

StanleyBlack&Decker

STANLEY BLACK & DECKER

Robert W. Baird Industrials Conference
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Cautionary Statements

This presentation contains “forward looking statements,” that is, statements that address future, not past events. In this context, forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as: “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. These statements are based on assumptions of future events that may not prove accurate. They are also based on our current plans and strategy and such plans and strategy could change in the future. Actual results may differ materially from those projected or implied in any forward-looking statements. Please refer to our most recent SEC filings, including our Annual Report on Form 10-K, subsequently filed Quarterly Reports on Form 10-Q, as well as our other filings with the Securities and Exchange Commission, for detailed information regarding factors that could cause or contribute to actual results differing materially from those expressed or implied in such forward-looking statements. We do not undertake to update our forward-looking statements.

This presentation also contains non-GAAP financial information. We use this information in our internal analysis of results and believe that this information may be informative to investors. For reconciliation of non-GAAP measures presented in this document, see the accompanying appendix.

SWK: A Diversified Global Leader

Who We Are

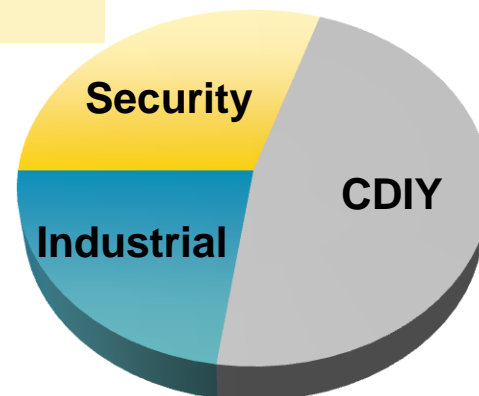
Stanley Black & Decker (NYSE: SWK)

