**The Stanley Works**

**10-K REPORTFOR 2006**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 10-K**

**ANNUAL REPORT  
PURSUANT TO SECTIONS 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

   X    ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

**For the fiscal year ended December 30, 2006**

OR

       TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

COMMISSION FILE 1-5224

**THE STANLEY WORKS**

(Exact Name Of Registrant As Specified In Its Charter)

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| **Connecticut** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **06-0548860** | | | |
| (State Or Other Jurisdiction Of Incorporation Or Organization) | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | (I.R.S. Employer Identification Number) | | | |
| **1000 Stanley Drive New Britain, Connecticut** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **06053** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** |
| (Address Of Principal Executive Offices) | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | (Zip Code) | | | |
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**860-225-5111**

(Registrant’s Telephone Number)

Securities Registered Pursuant To Section 12(b) Of The Act:

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| **Title Of Each Class** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **Name Of Each Exchange On Which Registered** |
| **Common Stock-$2.50 Par Value per Share** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **New York Stock Exchange** |
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Securities Registered Pursuant To Section 12(g) Of The Act:    **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933.

Yes    X        No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes             No    X

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

Yes    X        No

mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2).

Yes            No    X

As of June 30, 2006, the aggregate market values of voting common equity held by non-affiliates of the registrant was $3,820,562,881 based on the New York Stock Exchange closing price for such shares on that date. On February 14, 2007, the registrant had 82,813,505 shares of common stock outstanding.

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**Consolidated Statements of Operations  
Fiscal years ended December 30, 2006, December 31, 2005 and January 1, 2005  
(In Millions of Dollars, except per share amounts)**

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|  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **2006** | | | | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **2005** | | | | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **2004** | | | |
| **Net Sales** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **4,018.6** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 3,285.3 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 2,997.4 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Costs and Expenses** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** |  | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Cost of sales | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **2,560.1** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 2,104.0 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 1,893.8 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Selling, general and administrative | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **955.2** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 736.8 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 691.3 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Interest income | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **(4.4** | **)** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | (6.6 | ) | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | (4.2 | ) |
| Interest expense | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **69.3** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 40.4 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 38.6 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Other-net | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **57.5** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 47.9 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 46.0 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Restructuring charges and asset impairments | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **13.8** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 4.6 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 7.7 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
|  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **3,651.5** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 2,927.1 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 2,673.2 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Earnings from continuing operations before income taxes | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **367.1** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 358.2 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 324.2 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Income taxes | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **76.4** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 86.5 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 87.3 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Net earnings from continuing operations | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **290.7** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 271.7 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 236.9 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Earnings (loss) from discontinued operations before income taxes (including $1.5 million loss in 2006 and $180.7 million gain in 2004 on divestitures) | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **(1.5** | **)** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | (1.2 | ) | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 200.8 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Income taxes (benefit) on discontinued operations | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **(0.3** | **)** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 0.9 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 70.8 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Net earnings (loss) from discontinued operations | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **(1.2** | **)** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | (2.1 | ) | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 130.0 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Net Earnings** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **289.5** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 269.6 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 366.9 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Basic earnings (loss) per share of common stock: | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** |  | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Continuing operations | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **3.55** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 3.26 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 2.89 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Discontinued operations | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **(0.01** | **)** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | (0.03 | ) | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 1.58 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Total basic earnings per share of common stock | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **3.54** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 3.23 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 4.47 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**Consolidated Balance Sheets  
December 30, 2006 and December 31, 2005  
(Millions of Dollars)**

