

StanleyBlack&Decker

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2Q 2010 Overview

July 21st, 2010

Participants

John Lundgren

President & CEO

Jim Loree

Executive VP & COO

Don Allan

Senior VP & CFO

Kate White

Director 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 this morning's press release and Form 8-K and our recent 1934 Act SEC filings.

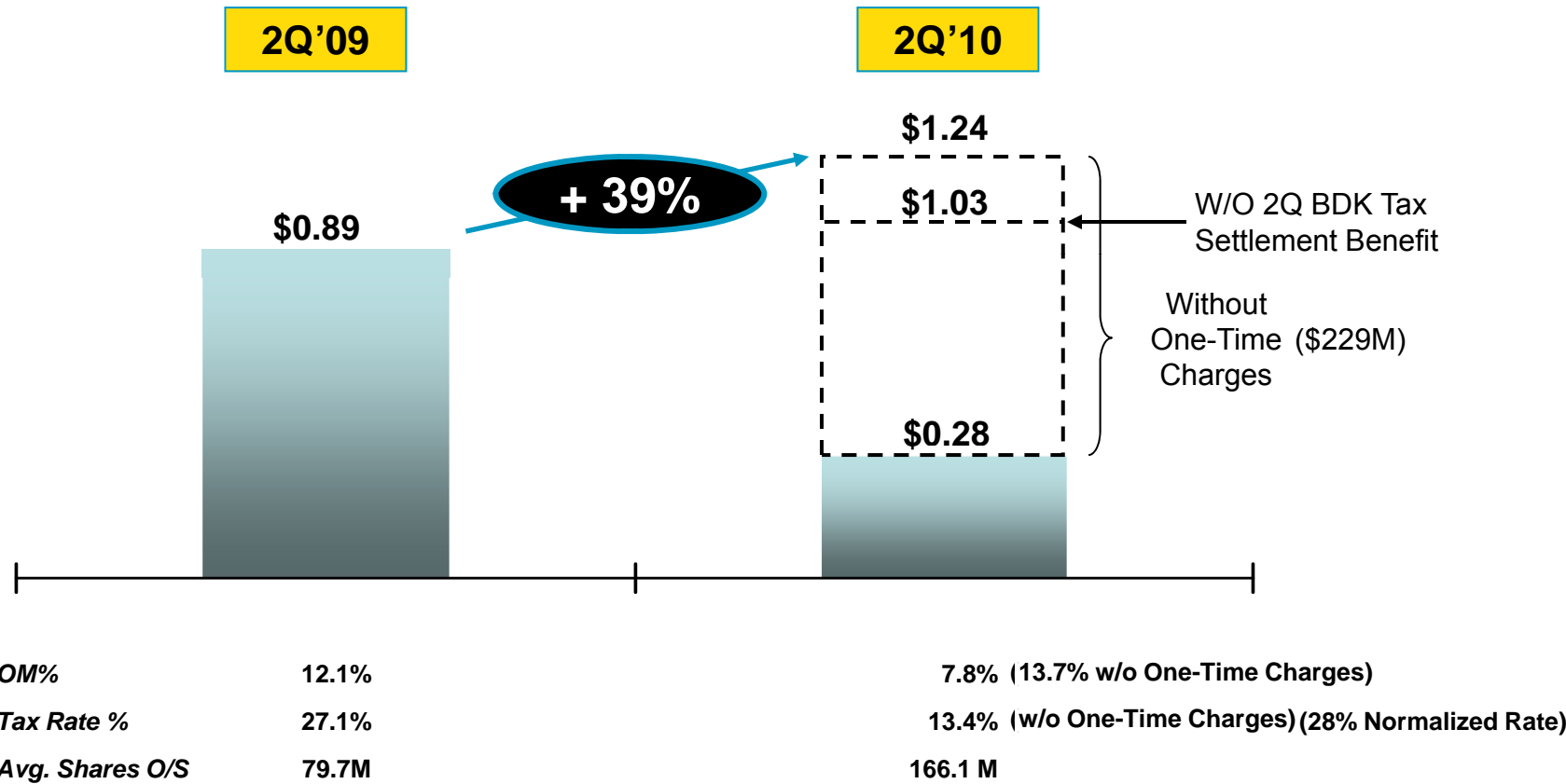
2Q'10 Highlights

2Q'10: A Quarter Of Strong Operating Profit And Cash Flow

- 2Q Pro Forma Revenues Increased 13% To \$2.4 billion
- 2Q'10 Diluted EPS Of \$1.24, Excluding One-Time Charges Related Primarily To The Black & Decker Merger
- Includes A \$36 Million Benefit (+\$0.21 EPS Impact) Attributable To Favorable Settlement Of Tax Contingencies Associated With The Resolution Of Legacy Black & Decker Income Tax Audits
- \$0.28 Diluted 2Q'10 GAAP EPS, Including One-Time Charges
- \$213 Million Of Free Cash Flow In 2Q'10, Excluding One-Time Payments
- Legacy Stanley Reached Record 8.6 Working Capital Turns
- Integration Of Black & Decker Continues To Progress Smoothly; Increased Focus In 2H'10 On SFS Launch On BDK Framework And Formulating Revenue Synergy Plans
- CDIY Segment Profit Improved 430 BPS to 15.6%, Excluding One-Time Charges
- Integration Of Stanley Solutions de Sécurité, Or SSDS, (Formerly Known As ADT France) Progressing Well. SSDS Margins Improved Significantly Versus Prior Year
- Full Year EPS Guidance, Excluding One-Time Charges, Increased To \$3.56 - \$3.76 (\$3.35 - \$3.55 Excluding \$0.21 Tax-Related Benefit)
- Free Cash Flow Guidance Increased; Estimated To Be In Excess Of \$600 Million

2Q'10 SBD Results

Earnings Increase Almost 40% Excluding One-Time Costs...



...As Operating Leverage Is Achieved Throughout The Company

