



Silvano Alves Cements The World Title At The PBR World Finals XVIII

Stanley Black & Decker 4Q'11 & FY'11 Overview

StanleyBlack&Decker

January 26th, 2012

Participants

John Lundgren

President & CEO

Jim Loree

Executive VP & COO

Don Allan

Senior VP & CFO

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VP of Investor Relations

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.

4Q & Full Year 2011 Highlights

Market Share Gains, Successful Revenue Synergies & Emerging Markets...

- 4Q'11 Revenues Up 17% YOY To \$2.8 Billion; Organic Revenues Up 6%
 - CDIY Grew 8% Organically Excluding Pfister
 - 7% Organic Growth In Industrial
 - Security Up 1% VPY Organically; 4% Organic Growth In CSS
- 4Q'11 Diluted EPS Of \$1.36*, Up 27% VPY; 4Q'11 Diluted GAAP EPS Was \$1.05
- 2011 Revenues Up 12%; Up 4% Organically (From \$9.3B PF 2010 Base)
 - Revenues From Emerging Markets Now 14% Of Total Company; Up From 11% PY
- 2011 Diluted EPS Was \$5.24*, Up 26% VPY; 2011 Diluted GAAP EPS Was \$4.06
- 2011 Free Cash Flow Of \$1.0 Billion*
- Working Capital Turns Of 7.0**; Up 23% VPY & Up 52% Since Merger
- 2012 Diluted EPS Guidance Of \$5.75 - \$6.00*
 - Proactive Cost Containment Actions With \$150 Million Benefit In 2012 To Be Implemented - Separate From Integration-Driven Cost Synergies
- 2012 Free Cash Flow To Approximate \$1.2 Billion*

...Drove Growth For 2011 & Will Continue To Do So In 2012

4Q & Full Year 2011 Sources Of Growth

Innovative New Products & Market Share Gains Drove Organic Growth...

Sources Of Growth

	4Q'11	FY'11
Volume	+ 5%	+4%
Price	+ 1%	Flat
Organic	+ 6%	+4%
Acquisitions	+ 11%	+6%
Currency	Flat	+2%
SWK	+ 17%	+12%

4Q & FY'11 Organic Growth

	4Q'11	FY'11
PPT&A	+9%	+13%
Industrial	+ 7%	+10%
CSS	+4%	+4%
MAS Commercial	+5%	Flat
CPT (Incl. Outdoor)	+10%	Flat
HT&F	+6%	+1%
MAS Residential	-5%	-3%
Pfister	-5%	-20%
SWK	+6%	+4%

...Throughout 2011

Global Presence

Emerging Markets Continue To Boost Organic Growth...

Canada	<u>4Q'11</u>	<u>FY'11</u>
Organic	+7%	0%
% SBD	6%	6%

Asia	<u>4Q'11</u>	<u>FY'11</u>
Organic	+12%	+18%
% SBD	5%	5%

Ex-Engineered
Fastening In Japan,
Asia Organic Sales
↑25% For The Full
Year

US	<u>4Q'11</u>	<u>FY'11</u>
Organic	-1%	0%
% SBD	48%	52%

EMEA	<u>4Q'11</u>	<u>FY'11</u>
Organic	+4%	+5%
% SBD	31%	27%

L.Amer.	<u>4Q'11</u>	<u>FY'11</u>
Organic	+26%	+25%
% SBD	8%	8%

Australia	<u>4Q'11</u>	<u>FY'11</u>
Organic	-4%	-4%
% SBD	2%	2%

...As Successful Revenue Synergies, New Products & Marketing Increase Brand Awareness And Expand Global Customer Base

Integration Update

Black & Decker

- \$115M In Incremental Cost Synergies In 2012; Drives ~\$0.50 In EPS Accretion
- Will Achieve \$450M In Cost Synergies By Y/E 2012; Enter 2013 At \$485M Run Rate
- Revenue Synergy Projects Yielding Strong Results
 - Remain On Track To Attain \$300M-\$400M In Incremental Revenue And \$0.35 - \$0.50 EPS Accretion By 2013
 - Drove Growth Of Over \$100M In CDiy In 2011
- Legacy Cultures Successfully Melding
 - Completed First Global Employee Opinion Survey: Over 90% Of Responses Were Favorable/Highly Favorable
- Stanley Fulfillment System Fully Embraced
 - CDiy Working Capital Turns of 7.1

