

***StanleyBlack&Decker***

**Robert W. Baird 40<sup>th</sup> Annual  
Industrial Conference**

11/9/10

# Cautionary Statements

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This presentation contains “forward looking statements,” that is, statements that address future, not past events. Such statements include financial projections and estimates of various elements used to reach those projections. These statements are based on assumptions of future events that may not prove to be accurate; they also are based on the Company’s plans and strategy as of the date hereof, which could change in the future. Actual results may differ materially from those projected or implied. Please refer to the Company’s most recent SEC filings for any updates and for more detailed information regarding the factors that could affect the forward looking statements contained herein. This presentation contains reconciled non-GAAP measurements which are to GAAP in the appendix. The Company undertakes no obligation to publicly update or revise any statements contained herein based on events or circumstances that may arise after the date hereof.

***Organic, Global Growth***

# SWK Recent Highlights

## *Solid Organic Growth & Evidence Of World Class Integration Processes*

- Pro Forma Revenues Increased 11% To \$2.4 billion; Pro Forma Organic Revenues Up 8%
- Pro Forma CDIY Segment Grew Organic Revenues 7%; Boosted By New Products
- Top Line Organic Growth Within CSS Business
- SSDS\* Turned Profitable During The Quarter; CRC-Evans Posted 19% EBIT Margins
- Full Year EPS Guidance Range, Excluding One-Time Charges & 2Q Tax-Related Benefit to \$3.60 - \$3.70 (\$4.34 - \$4.44 On A Cash EPS Basis)
- Annual Free Cash Flow Guidance Increased; Now Set To Exceed \$700 Million, Up From \$600 Million
- Cost Synergy Estimate for 2010 Increased To \$125 Million As Integration Progresses Ahead Of Plan

# A Snapshot Of 2H'10 New Products & Innovation

## Power/Hand Tools

### DEWALT 12V MAX Family



Black & Decker 12V MAX Drill/Driver



Porter Cable 12V MAX Family



Bostitch Hand Tools

## Security



Flexi-Base Impact Audio Intrusion Panel



SpaceTRAX NoCount RFID Inventory Management



DuraMax 5400 Small Retail Automation

## Engineered Fastening



Next Generation Stud Welding System

## Industrial



Stanley EXPERT Industrial/Automotive Tool Product Family

# *World-Class Integration Process*

# Solid Integration Progress In First Seven Months

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## Major Milestones

### *Integration Process Discipline Continues*

- Steering Committee Process Continues Driving Timely Execution
- Majority Of Original Integration Team Deployed Back Into Business Or Select Revenue Synergy Projects
- Integration Internalization Is Complete

### *Cost Synergies Track Ahead Of Plan*

- \$125 Million Of Cost Synergies Expected To Be Realized In 2010, Up \$35 Million Due To Effective Execution
- Faster Than Expected Realization Within Sourcing And Regional Business Unit Consolidation (Combination of Hand And Power Tools)
- Likely To Exceed \$350 Million Cost Synergy Target
  - ✓ Refining Estimate And Extent Outperformance Would Be Reinvested In Growth Synergy Projects
  - ✓ Intent To Provide Updated Estimate With 4Q'10 Earnings Release In January