2Q'10 Vs Prior Year: SBD Pro Forma Worldwide Revenues

Revenue Growth Occurred Across All Regions...

Canada 2Q'10
Total + 28%
% SBD 7%

US 2Q'10
Total + 6%
% SBD 56%

L.Amer. 2Q'10
Total + 39%
% SBD 7%

Europe 2Q'10
Total + 17%
% SBD 24%

Asia 2Q'10
Total + 35%
% SBD 4%

Australia 2Q'10
Total + 11%
% SBD 2%

...With Emerging Markets Showing The Strongest Recovery

2Q'10 SBD Sources Of Growth

Volume Returning To Business, Driving 9% Organic Growth...

Sources Of Growth		
	1Q '10	2Q '10
Volume	- 3%	+ 9%
Price	0%	0%
Organic	- 3%	+ 9%
Currency	+ 4%	- 1%
BDK /SSDS	+ 37%	+149%
SBD	+ 38%	+157%

Segment Results	
	<u>Volume</u>
	<u>2Q'10</u>
CDIY	+ 6%
• <i>WWPT*</i>	+ 10%
Industrial	+ 30%
• <i>Engineered Fastening*</i>	+ 44%
Security	0%
• <i>HHI*</i>	+ 3%
SBD	+ 12%

...As Restocking Occurs With Mild Demand Uptick Within Industrial & CDIY

Solid Integration Progress In First Four Months

Major Milestones

Cost Synergy Targets Confirmed

- \$90 Million Of Cost Synergies To Be Realized In 2010; On Track For \$350 Million Annual Cost Synergy Realization By Y3
- Rigorous Tracking Processes In Place; Weekly/Monthly Rhythms Established To Monitor Progress And Flag Issues Early
- Outside Integration Consultants To End Work In Mid-August

Focus On Execution

- Organization Is Stabilized; Executed Well In First Full Quarter As Combined Company
- Streamlining Internal Integration Teams; Deploying Select Leaders Back Into Businesses
- Management Teams Have Traveled Global Sites To Meet with Thousands Of Employees

Capturing Revenue Synergies

- Beginning To Identify Revenue Synergy Opportunities; Focus Is On High Priority Opportunities
- Actively Developing Plans And Hiring People, Where Necessary, To Execute