Niscayah

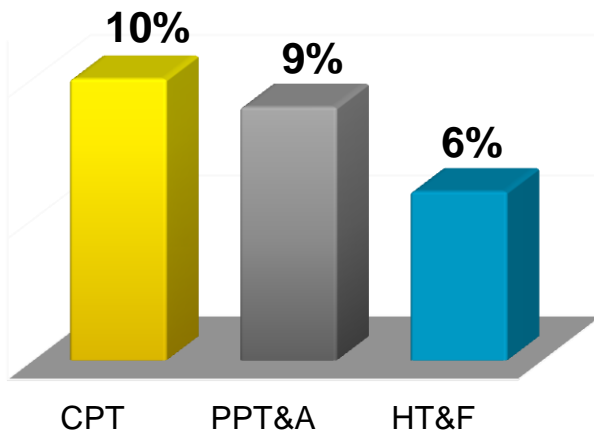
- \$45M In Cost Synergies In 2012: Drives ~\$0.20 EPS Accretion. \$35M Forecasted For 2013.
- Integration Progressing As Planned
 - Major Upgrades To Leadership Complete
 - Reporting Rhythms & Weekly Project Tracking Tools In Place
 - Weak European Market Environment Was Anticipated In Original EPS Commitment
- Focus Remains On Execution

**~\$0.70 Of EPS
Accretion In 2012 From
Both Integrations;
Achievable Irrespective
Of Macro Environment**

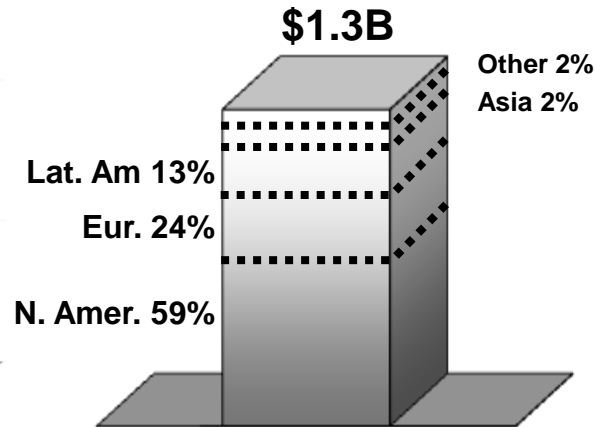
4Q'11 CDIY

New Products & Revenue Synergies Drove Volume Growth In North America & Emerging Markets