### *Revenue Synergies Extremely Compelling*

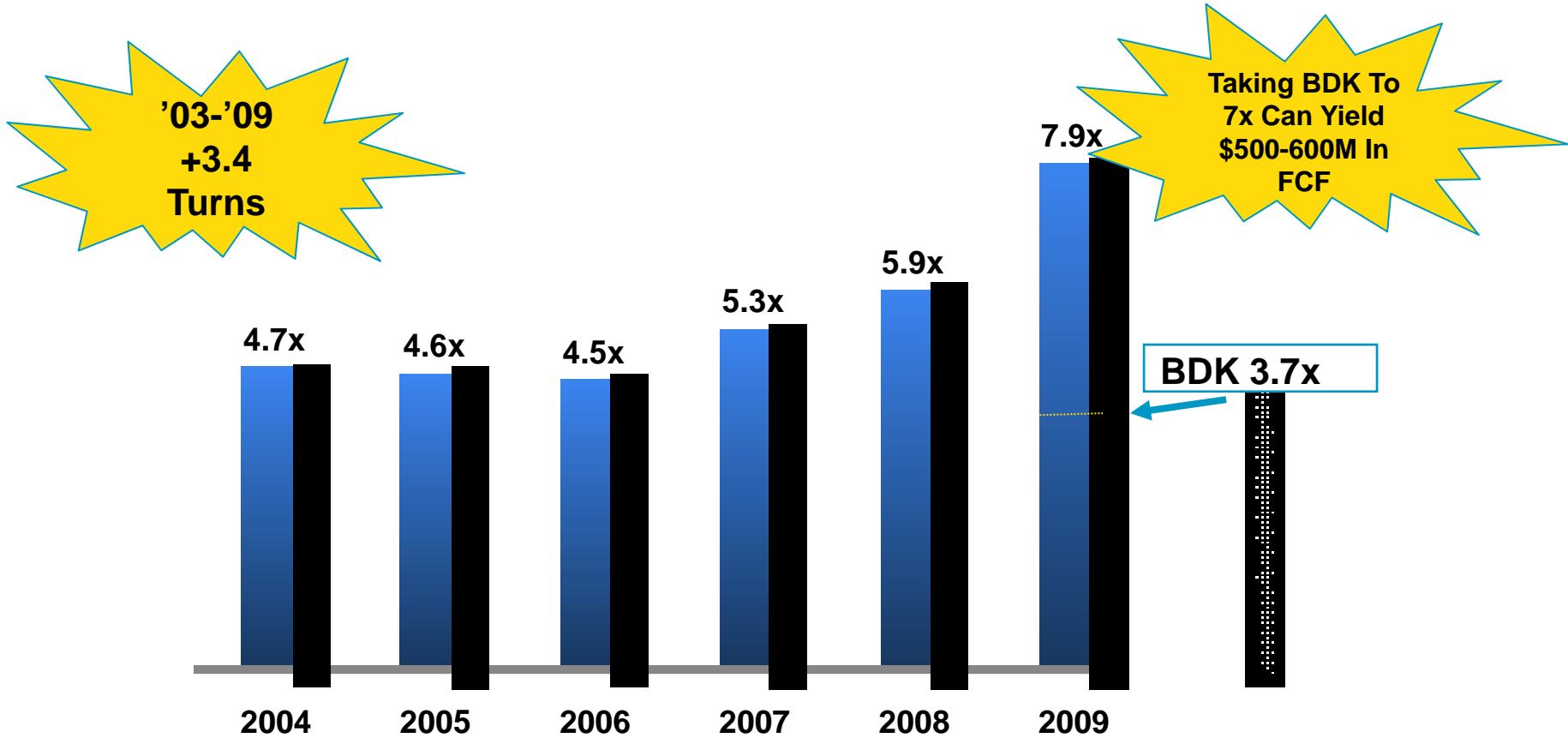
- Currently Refining Revenue Synergy Road Maps Including Costs, Timing and Opportunities
- Business And Regional Teams Have Already Begun To Implement Quick “Hits”
- Geographic Opportunities (i.e. Latin America) Likely Amongst Largest And Earliest

***Free Cash Flow Generation  
Potential And Plans For Use***



# Working Capital Turns & FCF Generation Potential

*The Challenge To Deploy The Principles Of SFS On Legacy BDK Is Clear...*



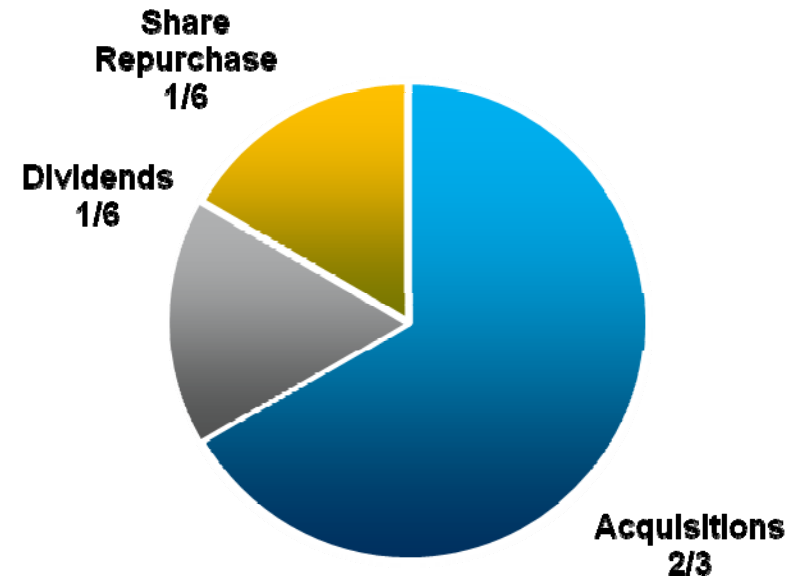
*...And Will Yield Great Free Cash Flow Generation Potential*