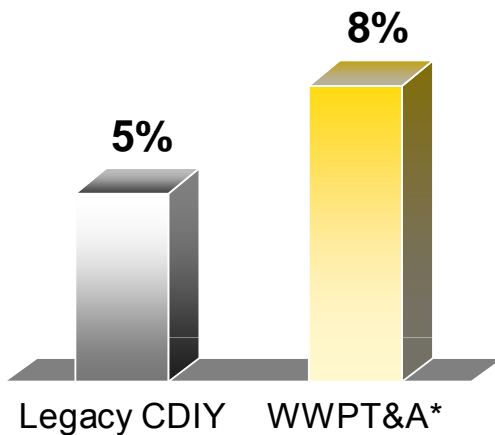
Roll-Out Of Stanley Fulfillment System On BDK Framework

- Establish Clear And Universal Understanding Of SFS Goals, Principles & Processes Together With Working Capital Fundamentals Across Enterprise
- Provide Tools And Processes To Develop An SFS Game Plan To Achieve Working Capital Goals
- Provide Methods, Tools & Know How To Enable Businesses To Engage Associates Quickly At Point Of Impact

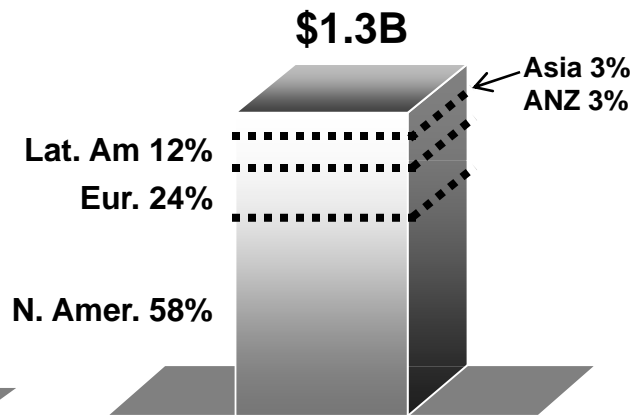
2Q'10 CDIY

Strong Profit Expansion Driven By Leverage And Successful New Products

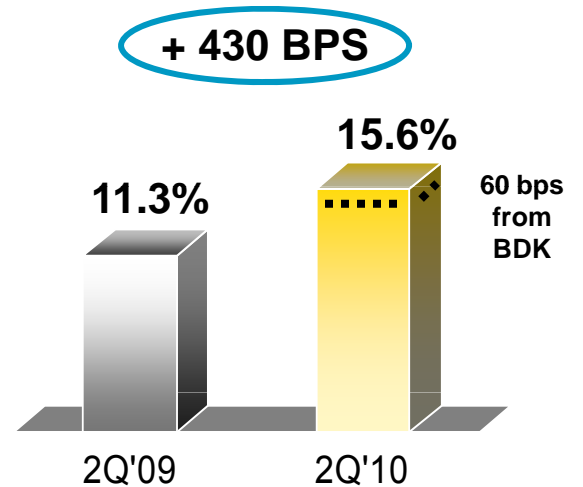
Organic Growth



Regional Revenue



Segment Profit Rate



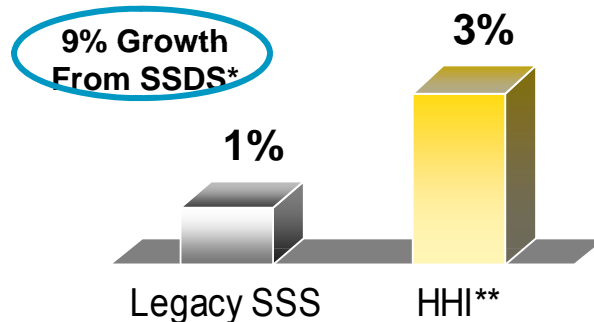
Construction & Do-It-Yourself

- Revenue Growth In All Regions Of The World, Particularly Europe & Latin America
- High Single-Digit Sales Growth For Hand Tools & Storage Driven By Bostitch Hand Tool Launch
- Within Professional Power Tools, Compact Cordless LiOn Product Revenues Grew Over 70%; Next LiOn Wave Due In September/October
- Within CPG, New Products In Outdoor Portfolio Drove Revenue Growth
- Profit Rate Boosted By Operating Leverage, Continued Bostitch Integration Benefits, Merger Synergies And Plant Productivity Initiatives
- Management Organization Announced And In Place For All Key Roles