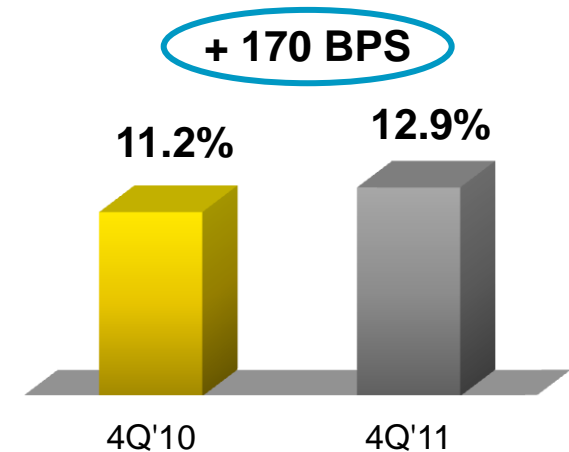
Organic Growth



Regional Revenue



Profit Rate*



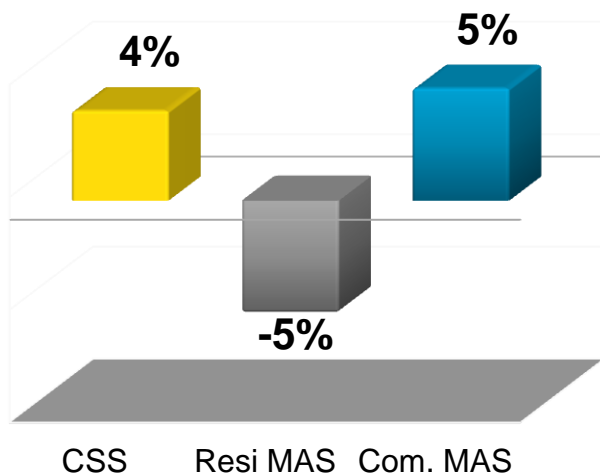
Construction & Do-It-Yourself

- Organic Revenues ↑ 8%, Excluding Pfister & Divestitures; CDIY Revenues In Latin America Grew 16%
- Professional Power Tools Grew 9% Due To Continued Success From The 20V Max 3Q'11 Launch, Despite Tough PY Comps Due To Strong 12V Launch
- DeWalt Hand Tools And Growth In Latin America, Both By-Products Of Successful Revenue Synergy Execution, Drove Growth In HT&F
- Pricing Actions Driven By Commodity Inflation Remained Intact But Were Offset By Higher Promotional Discounts On Ni-Cad And Other Older Generation Products. The Negative Impact Of Currency Also Applied Pressure To Margins.
- Sales For The Pfister Business Fell 6% Due To The Ongoing Impact Of The 1Q'11 Loss Of SKUs At A Major Customer

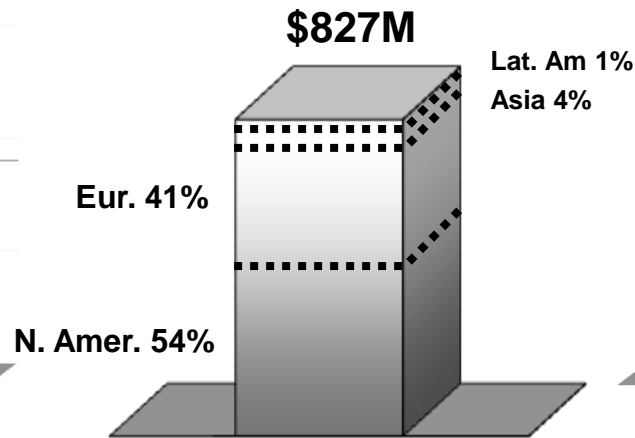
4Q'11 Security

Niscayah Integration Progressing Smoothly, Irrespective Of Economic Environment In Europe

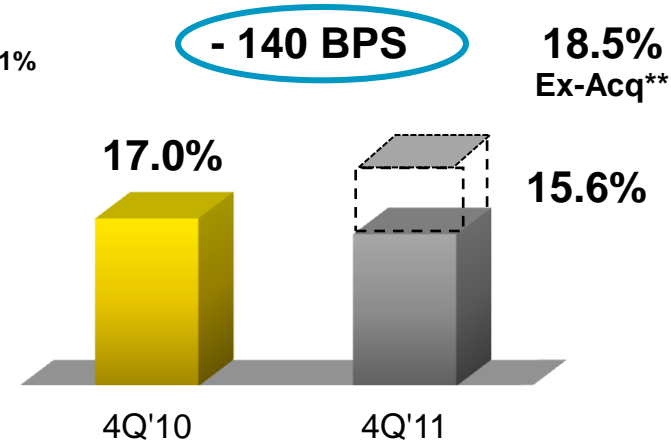
Organic Growth



Regional Revenue



Profit Rate*



Convergent Security Solutions (CSS)

- Healthy CSS Order Flow From Both National & Core Commercial Accounts Drove Installs ↑12%; 190 BPS Improvement In CSS Organic OM %
- PF Organic Revenue For Niscayah Down 4% As Strength In The Nordic Region Is More Than Offset By Pockets Of Weakness In Europe; 160 Bps Improvement In Niscayah OM% As Integration Progresses Well

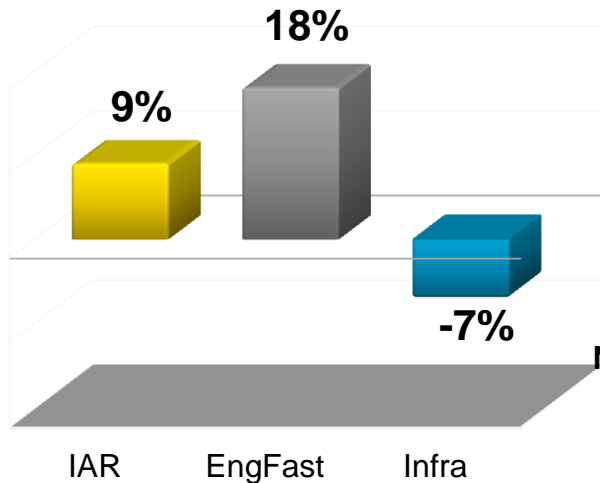
Mechanical Access Solutions (MAS)

