



CDIY New Product Development Fuels Post-Merger Record Results

Stanley Black & Decker 3Q 2014 Overview

StanleyBlack&Decker

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Participants

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Cautionary Statements

Certain Statements Contained In This Presentation Are Forward Looking. These Are Based On Assumptions Of Future Events Which May Not Prove To Be Accurate. They Involve Risk And Uncertainty. Actual Results May Differ Materially From Those Expected Or Implied. We Direct You To The Cautionary Statements Detailed In The Corresponding Press Release And Form 8-K And Our Recent 1934 Act SEC Filings.

3Q 2014 Highlights

- 3Q'14 Organic Growth Of 6% Led By CDiy And Industrial Businesses
- Sharp Cost Focus And Price Realization Delivered Robust Operating Leverage
 - Operating Margin Rate Expanded To Post-Merger Record 14.1%* (+120 Bps VPY)
- 3Q'14 Diluted EPS Up 12% VPY to \$1.55* | \$1.50 On A GAAP Basis
- CDiy Revenue Grew 10% Organically And Delivered A Post-Merger Record 16.5%* Operating Margin Rate As Volume Leverage, Productivity, Price And Cost Actions Offset Continued FX And Emerging Market Economic Headwinds
- Industrial Delivered 5% Organic Growth And 15.9%* Operating Margin | Up 170 Bps VPY
- Security Europe Turnaround Continues | Taking Further Actions To Strengthen The Global Security Business And Sharpen Focus On Vertical Market Solutions
- Free Cash Flow Remains Strong | Year To Date Up \$464M VPY
- Raising FY Free Cash Flow Guidance | Reiterating Mid-Point While Tightening 2014 EPS Range
 - ~\$800M FCF | EPS Of \$5.52 – \$5.58*

Organization Remains Focused On Delivering Organic Growth & Operating Leverage In A Macro Environment With Unrelenting Headwinds

3Q 2014 Sources Of Growth

Developed Markets Delivered Strong Organic Growth...

Sources Of Growth

	3Q '14	YTD '14
Volume	+ 5%	+ 3%
Price	+ 1%	Flat
Organic	+ 6%	+ 3%
Acquisitions	Flat	+ 2%
Currency	- 1%	- 1%
SWK	+ 5%	+ 4%

