD QUARTER 2003 vs. 2002  
(Unaudited, Millions of Dollars Except Per Share Amounts)

	2003		2002	
	Excluding Charges	(a) Charges	Reported	Reported
	-----	-----	-----	-----
Net sales	\$ 715.7	\$ -	\$ 715.7	\$ 665.5
Cost of sales	476.3	-	476.3	455.6
	-----	-----	-----	-----
Gross Margin	239.4	-	239.4	209.9
	33.4%		33.4%	31.5%
SG&A expenses	147.6	0.4	148.0	133.4
	-----	-----	-----	-----
	20.6%		20.7%	20.0%
Sub-total	91.8	(0.4)	91.4	76.5
	12.8%		12.8%	11.5%
Interest, net	7.3	-	7.3	4.8
Other, net	8.6	5.9	14.5	(0.5)
Restructuring and asset impairment charges	-	10.8	10.8	-

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Earnings before	-----	-----	-----	-----
income taxes	75.9	(17.1)	58.8	72.2
Income taxes	22.6	(5.5)	17.1	17.5
	-----	-----	-----	-----
Net earnings	\$ 53.3	\$ (11.6)	\$ 41.7	\$ 54.7
	=====	=====	=====	=====
 Average shares outstanding				
(diluted, in thousands)	82,126	82,126	82,126	88,041
 Earnings per share				
(diluted)	\$ 0.65	\$ (0.14)	\$ 0.51	\$ 0.62
	=====	=====	=====	=====
 BUSINESS SEGMENTS				
Net Sales				
Tools	\$ 487.1	\$ -	\$ 487.1	\$ 497.0
Doors	228.6	-	228.6	168.5
	-----	-----	-----	-----
Consolidated	\$ 715.7	\$ -	\$ 715.7	\$ 665.5
	=====	=====	=====	=====

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Operating Profit				
Tools	\$ 55.7	\$ (0.4)	\$ 55.3	\$ 51.5
Doors	36.1	-	36.1	25.0
	-----	-----	-----	-----
Consolidated	91.8	(0.4)	91.4	76.5
	=====	=====	=====	=====
 Interest, net	7.3	-	7.3	4.8
Other, net	8.6	5.9	14.5	(0.5)
Restructuring and asset				
impairment charges	-	10.8	10.8	-
	-----	-----	-----	-----
Earnings before				
income taxes	\$ 75.9	\$ (17.1)	\$ 58.8	\$ 72.2
	=====	=====	=====	=====

(a) Includes \$17.1 million of pre-tax Operation 15 restructuring costs, asset impairment charges and other exit costs. Aggregate restructuring charges of \$10.8 million include the following: \$7.6 million attributable to asset impairments, \$2.0 million for a contract termination charge, and \$1.2 million in severance and related benefits for headcount reductions pertain to Operation 15 initiatives. The charges within SG&A and Other, net relate to the Mac Direct retail channel exit.

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THE STANLEY WORKS AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS AND BUSINESS SEGMENT INFORMATION  
RECONCILIATION TO GAAP EARNINGS  
YTD QUARTER 2003 vs. 2002  
(Unaudited, Millions of Dollars Except Per Share Amounts)

	2003			2002		
	Excluding Charges	(a) Charges	Reported	Excluding Charges	(b) Charges	Reported
Net sales	\$2,081.6	\$ -	\$2,081.6	\$1,931.3	\$ -	\$1,931.3
Cost of sales	1,385.7	7.0	1,392.7	1,282.9	-	1,282.9
Gross Margin	695.9 33.4%	(7.0)	688.9 33.1%	648.4 33.6%	-	648.4 33.6%
SG&A expenses	463.9	30.2	494.1	395.0	8.4	403.4
	22.3%		23.7%	20.5%		20.9%
Sub-total	232.0 11.1%	(37.2)	194.8 9.4%	235.4 31.1%	(8.4)	245.0 12.7%
Interest, net	22.0	-	22.0	17.1	-	17.1
Other, net	23.9	8.9	32.8	(1.0)	(18.4)	(19.4)
Restructuring and asset impairment charges	-	35.8	35.8	-	-	-
Earnings before income taxes	186.1	(81.9)	104.2	237.3	10.0	247.3
Income taxes	57.1	(26.2)	30.9	70.4	10.0	80.4
Net earnings	\$ 129.0	\$ (55.7)	\$ 73.3	\$ 166.9	\$ -	\$ 166.9
Average shares outstanding (diluted, in thousands)	85,482	85,482	85,482	87,985	87,985	87,985
Earnings per share (diluted)	\$ 1.51	\$ (0.65)	\$ 0.86	\$ 1.90	\$ -	\$ 1.90
<b>BUSINESS SEGMENTS</b>						
<b>Net Sales</b>						
Tools	\$1,435.2	\$ -	\$1,435.2	\$1,471.5	\$ -	\$1,471.5
Doors	646.4	-	646.4	459.8	-	459.8
Consolidated	\$2,081.6	\$ -	\$2,081.6	\$1,931.3	\$ -	\$1,931.3