2012E Revenue: ~\$11.0B

Market Cap: \$11.5B

Cash Dividend Yield: 3.0%

- Increased for 44 years
- Paid consecutively for 134 years

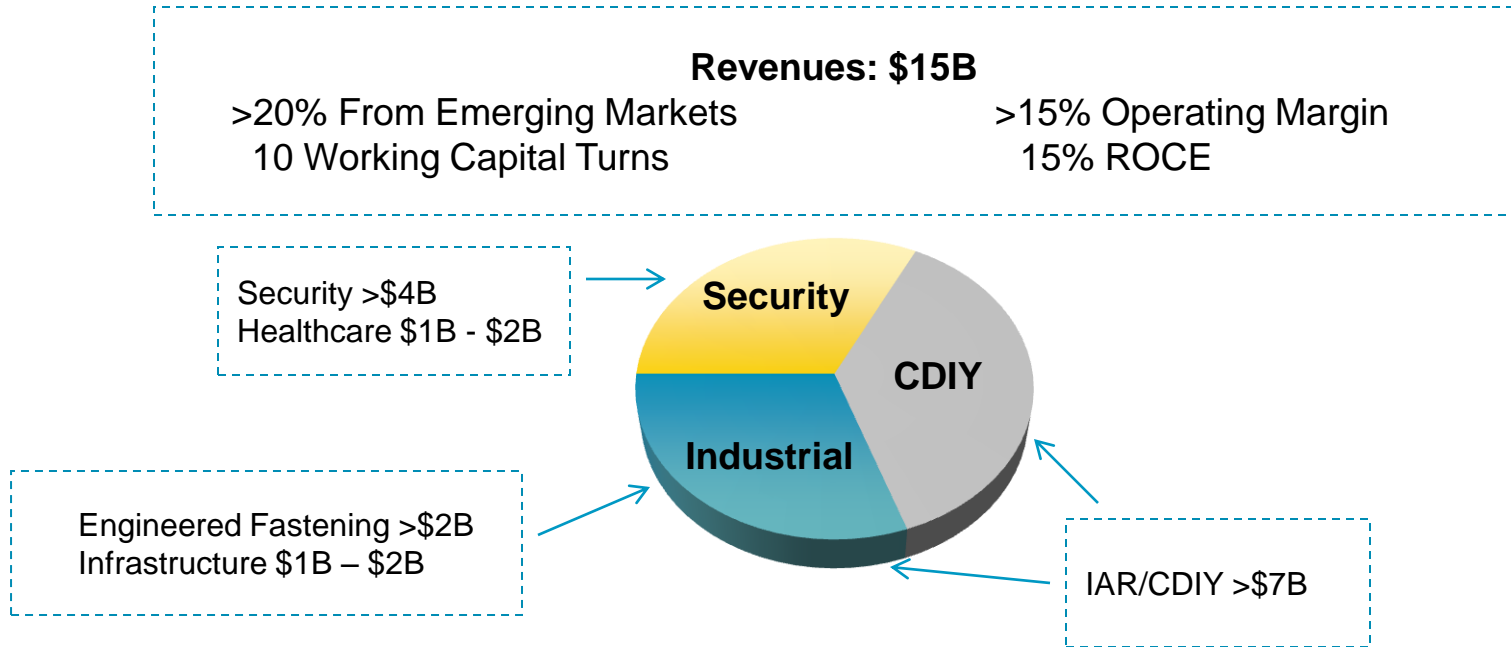


What We Will Discuss Today

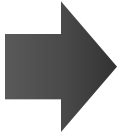
- **Our Mid-Decade Vision & How We Will Achieve It Via:**
 - Powerful Organic Growth Initiatives
 - Portfolio Transformation
 - Capital Allocation
- **A Look At 2013 Tailwinds & Headwinds**

Mid-Decade Vision

Mid-Decade Vision: A More Diversified Portfolio



% Revenues From	2002	2008	2010	2011
U.S. Home Centers & Mass Merchants	40%	13%	31%	18%



Mid-Decade Goal To Return To '08 Levels Following 2010 Post-BDK Spike

Continued Journey To Building A Diversified Industrial Leader

Revving Up Organic Growth

~3 Yr.
Incremental
Revenue
(Annualized)

Powerful Organic Growth Initiatives In Place...

\$400M

Emerging Markets SBUs: MPP Hand Tools/ Power Tools / Commercial Hardware

\$100M

Advanced Industrial Solutions/"Smart" Tools & Storage

\$100M

RTLS Penetration/ Healthcare /Security Verticals

\$100M

US Government- Healthcare / Security / Industrial

\$100M

Offshore Oil & Gas Spool Bases / Coating Tech. / Inspection

\$50M

Continuing To Capture BDK Integration Revenue Synergies

	2012	2013	2014	2015	3 Yr Annualized Total
Incremental Revenue	–	\$150M	\$350M	\$350M	\$850M
Profit (~35% GM)		\$50M	\$125M	\$125M	
Operating Expense	\$15M	\$50M	\$25M	\$10M	
Incremental OM	(\$15M)	–	\$100	\$115	\$200M

Total Costs:
\$100M OpEx & ~\$50m CapEx

Portfolio Transformation

Continued Progress Towards Our Mid-Decade Vision Is Clear...

HHI Divestiture

- Reached Agreement To Sell HHI For \$1.4B In Cash Proceeds (7.5x 6/30 LTM EBITDA) - \$1.3B After Tax
- ~\$940M In Revenues
- Operates Largely Under Kwikset, Baldwin & Pfister Brands
- No CDIY Products – All But Pfister In Security Segment
- 90% North American Revenue Base ; 50%+ Of Revenue From US Home Centers
- ~\$0.60 Gross Dilutive To EPS : Net \$0.10- \$0.20 Dilution When Paired With Share Repurchases & Infastech Accretion

Infastech Acquisition

- Acquiring For \$850M - Using \$300M Of HHI Proceeds
- ~\$500M In Revenues: 30% In Electronics 32% In Industrial Fasteners
- Opportunity To Capitalize Further On \$60B+ Global Fastener Market
- 54% Of Revenues In Asia Pacific Region
- Immediately Accretive To EPS: \$0.15/Share In Y1, \$0.35 /Share By Y3