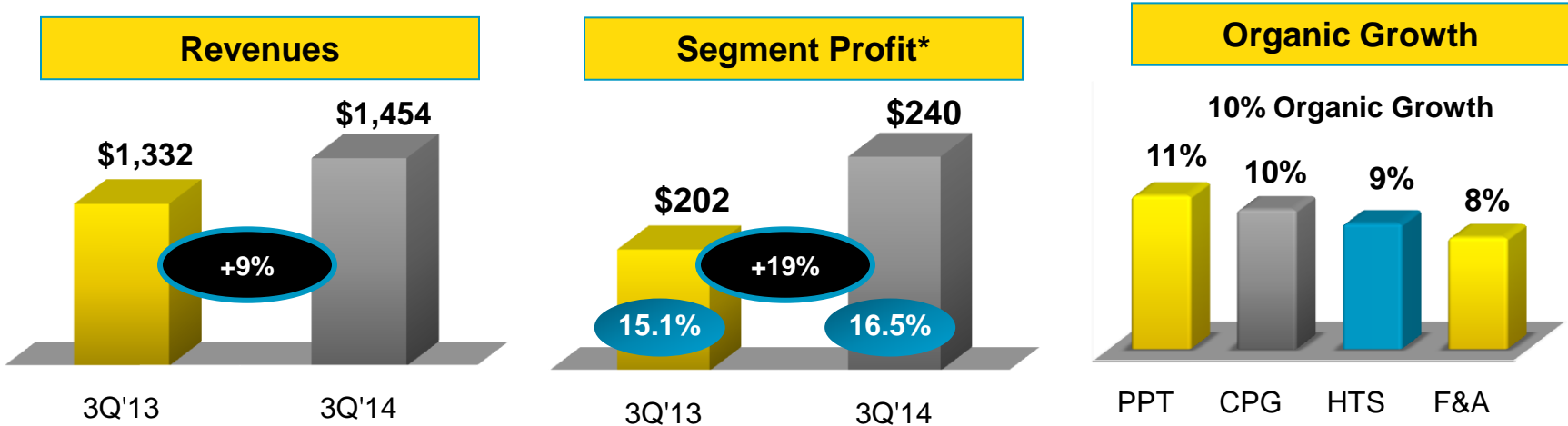
Regional Organic Growth

	3Q'14	YTD '14
United States	+ 9%	+ 4%
Europe	+ 4%	+ 3%
Emerging Markets	+ 1%	+ 2%
Rest Of World	+ 5%	+ 4%
SWK	+ 6%	+ 3%

...While Emerging Markets Remain Volatile

3Q 2014 CDIY

Growth Accelerates In Developed Markets Driving Impressive Operating Leverage....

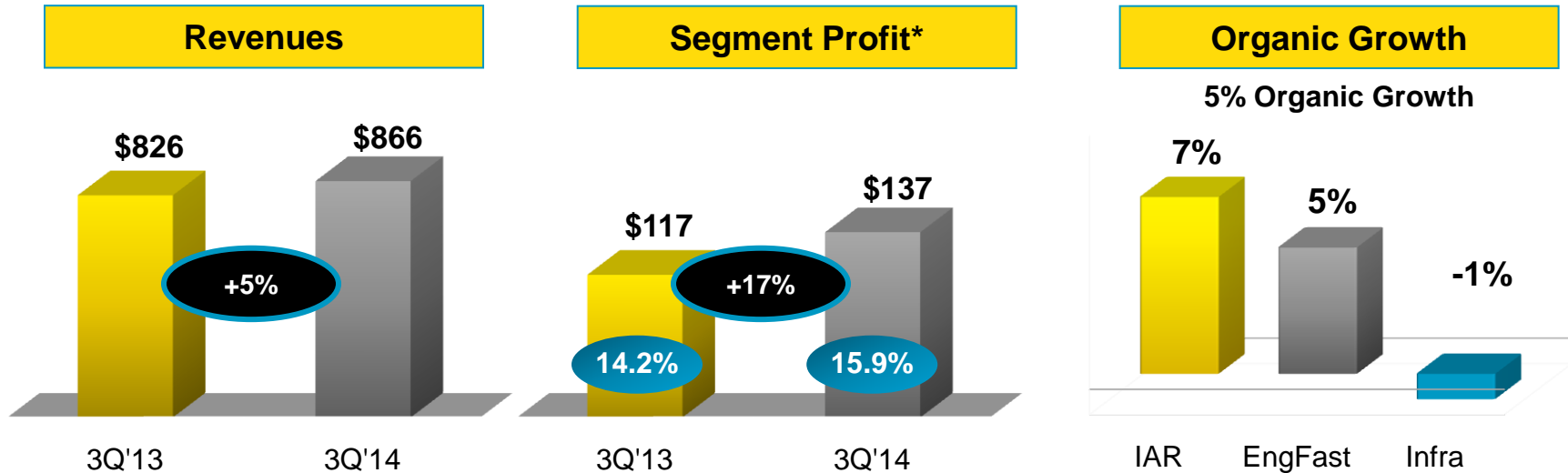


- Organic Growth: North America +12%, Europe +11% And Emerging Markets +2%
 - Strong Underlying Tool Demand In North America, Retailer Activation Of BiUSA And Innovation Programs, As Well As A Modest Outdoor Product Recovery After Weak 2Q Due To Weather
 - Robust Share Growth In Europe Continues | New Product Development (Cordless, HTS And B+D Brand) | Expanded Retail Partnerships
 - Emerging Markets Remain Volatile As Slower Underlying Market Growth Expectations Persist | MPP Launches Pacing To Expectation
- Profitability: Volume Leverage, Price, Productivity & Cost Control More Than Offset Currency Headwinds | Post Merger Record OM Rate*

...MPP Product Launches Position Us Well For Current EM Growth Environment

3Q 2014 Industrial

Industrial Delivers Solid Organic Growth And Robust Margin Expansion...