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Operating Profit						
Tools	\$ 141.2	\$ (34.9)	\$ 106.3	\$ 186.7	\$ (7.8)	\$ 178.9
Doors	90.8	(2.3)	88.5	66.7	(0.6)	66.1
	-----	-----	-----	-----	-----	-----
Consolidated	\$ 232.0	\$ (37.2)	\$ 194.8	\$ 253.4	\$ (8.4)	\$ 245.0
	=====	=====	=====	=====	=====	=====
Interest, net	22.0	-	22.0	17.1	-	17.1
Other, net	23.9	8.9	32.8	(1.0)	(18.4)	(19.4)
Restructuring and asset impairment charges	-	35.8	35.8	-	-	-
	-----	-----	-----	-----	-----	-----
Earnings before income taxes	\$ 186.1	\$ (81.9)	\$ 104.2	\$ 237.3	\$ 10.0	\$ 247.3
	=====	=====	=====	=====	=====	=====

(a) Includes \$81.9 million of pre-tax Operation 15 restructuring costs, asset impairment charges, other exit costs and CEO retirement costs. Aggregate charges of \$47.9 million arising from the Mac Direct retail channel exit are classified as follows: Cost of sales - \$7.0 million; SG&A - \$21.9 million; Other, net - \$8.9 million; and restructuring and asset impairment charges - \$10.1 million. In addition, \$7.6 million in compensation and benefit costs associated with the CEO's announced retirement plans and \$0.7 million other are classified in SG&A. Restructuring and asset impairment charges, aside from the \$10.1 million for Mac Direct, are comprised of the following: asset impairments of \$10.4 million, a contract termination charge of \$2.0 million and \$13.3 million mainly attributable to severance and related benefits for Operation 15 headcount reduction initiatives.

(b) Reflects \$8.4 million for pre-tax severance and related expenses associated with SG&A reductions, and \$18.4 million in Other, net for the final settlement of a defined benefit pension plan.

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Exhibit 20(ii)

CAUTIONARY STATEMENTS

Under the Private Securities Litigation Reform Act of 1995

Certain statements including the statements in the company's press release attached to this Current Report on Form 8-K regarding the company's ability to (i) raise operating margins to 15% as the company exits 2003 and generate benefits of approximately \$100 million annually; (ii) increase fourth quarter

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net sales 7% over the prior year and realize earnings per fully diluted share in the fourth quarter of 50-55 cents (61-64 cents aside from the stated charges); (iii) sell the remainder of its Mac Tools distributor financing receivables; (iv) achieve full year earnings per fully diluted share of \$1.36 - \$1.41 with restructuring costs, impairment charges, other exit costs and one-time expenses approximating \$0.74 - \$0.76 per share; (v) realize free cash flow (before dividends) of \$100 million for the third quarter and \$340 million for 2003; and (vi) satisfy certain contingencies in the fourth quarter regarding a contract in the Tools segment are forward looking and are based on current expectations and involve inherent risks and uncertainties, including factors listed below and other factors that could delay, divert, or change any of them, and could cause actual outcomes and results to differ materially from current expectations.

The company's ability to realize the results described above is dependent on (i) the success of the company's efforts to decentralize its operations functions, primarily into its Tools and Access Solutions business groups; (ii) the success of the company's efforts to reduce its workforce and close certain facilities, payments related to such activities, the need to respond to significant changes in product demand while any facility consolidation is in process and other unforeseen events; (iii) the success of the company's efforts to restructure its Mac Tools organization in order to return it to profitability, including without limitation, the company's ability to liquidate certain Mac Tools assets at a satisfactory price; (iv) the success of the company's marketing and sales efforts; (v) continued improvements in productivity and cost reductions; (vi) the continued improvement in the payment terms under which the company buys and sells goods, materials and products; (vii) the success of recruiting programs and other efforts to maintain or expand overall Mac Tools truck count; (ix) the company's ability to fulfill demand for its products in a timely manner; (x) the absence of increased pricing pressures from customers and competitors and the ability to defend market share in the face of price competition; (xi) the company's ability to identify and engage a successor CEO on a timely basis; (xii) the satisfaction of the contingencies necessary to implement the terms of the aforementioned Tools contract.

The company's ability to achieve the objectives discussed above will also be affected by other external factors. These external factors include the continued consolidation of customers in consumer channels, inventory management pressures of the company's customers, changing demand for the company's products, changes in trade, monetary, tax and fiscal policies and laws, inflation, currency exchange fluctuations, the impact of dollar/foreign currency exchange and interest rates on the competitiveness of products and the company's debt program, the strength of the U.S. economy and the strength of foreign currencies, including but not limited to the Euro, war, terrorist activities, political unrest and recessionary or expansive trends in the economies of the world in which the company operates.

The company undertakes no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date hereof.