Post-Transformation:

- ✓ Exposure To U.S. Home Centers Back To Pre-BDK Merger Levels
- ✓ Upside To U.S. Housing Rebound In CDIY Retained: \$1.5B In Revenue From Peak – HHI Never Factored Into Calculation
- ✓ Geographical Split: 46% U.S., 27% Europe & 16% In Emerging Markets

...As SWK Drives Deeper Into Higher Growth, Higher Margin Verticals

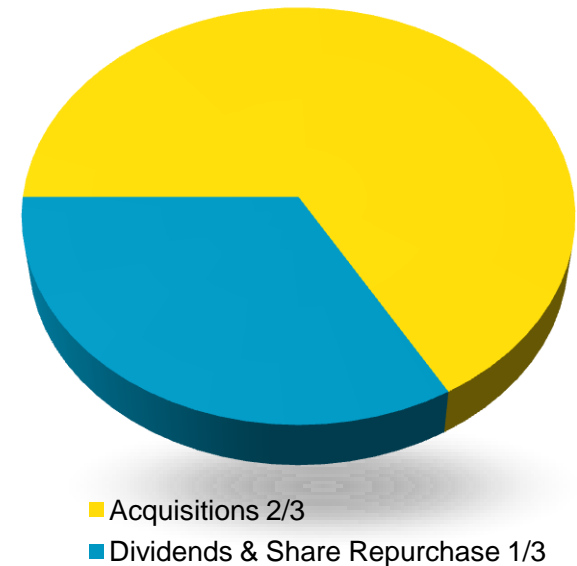
Long-Term Capital Allocation Strategy

Despite 12-18 Month Pause In M&A...

Long-Term Capital Allocation Objectives

- Target Strong Investment Grade Credit Rating
 - Current Adjusted Debt/Capital Ratio: 29-30%
 - Current Debt/EBITDA: 2.2x
- Invest Approximately 2/3 In Acquisitions And Growth
- Return Approximately 1/3 To Shareholders
- Committed To Continued Dividend Growth

- These Allocations Do Not Imply A Rigid Annual Formula
- Since 2004, SWK Has Returned 45% Of Its FCF To Shareholders



...Long-Term Capital Allocation Strategy Remains The Same

Looking Ahead To 2013

The Tailwinds & Headwinds Apparent At Present...

Tailwinds

\$50M Incremental Black & Decker
Cost Synergies (~\$0.23)

\$35M Incremental Niscayah
Cost Synergies (~\$0.15)

\$50M Incremental
Cost Containment Actions (~\$0.23)

Headwinds

- (\$0.10 - \$0.20) Of Net Dilution From HHI Assumes:
 - ~(\$0.60) Gross Dilution
 - ~\$0.30 Of Accretive Share Repurchases
 - ~\$0.15 Of Accretion From Infastech

Net Neutral Impact From Price/Cost Benefit, Accretion From Small '12 Acquisitions, FX & Mix Headwind

Growth Driven From Organic Growth Initiatives Will Begin To Be Accretive By 2014; Will Be Neutral In 2013

...Net To \$0.40 - \$0.50 Of Incremental EPS To Drive Earnings In 2013



Final Points & Summary

Clear Potential For Top & Bottom Line Growth In 2013 & Beyond...

- Clear Trajectory & Strategy For Long-Term Organic Revenue Growth & Margin Expansion Across All Three Segments Of The Company
 - Initiatives To Drive \$850M In Revenue & \$200M In OM
- Divestiture Of HHI & Acquisition Of Infastech Reflective Of Successful Steps To Transform The SWK Portfolio
- Long-Term Capital Allocation Strategy Remains In Tact
 - Curtailment Of Any Other Major Bolt-On Acquisition Activity For 12 To 18 Months
 - A Short-Term Pause, Not A Long-Term Strategic Shift
- Net EPS Tailwinds For 2013 To Drive Compelling Earnings Growth

...Continued, Steady Progress Toward Mid-Decade Vision