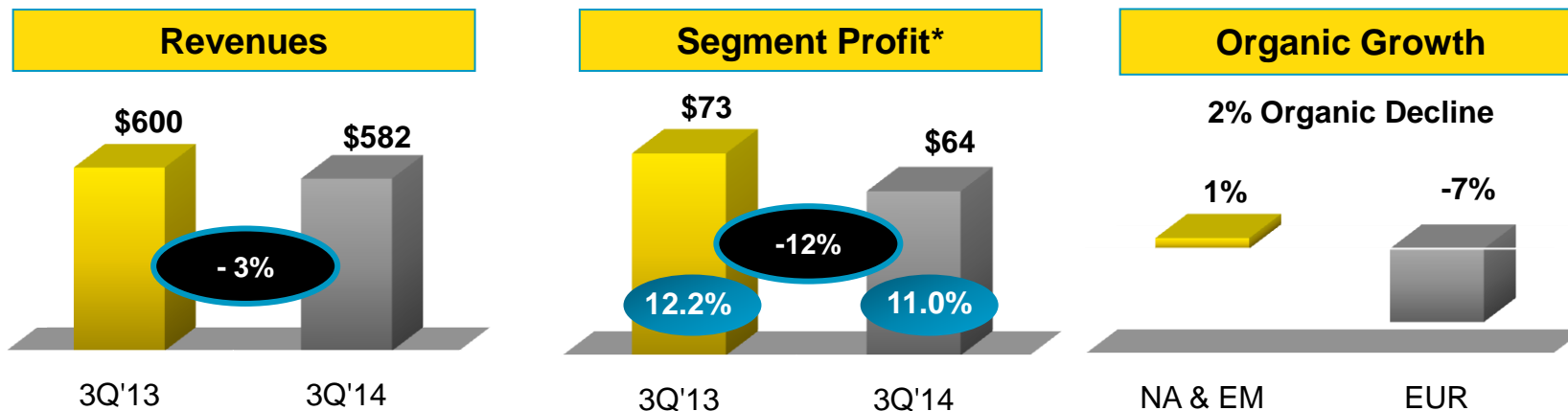


- 5% Revenue Growth: Volume +4%, Price +1%, Acquisitions & Currency Relatively Flat
- OM* Expands 17% Based On Volume Leverage, Tight Cost Focus And Surgical Pricing Actions
- IAR: Organic Growth Driven By New Product Introductions & Strong Industrial Demand In North America & Europe
- Engineered Fastening: Strong Global Automotive Revenues And Continued Success With The Infastech Integration
- Infrastructure: Increased Demand For Hydraulic Tools Was Offset By Lower Onshore Pipeline Activity In NA And Project Delays Due To Geo-Political Events In Russia/Ukraine And Iraq/Syria

...As Surgical Customer Pricing Actions And Cost Controls Enable Operating Leverage

3Q 2014 Security

Vertical Solutions Momentum Building In NA While Europe Continues To Move In A Positive Direction...



- North America & Emerging Markets:
 - Organic Increase Driven By CSS & Access Doors
 - Vertical Market Solutions Continue To Ramp Up | ~\$125M Of Orders YTD
 - OM* Rate Relatively Consistent With PY Levels (Mid-Teens) | Impacted By Project Mix
 - NA Leadership Change Implemented To Facilitate The Global Roll-Out Of Vertical Market Solutions And Tighten Execution Within The NA & EM Business
- Europe:
 - Organic Decline Due To Lower Installation And Recurring Revenues Most Notably In The Southern Region
 - Order Rates Expanded In The High Single Digits While RMR Attrition Remained In The 10-12% Target Range
 - OM* Rate Improved Sequentially In Line With Expectations (Mid-Single Digit)
 - Finalizing Review Of Strategic Alternatives For The Southern Region By Year End

...Actions Taken To Strengthen The Business & Advance Our Global Vertical Market Solutions

3Q 2014 Free Cash Flow

Increased Operational Earnings, Lower Restructuring Payments & Reduced Capital Expenditures Drive Solid Cash Flow Performance...