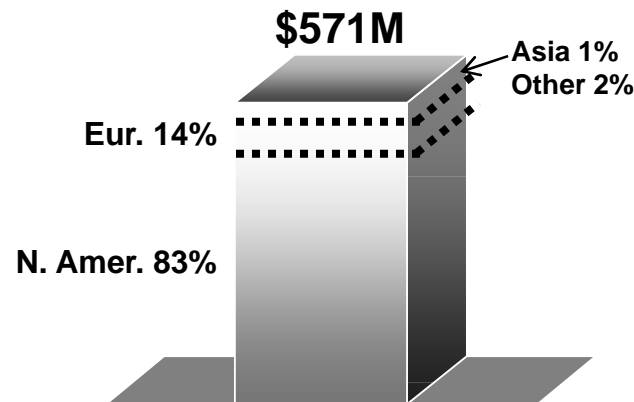
2Q'10 Security

Signs Of Stabilization In Installations And RMR Encouraging

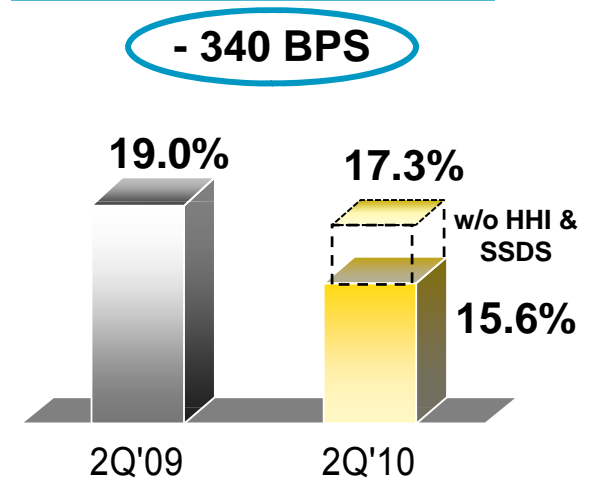
Organic Growth



Regional Revenue



Segment Profit Rate



Convergent Security Solutions (CSS)

- Flat Organic Sales: RMR ↑, Installs Flat
 - National Accounts Strong
- SSDS (ADT France) Integration Proceeding Nicely
 - Dilutive To OM Rate Near Term
 - Cost Take Outs On Track
 - Revenue Run Rate ~\$145M
 - Will Approach Line Average OM Rate In 2011

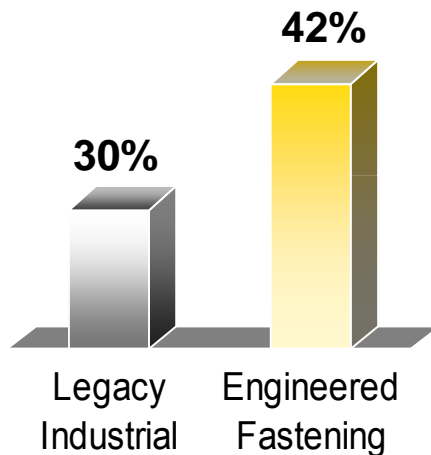
Mechanical Access Solutions (MAS)

- Organic Sales Up 1%
 - Low Single Digit Growth In Builder's Hardware And Automatic Doors
 - Offset By Mild Erosion In Commercial Locking Systems
- HHI (ex- Price Pfister) Organic Sales +3%
 - Kwikset Smart Key Gaining Acceptance
 - Baldwin Prestige Line Also Performing Well
 - OM Rate ~300 Bps > Than Five Year Quarterly Average