- Solid Organic Sales Growth Within Access Technologies & MAS Commercial
- GMT (4Q'10 Chinese Acquisition) Performing Well; Small But Strategically Important 'Toe-Hold' In Asia For MAS Commercial
- MAS Residential Revenues Down 5% Organically Following Inventory Adjustment At Major Customer

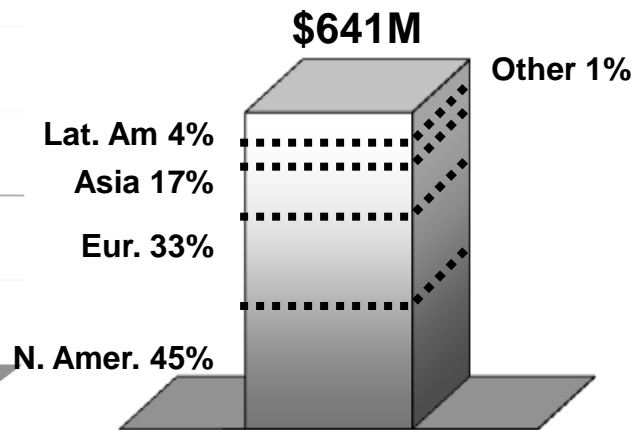
4Q'11 Industrial

Strong Performance Continues With 7% Organic Growth And Record Margins

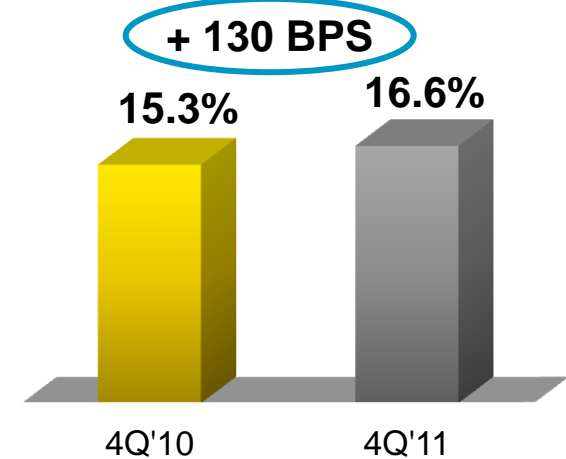
Organic Growth



Regional Revenue



Profit Rate*



Industrial & Automotive Repair (IAR)

- Organic Revenues ↑ 9% VPY As Industrial And Mobile Distribution As Well As Engineered Storage Benefit From Strong Customer Demand And Market Share Gains
- Solid Revenue Growth Around The Globe; Unit Volumes In Europe ↑ 1% YOY, Also Marking Sequential Improvement
- Completed Acquisition Of Lista North America In 1Q'12 (~\$70M In 2011 Sales); Expands Engineered Storage Offerings & Distribution Channels
- 90 Bps Expansion In Operating Margin Rate Driven By Operating Leverage, Cost Synergies And Pricing

Engineered Fastening

- Organic Revenues ↑ 18%, ~5X The Growth In Global Light Vehicle Production Due To Market Share Gains And An Accelerated Industrial Recovery In Japan
- Record Qtr For Financial Performance In Asia (Sales ↑ 16%) Driven By Disaster Recovery In Japan

Infrastructure (Hydraulics & CRC-Evans)

- CRC-Evans Revenues Down Due To Timing Of Projects & Regulatory Hurdles
- Hydraulics Sales ↑ 12%; OM% >21%