6.4 WCT

	3Q'13	3Q'14	V\$	YTD'13	YTD'14	V\$
Net Income	\$ 166	\$ 237	\$ 71	\$ 434	\$ 615	\$ 181
Deprec / Amort	109	113	4	323	337	14
Working Capital	(244)	(169)	75	(372)	(443)	(71)
Other	69	68	(1)	(249)	25	274
Operating CF	100	249	149	136	534	398
CapEx	(89)	(60)	29	(245)	(179)	66
Free Cash Flow	\$ 11	\$ 189	\$ 178	\$ (109)	\$ 355	\$ 464

...Enabling Increase Of FY FCF Estimate To ~\$800M

2014 Outlook

Reiterating Midpoint While Tightening 2014 EPS Range Of \$5.52 - \$5.58* And Increasing 2014 Free Cash Flow Estimate To Approximately \$800M

2014 Guidance		FY2014 Segment Outlook		
EPS And FCF Guidance	2014 EPS *	\$5.52 - \$5.58		
	Free Cash Flow Including 1X Payments	~\$800M		
EPS Guidance	Reiterating Midpoint While Tightening FY EPS Guidance Range With The Following Assumption Changes Having A Neutral Impact:			
	<ul style="list-style-type: none"> - Incremental Currency Pressure (FY Impact Of Approximately \$75M Vs. Our Prior Estimate Of \$60M) - Stronger Operational Performance Due To Solid Developed Market Organic Growth And Continued Focus On Indirect Cost & Pricing 			
	Potential For Modest Benefit From An Exit Of Security Europe's Southern Region (Move To Discontinued Ops)			
FCF Guidance	Raising FY FCF Estimate As We Expect Lower One-Time Restructuring Payments, Solid Working Capital Performance & Slightly Lower Levels Of Capex			
	CDIY	Mid-Single Digit	Increase Y-O-Y	OM% Increase Due To Cost Actions And Volume Leverage More Than Offsetting FX
		Industrial	Mid-Single Digit	Increase Y-O-Y
Security	Modest Decrease	Modest Decrease Y-O-Y	Organic Growth From North America & Emerging Markets Offset By Europe	