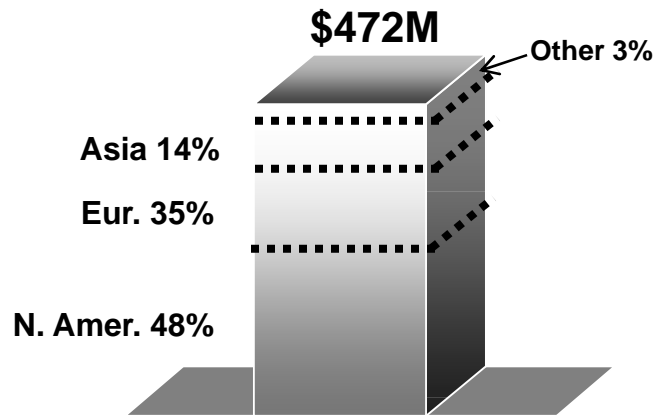
2Q'10 Industrial

Revenues And Operating Profit Grow Around The World

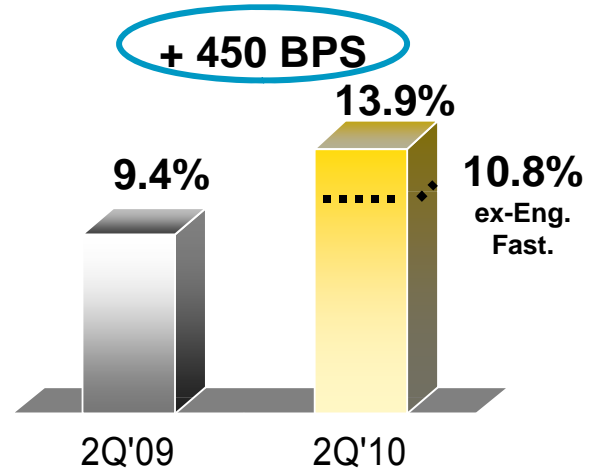
Organic Growth



Regional Revenue



Segment Profit Rate



Industrial

- Facom Sales Up 16% Due To Customer Restocking And Strong Industrial End Market Demand
- Proto Revenues Rose 38% Versus Prior Year Due To Continued Growth In Industrial Distribution Customer PoS And Customer Restocking
- Engineered Fastening Sales Grew 45% Versus 2Q'09 Due To Increased Light Vehicle Production And Growth In Emerging Markets
- Infrastructure Solutions Revenues Increased over 35% Due To Favorable Scrap Steel Prices and Growth In China
- Industrial Storage Revenues Weak On Soft DoD Spending; Other Areas Of Government Spend Solid
- Profit Rate Expansion Driven By Operating Leverage And Productivity Projects

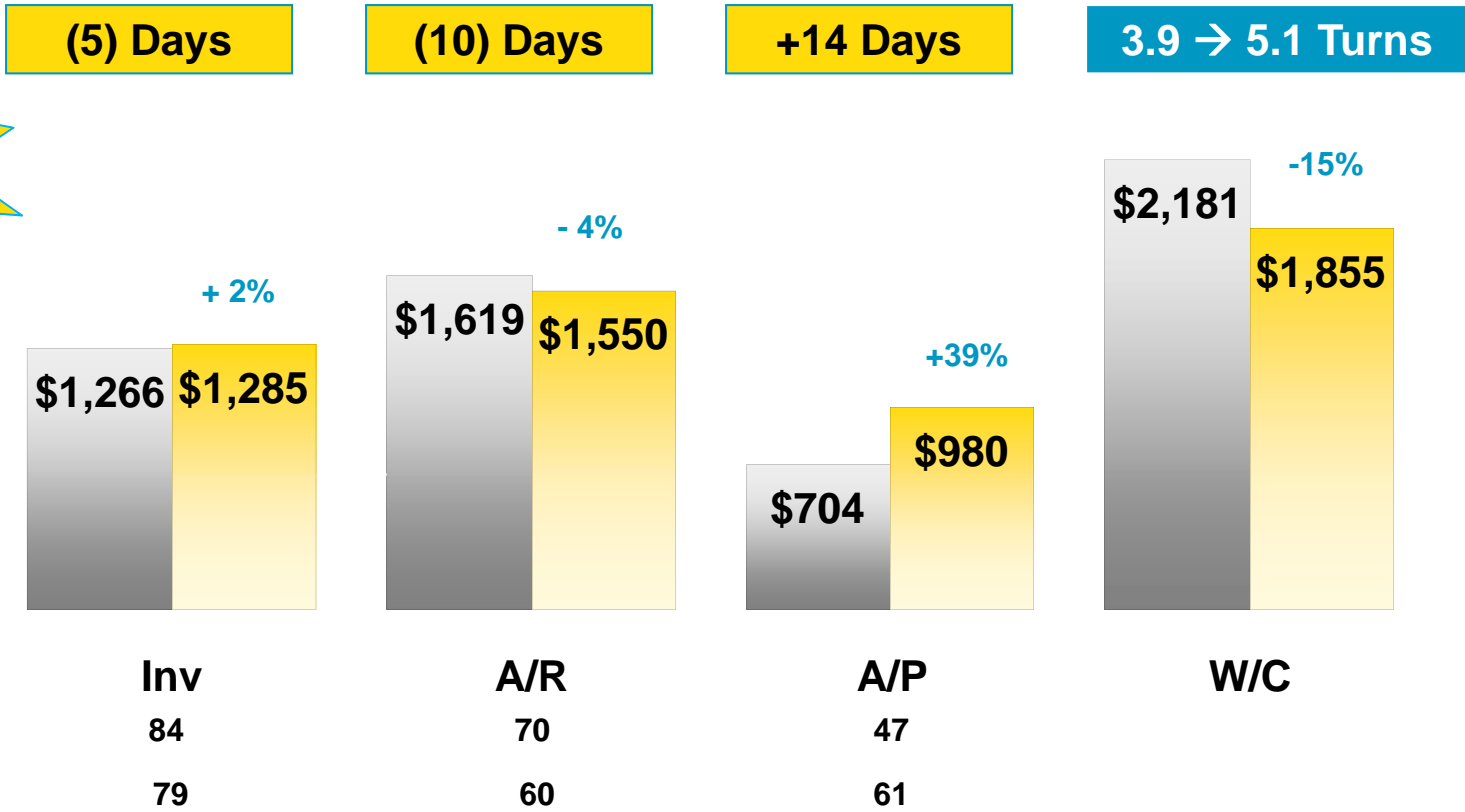
Working Capital – Stanley Black & Decker (Pro Forma)