# Long-Term Capital Allocation Strategy

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## Long-Term Capital Allocation Objectives

- Target Strong Investment Grade Credit Rating
- Invest Approximately 2/3 In Acquisitions And Growth
- Return Approximately 1/3 To Shareholders
- Committed To Continued Dividend Growth



*Capital Allocation Strategy Supports Strong Balance Sheet,  
Shareholder Returns & Continued Growth*

# Growth Platforms

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*Capital Focused On Driving Growth Within Both Core and New Platforms...*

## Five Growth Platforms

Convergent Security

Mechanical Security

Engineered Fastening

Infrastructure

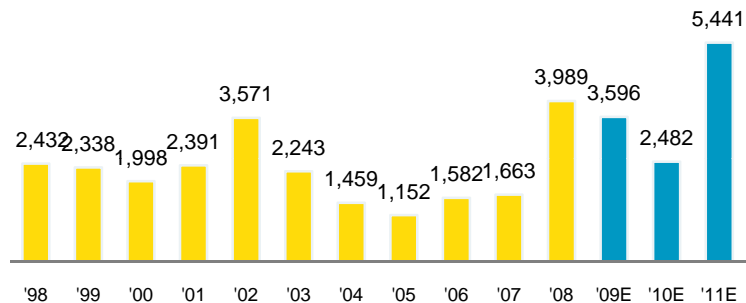
Healthcare

- **Grow Organically**
- **Expand Internationally Via Acquisitions**
- **Expand Into Adjacent Markets**
- **Intensify Innovation And Product Development**
- **Streamline Manufacturing Footprint And Product Platforms**

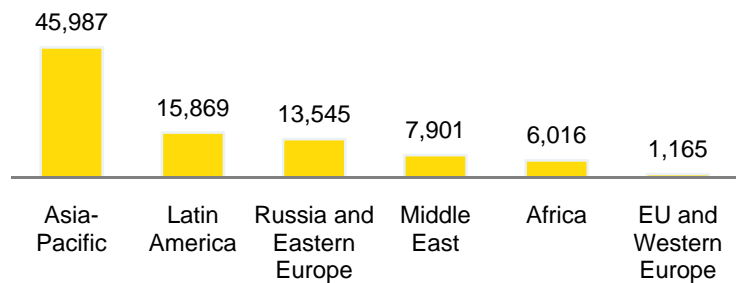
# Industrial: Infrastructure Growth Platform

**Hydraulics Business (\$100M ('09)) + CRC-Evans Acquisition (\$250M FY'10 (3/31))**

## U.S. Pipeline Construction



## Int'l Pipeline Construction In 2010 & Beyond<sup>1</sup>



### Why Infrastructure?

- \$1 - \$2 Trillion Per Year Global Spend
  - Majority In Emerging Markets
  - Numerous Attractive, Scalable Niches

### Focus Areas

- Specialized Tools, Equipment & Services For Commissioning, Repair & Maintenance Of Infrastructure In Areas Such As:
  - Oil & Gas
  - Transportation
  - Water & Sewer
  - Power Systems

### Desired Business Characteristics

- Leadership Positions In Attractive Niches
- Global Reach- Presence In Emerging Markets
- Engineered Solutions