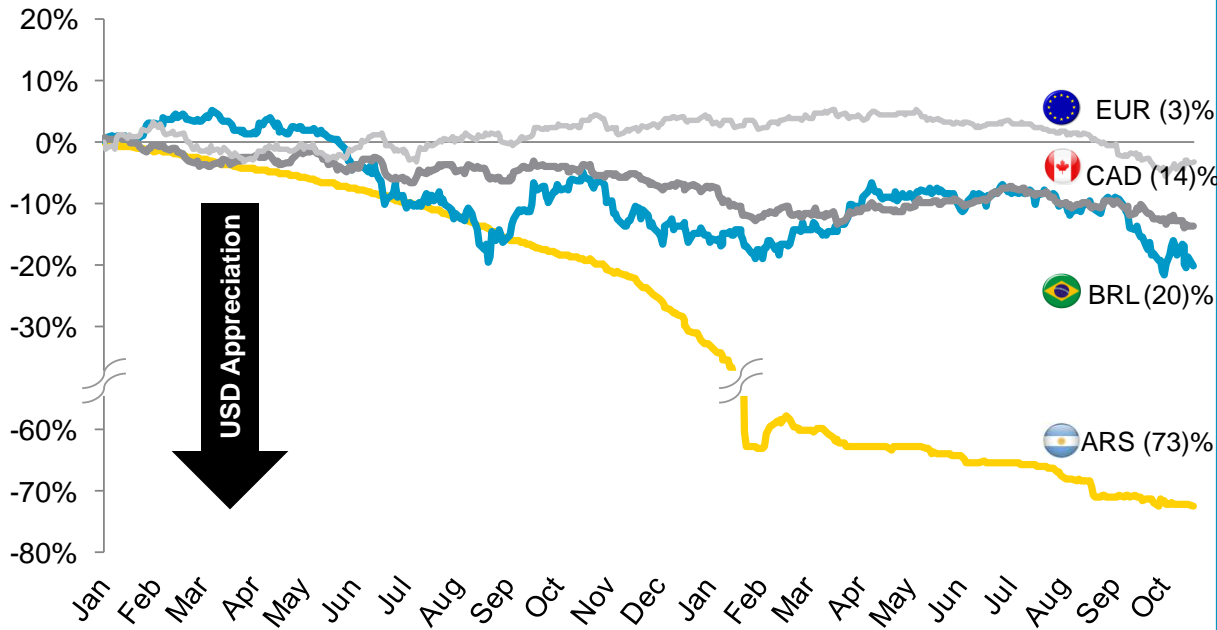
2015 Initial Commentary

Strengthening Of The U.S. Dollar And Slowing Emerging Market Economic Growth Is A Known Headwind Of Approximately \$50 - \$75 Million To 2015 Operating Margin Growth. We Have A Demonstrated Track Record Of Responding To These Types Of Currency And Macro Economic Pressures With Surgical Cost Reduction Actions. In This Regard, We Are Currently Considering Several Initiatives Which Would Largely, If Not Completely, Offset These Headwinds. If Taken, These Actions Would Likely Require Additional Restructuring Charges Of \$10 - \$25 Million In Excess Of Our Current 2014 Estimate Of \$25 Million.

2015 Foreign Exchange Impacts

Recent Strengthening Of U.S. Dollar Vs. Several Major Currencies...

Currency Trends vs. USD (12/31/12 – 10/20/14)



FX Volatility & Devaluations Leading To Slower Market Growth And ~ -\$75M FX Headwind In 2014

Transactional Exposure Factors

- ~80% CDIIY | ~20% Industrial
- Global Supply Chain
- Components Based In US\$
- Importing Significant Amount Of Goods Into Latin America & Canada

2014 Forecast: ~\$75M OM Impact VPY

Estimated 2015 OM Impact (Local/USD)*

- 2015 Forecast: ~\$45M - \$55M VPY
- CAD 1% Move: ~\$2.5 - \$3.5M Annually
- EUR 1% Move: ~\$2.0 - \$3.0M Annually
- BRL 1% Move: ~\$0.9 - \$1.2M Annually
- ARS 1% Move: ~\$0.8 - \$1.0M Annually

2015 Mitigating Factors

- Considering Several Company-Wide Surgical Cost Reduction Actions To Mitigate Currency Pressures

...Preparing For FX Headwinds To Continue Into 2015

Summary

Remain Focused On Executing Near-Term Operating & Capital Allocation Actions...

- Delivered Strong 3Q'14 EPS & Cash Flow Performance Despite Continued Foreign Exchange Pressure And Emerging Market Volatility
 - Strong Organic Growth Supported By Innovation And 2013 Organic Growth Investments
 - Tight Cost Focus & Surgical Customer Pricing Actions Across Enterprise Enabled Operating Leverage
 - SWK Margin* Expands To Post-Merger Record
 - Security Europe Recovery Demonstrates Cause For Optimism | Another Positive Step Forward In 3Q
- Consistent 2014 Focus: Improve Near-Term Returns And Relative Performance
 - Organic Growth Initiatives
 - Security Margin Improvement
 - Surgical Cost & Pricing Actions To Ensure Operating Leverage
 - Ongoing Working Capital Focus
 - Capital Allocation Rebalance For 2014/15 (Acquisition Moratorium | Share Repurchase | Deleverage)
- Preparing For Further Currency & Emerging Market Volume Headwinds In 2015 With Potential Mitigating Cost Reduction Programs

...Positioning The Company To Deliver Our Long-Term Financial Objectives

APPENDIX

Global Presence

Canada	<u>3Q'14</u>	<u>YTD'14</u>
Organic	+ 8%	+ 5%
% SWK	5%	5%

US	<u>3Q'14</u>	<u>YTD'14</u>
Organic	+ 9%	+ 4%
% SWK	50%	48%

Europe	<u>3Q'14</u>	<u>YTD'14</u>
Organic	+ 4%	+ 3%
% SWK	24%	26%

Japan	<u>3Q'14</u>	<u>YTD'14</u>
Organic	- 3%	+ 3%
% SWK	2%	2%

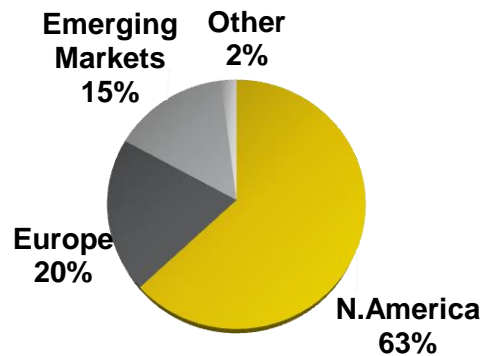
Emg Mkt	<u>3Q'14</u>	<u>YTD'14</u>
Organic	+ 1%	+ 2%
% SWK	17%	17%