Focus On Operational Excellence Is Not Lost Amidst Integration...



\$ M

■ 2Q'09 Act
■ 2Q'10 Act



...As SFS Principles Continue To Drive Improvement

Growth Platforms

Five Growth Platforms

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

Convergent Security

Mechanical Security

Engineered Fastening

Infrastructure

Healthcare

Capital Focused On Driving Growth Within Both Core and New Platforms

2Q'10 Free Cash Flow (Excludes One-Time Payments)

Benefits Of BDK Merger Manifested By Strong Operating Cash Flow...

	2Q'10	2Q'09	V\$	'10 YTD	'09 YTD	V\$
Net Income	\$ 206	\$ 70	\$ 136	\$ 276	\$ 107	\$ 169
Deprec/Amort	93	49	44	152	97	55
Restructuring	7	10	(3)	15	19	(4)
Working Capital	(20)	30	(50)	(110)	(16)	(94)
Other	<u>(38)</u>	<u>(91)</u>	<u>53</u>	<u>(26)</u>	<u>(135)</u>	<u>109</u>
Operating CF	248	68	180	307	72	235
CapEx	<u>(35)</u>	<u>(25)</u>	<u>(10)</u>	<u>(57)</u>	<u>(47)</u>	<u>(10)</u>
Free Cash Flow	213	43	170	250	25	225

...Positioning SWK To Exceed \$600M In Free Cash Flow In 2010

2Q'10 SBD Balance Sheet

Conservative Financial Position Maintained...

	2Q'10	2Q'09	V\$
Cash	1,598	156	1,442
Other Assets	12,398	4,594	7,804
Debt	3,090	1,548	1,542
Other Liabilities	4,271	1,382	2,889
Equity	6,635	1,820	4,815
Total Capital	9,725	3,368	6,357
Debt/Capital	32%	46%	
Adj. Debt/Capital	28% - 29%	34% - 37%	

...Debt To Capital Ratio Continues To Improve For The Combined Company

Stanley Black & Decker Segments: 2H'10 Outlook

Company-Wide Initiatives In Place To Drive Top Line Growth...

CDIY

- Low-Single Digit Revenue Growth Expected For 2H'10
- Restocking Activity To Slow Significantly Compared To 2Q
- Recovery In Emerging Markets, Particularly Latin America, Expected To Exceed Developed Nations
- Share Gains To Continue With Lithium Ion Compact Product Line; 2H Roll Out To Provide Further Boost
- New Products From All SBUs To Drive Top Line
- Cost Synergy Realization And Productivity Expected To Slightly Outpace Commodity And Currency Headwinds