Working Capital

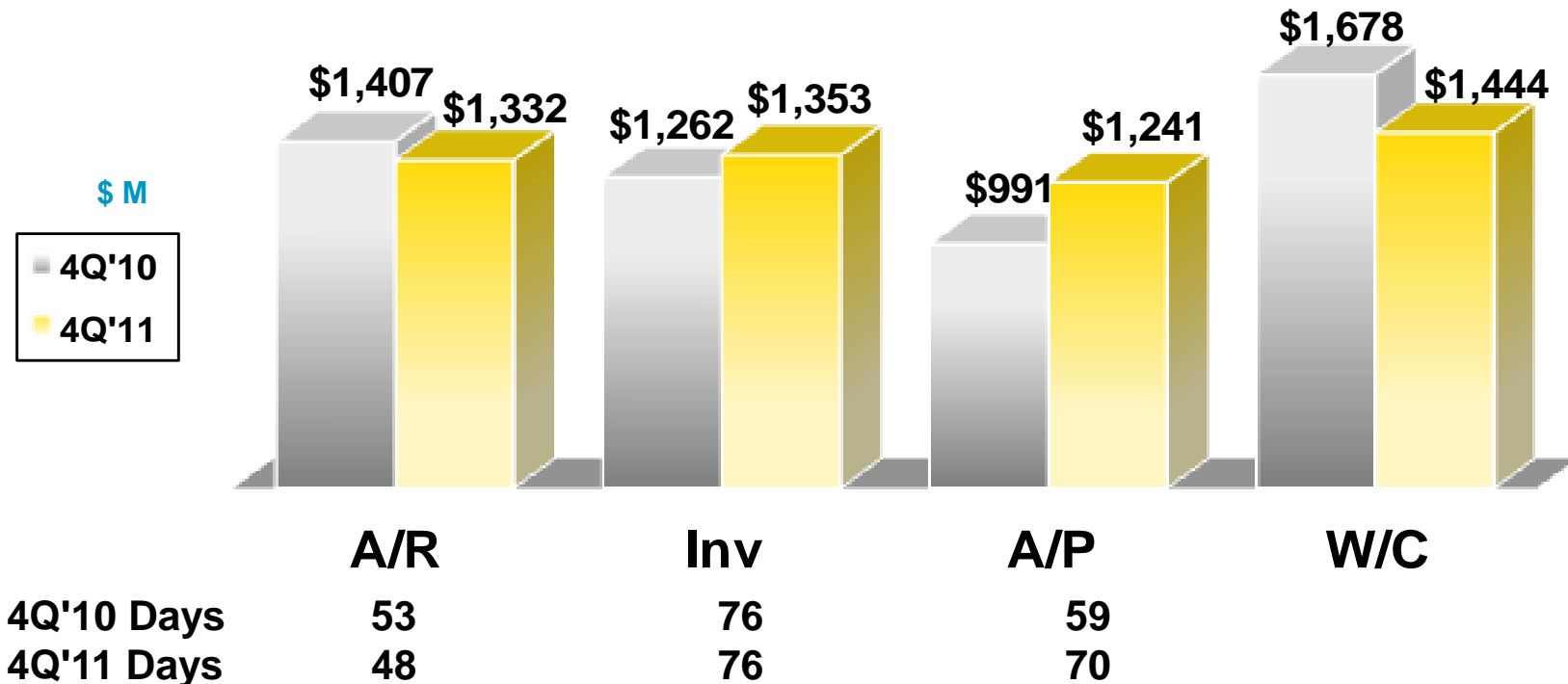
Working Capital Turns Increased 23%* Versus Prior Year...

-5 Days

0 Days

+11 Days

5.7T → 7.0* Turns



...As SFS Drives Efficiency Into Every Business & Region In The Combined Enterprise

4Q & FY 2011 Free Cash Flow*

Achievement Of \$1B In FCF After First Full Year As Combined Company...

	4Q'10	4Q'11	V\$	YTD'10	YTD'11	V\$
Net Income	\$ 179	\$ 218	\$ 39	\$ 619	\$ 874	\$ 255
Deprec/Amort	96	112	16	335	410	75
Working Capital	314	255	(59)	131	134	3
Other / Restr.	(55)	31	86	36	(201)	(237)
Operating CF	534	616	82	1,121	1,217	96
CapEx	(82)	(53)	29	(186)	(214)	(28)
Free Cash Flow	\$ 452	\$ 563	\$ 111	\$ 935	\$ 1,003	\$ 68

...Far Outpacing Original Goals

Stanley Black & Decker 2012 Outlook

10-15% EPS Growth On 1-2% Increase In Organic Sales

The Company Expects Full Year 2012 EPS To Be In The Range Of \$5.75 - \$6.00* Based On The Following Assumptions:

Organic Net Sales To Increase 1-2% From A 2011 Pro Forma (To Include Niscayah) Revenue Base Of \$11B
- Includes Impact Of BDK Revenue Synergies

\$115M In BDK Cost Synergies (~\$0.50) And \$45M Due To The Niscayah Acquisition (~\$0.20)

Cost Reduction Actions With Pre-tax Benefits Totaling ~\$150M (~\$0.70)

~\$0.08 Positive Impact Of A Lower Share Count (167.6M)

~\$0.70 Negative Impact From Carryover Inflation (Net Of Price) & Currency Headwinds

Tax Rate Will Be ~22-23%, Creating A ~\$0.55 Headwind Compared To The 2011 Rate Of 14.0%.