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| https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
|  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **2006** | | | | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **2005** | | | |
| **Assets** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Current Assets** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Cash and cash equivalents | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **176.6** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 657.8 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Accounts and notes receivable, net | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **749.6** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 609.6 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Inventories, net | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **598.9** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 460.7 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Deferred taxes | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **24.2** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 16.5 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Assets held for sale | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **28.2** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 13.3 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Other current assets | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **61.0** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 67.7 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Total Current Assets** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **1,638.5** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 1,825.6 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Property, Plant and Equipment, net (Note E)** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **559.4** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 467.1 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Goodwill** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **1,100.2** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 740.9 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Customer Relationships** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **163.3** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 157.6 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Trademarks** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **310.6** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 119.2 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Other Intangible Assets** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **47.4** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 42.7 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Other Assets** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **116.0** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 192.0 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Total Assets** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **3,935.4** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 3,545.1 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Liabilities and Shareowners’ Equity** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** |  | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Current Liabilities** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** |  | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Short-term borrowings | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **89.7** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 148.1 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Current maturities of long-term debt | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **230.3** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 22.1 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Accounts payable | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **445.2** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 327.7 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Accrued expenses | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **485.9** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 374.3 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Liabilities held for sale | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **—** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 3.1 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Total Current Liabilities** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **1,251.1** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 875.3 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Long-Term Debt (Note I)** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **679.2** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 895.3 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Deferred Taxes** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **67.2** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 83.4 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Other Liabilities** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **385.9** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 246.2 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Total Liabilities** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **2,383.4** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 2,100.2 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Shareowners’ Equity** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** |  | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Common stock, par value $2.50 per share: | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** |  | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Authorized 200,000,000 shares; | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** |  | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Issued 92,343,410 shares in 2006 and 2005 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **233.9** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 237.7 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Retained earnings | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **1,883.6** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 1,657.2 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Accumulated other comprehensive loss | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **(81.8** | **)** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | (91.3 | ) |
| ESOP | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **(100.9** | **)** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | (108.2 | ) |
|  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **1,934.8** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 1,695.4 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Less: cost of common stock in treasury (10,501,783 shares in 2006 and 8,552,281 shares in 2005) | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **382.8** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 250.5 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Total Shareowners’ Equity** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **1,552.0** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 1,444.9 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **Total Liabilities and Shareowners’ Equity** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **3,935.4** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 3,545.1 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |

**I. LONG-TERM DEBT AND FINANCING ARRANGEMENTS**

Long-term debt and financing arrangements at December 30, 2006 and December 31, 2005 follow:

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| **(Millions of Dollars)** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **Interest Rate** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **2006** | | | | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **2005** | | | |
| Notes payable in 2007 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **4.5%** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **75.0** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 75.0 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Notes payable in 2007 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **3.5%** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **150.0** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 150.0 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Notes payable in 2012 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **4.9%** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **200.0** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 200.0 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Industrial Revenue Bonds due in 2010 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **6.3-6.8%** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **5.6** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 5.6 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| ESOP loan guarantees, payable in varying monthly installments through 2009 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **6.1%** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **4.8** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 5.3 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| U.K. loan notes, payable on demand | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **UK Libor less 0.5%** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **1.5** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 20.4 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Other, payable in varying amounts through 2011 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **0.0-7.8%** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **22.5** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 11.0 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Notes payable in 2045 (subordinated) | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **5.9%** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **450.1** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 450.1 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Total debt | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **909.5** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 917.4 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Less: current maturities | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **230.3** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 22.1 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Long-term debt | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **679.2** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 895.3 |  |

In November 2005, the Company issued $450.1 million of junior subordinated debt securities to The Stanley Works Capital Trust I (‘‘Trust’’), with a 40-year term and a fixed initial coupon rate of 5.902% for the first five years. The Trust, which is not consolidated in accordance with FIN 46R, obtained the funds it loaned to the Company through the capital market sale of $450.0 million of Enhanced Trust Preferred Securities (‘‘ETPS’’) and through the sale of $0.1 million in Trust Common Securities to the Company. The obligations, tenor and terms of the ETPS mirror those of the junior subordinated debt securities. Net proceeds of the issuance were used to partially finance the acquisitions of Facom (January 1, 2006) and National (November 30, 2005).