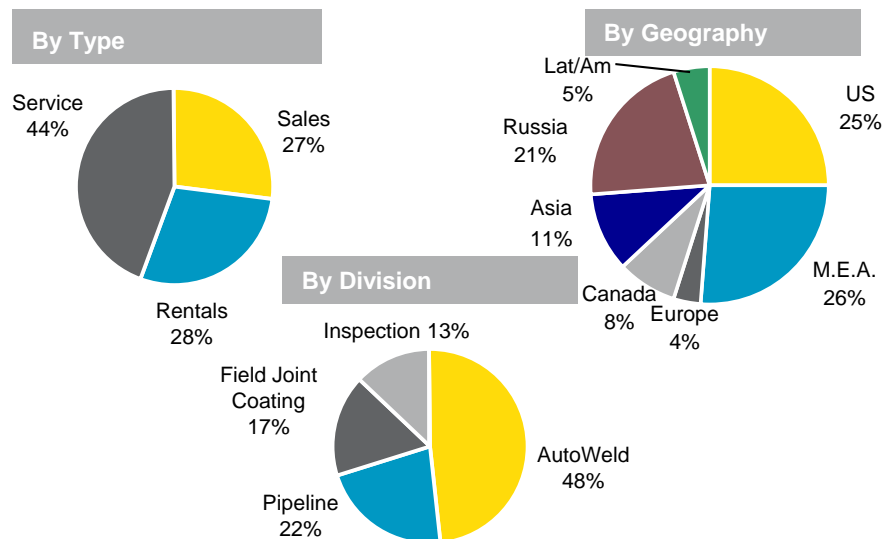
**Goal: Grow Infrastructure Platform To \$1 - \$2 Billion In 5 – 7 Years**

# Infrastructure Platform: CRC-Evans Pipeline International

## Description

- Founded In 1933, CRC-Evans Is A Full-line Supplier Of Specialized Equipment And Services Used In The Construction Of Large Diameter Oil And Natural Gas Transmission Pipelines
- The Company Sells And Rents Custom Pipe Handling And Joint Welding (AW) And Coating (FJC) Equipment Used In The Construction Of Large And Small Diameter Pipelines
- Experienced And Strong Management Team To Remain

## Company Breakdown (2010 Revenues\*)



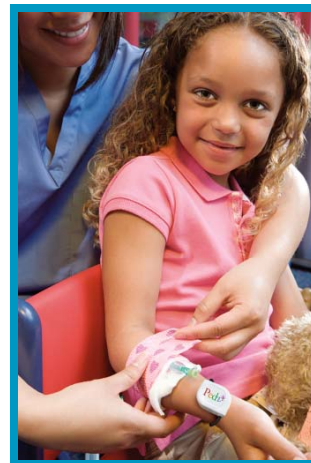
## Financials

- Revenues Of ~\$250 Million For Fiscal Year 2010 (March 31)
- Peak Revenues Of \$353 Million And EBITDA Of \$102M In Fiscal 2009
- \$5 Million In Cost Synergies By Year 3; ~\$1 Million In First Full Year
- Immediately Accretive To Earnings; Over \$0.10 Earnings Accretion Expected By Year Three
- Purchase Price Of \$445 Million
- Funded By Existing Sources Of Liquidity With No Increase In Year-End Debt Levels
- Meets Stanley Black & Decker's Financial Criteria For Platform Acquisition
  - ROCE Of ~12% By Y3
- Will Operate Within Industrial Segment

# Security: Healthcare Growth Platform

*Healthcare Solutions: ~\$140M*

- **Strong Toehold In Personal Security Market With Xmark And Senior Technologies**
- **Innerspace And Scan Modul Form Solid Global Base For Specialty Medical Storage Solutions Business**



*SWK Well Positioned To Benefit From Growing Healthcare Market*

# Summary

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## *Stanley Black & Decker ...*

- Is Focused On Continued Global Organic Growth, Particularly In The Emerging Markets And Fueled By Ongoing Innovation
- Has A World-Class Integration Process As Evidenced By Success With Black & Decker, SSDS & CRC-Evans
- Harnesses Powerful Free Cash Flow Generating Potential
  - SFS Will Unlock A Significant Source Of Cash Within BDK
- Remains Extremely Focused On Shareholder Return In The Way Of Dividends And Selective Stock Buy Backs
- Has Five Strategic Growth Platforms As A Roadmap For Profitable Diversified Growth Via Acquisitions