Interest & 'Other-Net' To Be ~\$380M

Free Cash Flow To Be ~\$1.2B* - Assumes Modest Benefit From Working Capital

Geographical

- **North America Up ~1%** - Reflects Continued Market Share Gains & No U.S. Residential Construction Rebound
- **Europe Down ~3%**
- **Emerging Markets Up ~10-15%** - Reflects Strong Growth But At Slower Pace Compared To 2011

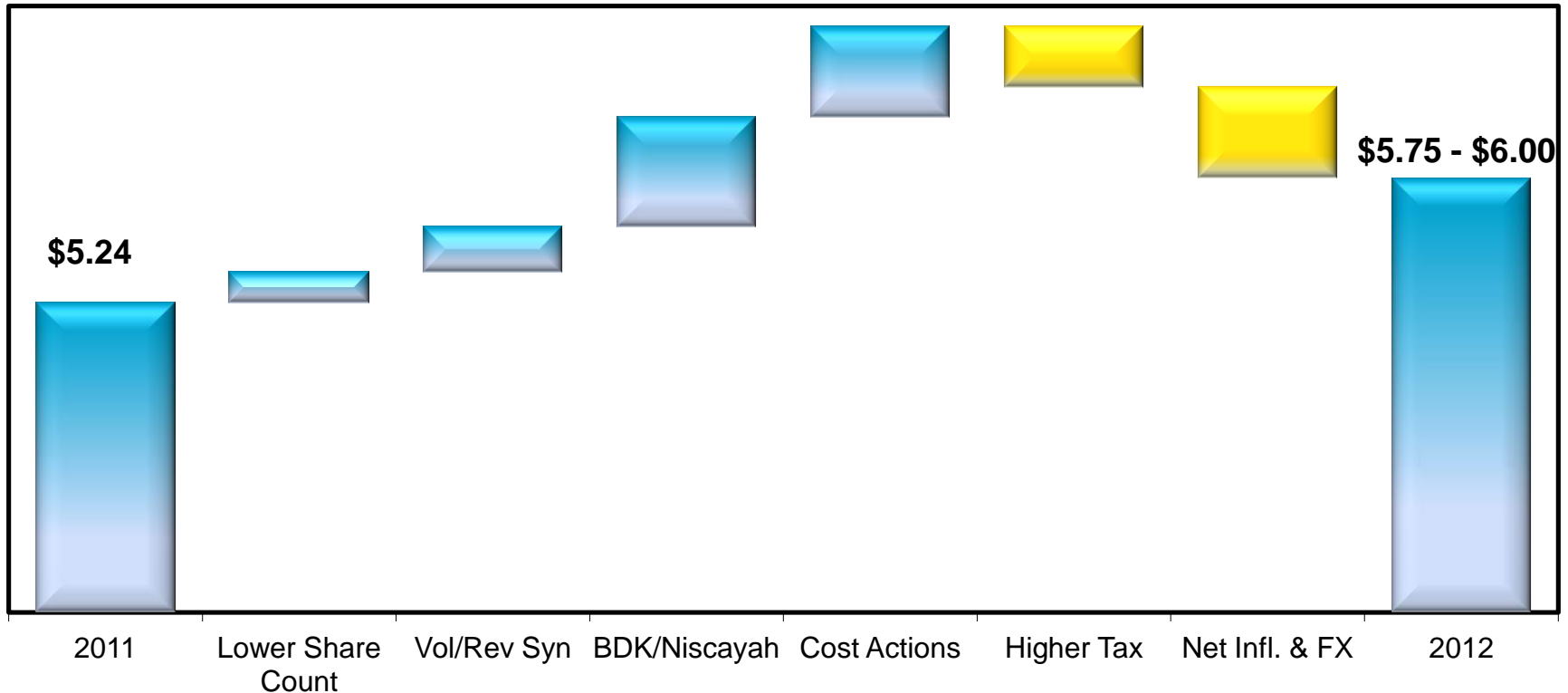
Seasonality

- 1Q EPS Typically 18-19% Of FY EPS Due To Seasonality

Remain Firmly On Track To Achieve Mid-Decade Goals

2012 Guidance Walk

Currency Headwinds, Mild Retractions In Europe & Slowly Abating Inflation...