Australia	<u>3Q'14</u>	<u>YTD'14</u>
Organic	+ 9%	+ 4%
% SWK	2%	2%

Regional Revenue Breakout 3Q 2014

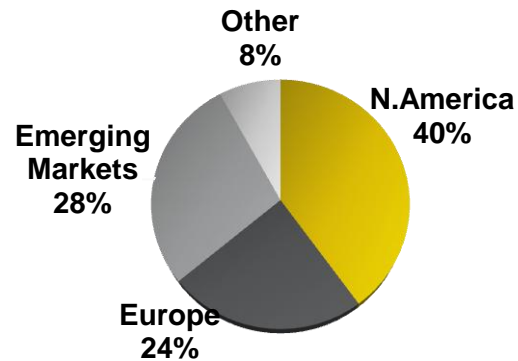
CDIY

\$1,454M



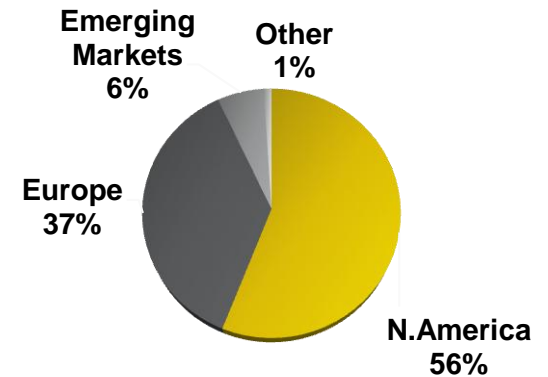
Industrial

\$866M



Security

\$582M



These results reflect the Company's continuing operations. In 3Q'13, the Company classified two small businesses within the Security and Industrial segments as held for sale based on management's intention to sell these businesses. The business within the Industrial segment was sold in February 2014. The operating results of the business within the Industrial segment, including the loss on sale, have been reported as discontinued operations for 3Q'13. The operating results of the business within the Security segment have been reported as discontinued operations for 3Q'14 and 3Q'13. Total sales reported as discontinued operations were \$5.2 million and \$8.9 million for 3Q'14 and 3Q'13, respectively.

The Company recast 2013 segment net sales and profit between the CDiy and Industrial segments to align reporting with the current management of the Company's operations in the emerging markets to be comparable with the current year presentation. There is no impact to the consolidated financial statements of the Company as a result of this segment realignment.

Organic sales growth is defined as total sales growth less the sales of companies acquired in the past twelve months and any foreign currency impacts. Operating margin is defined as sales less cost of sales and selling, general and administrative expenses. Management uses operating margin and its percentage of net sales as key measures to assess the performance of the Company as a whole, as well as the related measures at the segment level. Free cash flow is defined as cash flow from operations less capital and software expenditures. Management considers free cash flow an important indicator of its liquidity, as well as its ability to fund future growth and to provide a return to the shareowners. Free cash flow does not include deductions for mandatory debt service, other borrowing activity, discretionary dividends on the Company's common stock and business acquisitions, among other items. The normalized statement of operations and business segment information, as reconciled to GAAP on pages 12 to 15 of the press release for 2014 and 2013, are considered relevant to aid analysis of the Company's operating performance and earnings results aside from the material impact of the one-time charges and payments associated with the Black & Decker merger, the Niscayah and Infastech acquisitions and other smaller acquisitions of the Company. Normalized free cash flow, as reconciled from the associated GAAP measures on page 10 of the press release for 2014 and 2013 is considered a meaningful pro forma metric to aid the understanding of the Company's cash flow performance aside from the material impact of the M&A-related payments and charges.