**E. PROPERTY, PLANT AND EQUIPMENT**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **(Millions of Dollars)** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **2006** | | | | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **2005** | | | | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **Useful Life (Years)** | | | |
| Land | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **43.5** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 28.0 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | N/A | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Land improvements | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **16.3** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 18.0 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 10-20 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Buildings | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **272.6** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 247.9 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 40 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Leasehold improvements | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **21.2** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 17.8 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | Term of lease | | | |
| Machinery and equipment | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **946.4** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 876.9 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 3-15 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Computer software | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **129.2** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 108.4 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 3-5 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Gross PP&E | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **$** | **1,429.2** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | $ | 1,297.0 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
| Less: accumulated depreciation and amortization | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | **869.8** | **https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif** | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | 829.9 | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |  | https://www.sec.gov/Archives/edgar/data/93556/000095013607001137/spacer.gif |
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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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):

November 29, 2005 (November 22, 2005)

THE STANLEY WORKS

(Exact Name of Registrant as Specified in its Charter)

Connecticut 1-5244 06-0548860

--------------------------------------------------------------------------------

(State of Incorporation) (Commission File No.) (IRS Employer

Identification No.)

1000 Stanley Drive

New Britain, Connecticut 06053

(Address of Principal Executive Offices)

Registrant's telephone number: (860) 225-5111

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Check the appropriate box below if the Form 8-K filing is intended to

simultaneously satisfy the filing obligation of the registrant under any of the

following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act

(17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act

(17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the

Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the

Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On November 22, 2005, The Stanley Works (the "Company") consummated anoffering of 450,000 5.902% Fixed Rate/Floating Rate Enhanced Trust PreferredSecurities (liquidation amount $1,000 per preferred security) Securities") through its trust subsidiary, The Stanley Works Capital Trust I

(the "Trust"). The Preferred Securities were sold at a price of 100% of

liquidation amount (or an aggregate gross price of $450 million).

Indenture, First Supplemental Indenture and the Junior Subordinated Debt

Securities underlying the Preferred Securities

The Junior Subordinated Debt Securities are general unsecured junior

subordinated obligations of the Company and are subordinated in right of

payment, to the extent set forth in the Indenture, to all existing and future

Senior Indebtedness (as defined in the Indenture).

The Junior Subordinated Debt Securities bear interest from the date of

issuance on November 22, 2005 to December 1, 2010 (the "Fixed Rate Period") at

the annual rate of 5.902% of their principal amount, payable semi-annually in

arrears on June 1 and December 1 of each year, beginning on June 1, 2006. From

December 1, 2010, the Junior Subordinated Debt Securities will bear interest at

an annual rate reset quarterly of 1.40% plus the highest of the 3-Month LIBOR

Rate, the 10-Year Treasury CMT and the 30-Year Treasury CMT (each as defined in

the Indenture) for the related quarterly interest accrual period, subject to a

limit of 13.25%, payable quarterly on each March 1, June 1, September 1 and

December 1, beginning March 1, 2011.

The Indenture provides that payments of interest are subject to

Optional Deferral and Mandatory Deferral provisions. The Company may elect at

any time and from time to time to exercise its right of "Optional Deferral" to

defer one or more interest payments on the Junior Subordinated Debt Securities.

The Company must provide a notice of its election to defer interest no more

than 60 and no fewer than 15 days prior to the relevant interest payment date.

The Indenture also provides that the Company will be subject to "Mandatory

Deferral" and will not be permitted to pay interest on the Junior Subordinated

Debt Securities in an amount in excess of the New Common Equity Amount (as

defined it the Indenture) on any interest payment date if, on the 30th day prior

to such interest payment date, the Company does not meet certain financial

ratios. The Indenture requires the Company to pay deferred interest only out of

the net proceeds of sales of its common stock. Each of Optional Deferral and

Mandatory Deferral may not (i) extend beyond the maturity or earlier redemption

of the Junior Subordinated Debt Securities and (ii) continue for more than 10

years, whether because of Optional Deferral or Mandatory Deferral, without all

deferred interest being paid in full.