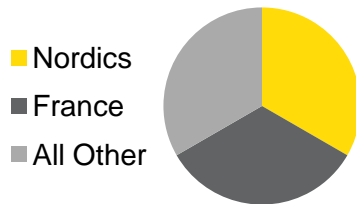


...To Be Mostly Offset With \$150 Million In Proactive Cost Containment

Europe

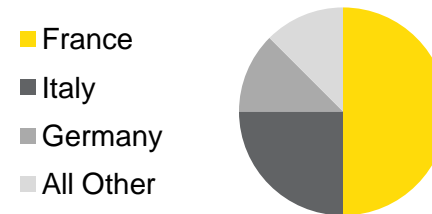
Europe Industrial & CDIY Have Not Rebounded From '09 Lows Thus Lessening The Downside To Potential Recession...

35% Of PF Security Segment (\$1.1B)



- Weakness Anticipated In Niscayah Commitments
- 2/3 Of Revenue In Relatively Stable Countries
- Currently 20% Off Of '08 Peak & At Trough Levels

30% Of Industrial Segment (\$700M)



- 40% Eng. Fasteng.- Approaching '08 Peak & 40% Up From Lows
- 60% IAR – 50% Recovered From '09 Low

25% Of CDIY Segment (\$1.3B)



- 30% Off Of '07 Peak...Only 10% Recovered From '09 Lows

...Guidance Assumes Overall European Revenues Down ~3%

Stanley Black & Decker 2012 Segment Outlook

Market Share Gains & Revenue Synergies To Drive Top Line...

CDIY

- Low Single-Digit Organic Revenue Growth Expected For 2012
- Successful 2H'11 18V MAX Launch A Tailwind Thru 1H'12; 2H'12 New Product Launch In Works. Share Gains To Continue
- Weakness In Europe To Be Mostly Offset With Modest Growth In North America And Strength In Latin America & Asia

Security

- Low Single-Digit Organic Revenue Growth Expected For 2012; Niscayah Revenue Retraction Built Into Accretion
- Niscayah OM% (Now High Single-Digits) To Increase Significantly Due To Integration & Cost Synergies, But Will Remain A Drag On Entire Segment – Hence Modest Segment Operating Margin Rate Decline For FY
- Legacy CSS Business To Continue To Grow Organically At A Solid Pace Due To Strength In North American National Accounts
- Growth In MAS Commercial To Outpace That Of MAS Resi As Housing (Existing Home Sales) Remains Sluggish

Industrial

- Low To Mid Single-Digit Organic Revenue Growth Expected For 2012 Largely Due To Tough Comps
- IAR Growth Expected To Come From Emerging Markets As Mild Strength In North America Offsets Modest Weakness In Europe
- Mid-Single Digit Organic Growth Expected From Engineered Fastening As Recovery In Japan Offsets Slower Auto Production In Europe. Higher Sales In Asia To Drive Favorable Mix

...Proactive Cost Containment & Successful Integrations To Drive EPS In 2012

Summary

Successful Integrations & Focused Execution On Core Businesses...

- Margin Accretion & Top Line Growth Remain At Forefront Of Priorities In 2012
 - Strong Track Record Of Acquisition Integrations, Proactive Cost Actions & Outpacing Market Growth With Share Gains/New Products
- Long-Term Capital Allocation Strategy Remains The Same
 - Reviewing Another Meaningful Dividend Increase In 2012
- Stanley Fulfillment System To Drive Continuous Improvement
 - 23%* Improvement In Working Capital Turns In 2011 ➡ 7.0 Turns
 - More Progress Expected In 2012
- ~\$1.2 Billion** In Free Cash Flow Forecast For 2012

...To Drive 2012 EPS To Approach \$6.00

APPENDIX

Stanley Black & Decker 2012 Outlook Appendix

Including All M&A Charges, The Company Expects EPS To Approximate \$4.71 To \$4.97 In 2012

The Company Estimates The M&A Related Charges To Be As Follows:

- Total M&A Related Costs In 2012 To Be \$242 Million Consisting Of Restructuring And Related Costs Associated With Severance Of Employees And Facility Closures, Certain Compensation Charges And Advisory And Consulting Fees.