Industrial

- High Single-Digit Revenue Growth Expected For 2H'10
- Customer Restocking In Industrial Channels Expected To Continue; Lesser Extent Than 1H'10
- North American Industrial Distribution Sales To Remain Strong; Offset Weakness In Mobile Distribution Market
- Soft Government Spending On Storage Remains A Challenge; Improvement Hinges On Passage Of Supplemental War Spending Bill
- Expect Light Vehicle Production To Be Flat Versus Prior Year; Down Slightly From 2Q. Uptick Forecasted in 4Q
- Continued Revenue And Profit Expansion For Infrastructure Solutions Business Tied In Large Part To Scrap Steel Prices

Security

- Flat To Low Single-Digit Revenue Growth Expected For 2H'10 (Ex-SSDS)
- 2Q Segment Growth Drivers Expected To Continue (National Accounts, Retrofit Business, Healthcare & International)
- Commercial Construction Market Remains Soft; External Estimates For Bottom Pushed To 4Q or 1Q'11
- Slight Improvement In Delayed And Abandoned Construction; Focus On Growing Education, Government and Healthcare Verticals To Continue
- Order Trends Likely To Improve in 2H; 3Q Historically Stronger On A Relative Basis

...Cost Synergy Realization To Support Bottom Line

Stanley Black & Decker 2010 Outlook

***2010 EPS Guidance Increased To \$3.35 - \$3.55*
Free Cash Flow For 2010 To Now Exceed \$600 Million*****

For The Remaining Six Months Of 2010 The Company Is Providing The Following Key Factors Associated With The Above 2010 EPS Guidance Range:

- 2H'10 Net Organic Sales (Ex-Currency) Will Increase 4% - 5% From 2009 Pro Forma Levels. Increased EPS Guidance Primarily A Reflection Of 2Q'10 Outperformance, Driven Partially By Customer Restocking, Which Is Not Expected To Continue In 2H'10
- Gross Margins To Be In Range Of 37-38%: Lower Than Previously Anticipated Inflation Due To The RMB Revaluation Essentially Offsets The Headwinds Experienced Due To Depreciation Of The Euro Versus The USD
- Commodity Inflation, As Indicated In April, Likely To Be A Headwind In 2H'10

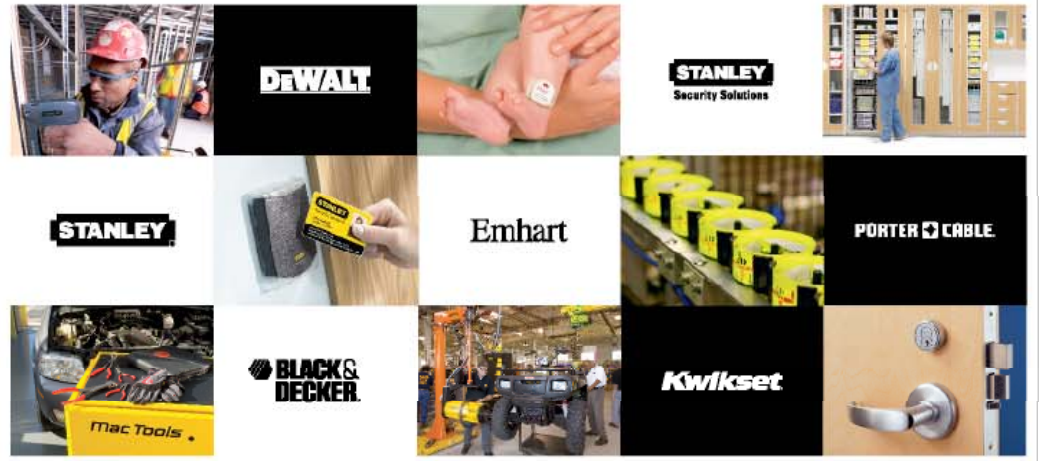
Cash EPS Of \$5.10 - \$5.30 For 2010

Summary

- Integration Of Black & Decker Continues To Track To Plan: \$350M Cost Synergies Reiterated, Beginning To Identify Revenue Synergies
- Continued Operational Excellence Evident In Working Capital Turn Performance; Near-Term Plans For Rollout Of SFS On Black & Decker Framework
- Strong 2Q Revenue Growth Driven By Customer Restocking (1/2 to 2/3 Of Unit Volume Growth), End User Demand And Successful New Products
- 2Q Operating Profit Growth Encouraging; Clear Evidence Of Operating Leverage
- Solid Free Cash Flow Growth

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