Corporate Overhead To Be ~\$170M For The Full Year

- **\$455M Of D&A (\$210M A, \$245M D)**
- **Cash EPS Of ~\$6.75 - \$7.00 (Excludes A)**

Stanley Black & Decker End Market Update

Estimates Based On 2011 Pro Forma Revenues

<i>End Market</i>	<i>MAS</i>	<i>CSS</i>	<i>INDUSTRIAL</i>	<i>CDIY</i>	<i>SWK</i>
Existing Resi/Repair/DIY	16%	3%	0%	40%	21%
New Residential Const.	14%	2%	1%	29%	16%
Non Resi/Comm. Const.	19%	11%	3%	22%	15%
Industrial	0%	15%	44%	3%	14%
Retail	36%	15%	1%	4%	10%
Automotive Production	0%	0%	24%	0%	6%
Automotive Aftermarket	0%	0%	11%	1%	3%
Healthcare	4%	14%	0%	0%	3%
Government	3%	9%	5%	1%	3%
Infrastructure	1%	2%	11%	0%	3%
Financial / Banking	0%	15%	0%	0%	2%
Education	3%	2%	0%	0%	1%
Other	4%	12%	0%	0%	3%
Total	100%	100%	100%	100%	100%

Other Comm. Const. Includes Non-Retail, Office Buildings, Arenas/Stadiums, Hotels, Resorts, Cinemas Etc.

Industrial Includes Manufacturing, Utilities, Distribution, Power, Rail, Oil & Gas, Etc.

Infrastructure Includes Pipe Construction And Services & Equipment

Stanley Black & Decker: Purchased Materials

Direct Material Spend

2011 (\$M)

Finished Goods	1,800	41%
Components	1,700	39%
Resin / Plastic	290	7%
Steel	280	6%
Base Metals	160	4%
Packaging	115	3%
Total	4,345	

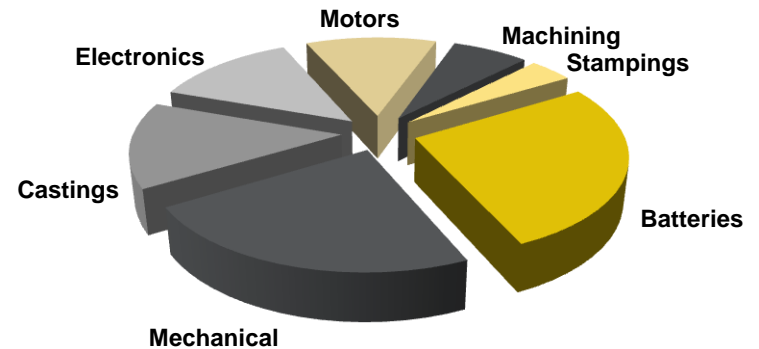
Top Three Raw Material Exposures

(Finished Goods + Direct + Components)

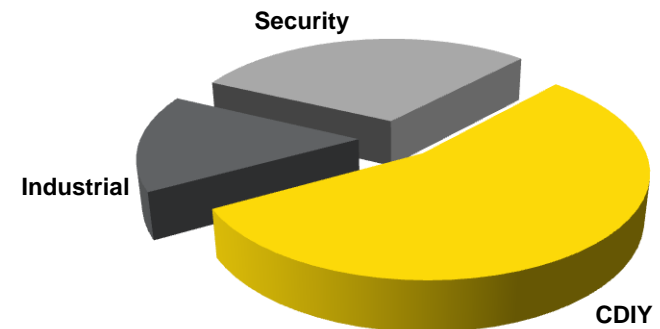
- Steel = ~20%
- Resin = ~10%
- Base Metals= ~5%

(For Directional Analysis Only)

Components



Finished Goods



Note: The company sold three small businesses during the fourth quarter for total cash proceeds of \$27.1 million. The largest of these businesses was part of the company's Industrial segment, with the two smaller businesses being part of the company's Security segment. Total sales associated with these businesses were \$61.2 million, \$65.7 million, and \$54.4 million in 2011, 2010 and 2009, respectively. These businesses were sold as the related product lines provided limited growth opportunity or were not considered part of the company's core offerings. The operating results of these three businesses have been reported as discontinued operations in the Consolidated Statement of Operations.

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. The normalized statement of operations, cash flows and business segment information, as reconciled to GAAP on pages 14 - 19 for 2011 and 2010, is considered relevant to aid analysis of the Company's operating performance, earnings results and cash flows aside from the material impact of the one-time charges and payments associated with the Black & Decker merger, Niscayah acquisition and other smaller acquisitions of the Company.