

StanleyBlack&Decker

STANLEY BLACK & DECKER

JP Morgan Homebuilding & Building
Products Conference





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 Focus Points

- Integration Of Black & Decker Continues To Proceed Extremely Well And Remains Top Priority
 - On Track To Achieve \$165M In Cost Synergies In 2011; \$425M By Y/E 2012
- Revenue Synergy Projects In Place Have Begun To Yield Compelling Results, Particularly In High-Growth Emerging Markets
 - Strong Hand Tool Growth In Latin America During 1Q
 - Will Add 50 Bps Of Revenue Growth In 2011; \$300 - \$400M Target By 2013
 - Modestly Accretive To EPS In 2011; Target For \$0.35 - \$0.50 Accretion By 2013
- Remain Confident In Ability To Recover ~80% Of Inflation With Price In 2H'11; FY Recovery Remains 33 – 50%
- SFS Has Been And Will Continue To Be A Competitive Advantage
 - Already Playing Key Role In The Black & Decker Integration

A Diversified Global Leader

Stanley Black & Decker (NYSE: SWK)

2010 Revenue: \$8.4B (\$9.3B Pro Forma)

Market Cap: ~\$12.5B

Cash Dividend Yield: 2.2%

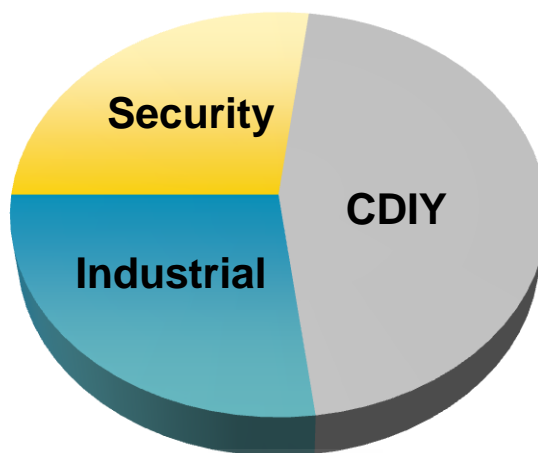
- Increased for 44 years
- Paid consecutively for 134 years

Security \$2.1B – 16.5% OM

- Mechanical Access Security
- Convergent Security Solutions
- Stanley Healthcare Solutions

Industrial \$1.8B – 14.5% OM

- Industrial & Automotive Repair
- Engineered Fastening
- Infrastructure Solutions



CDIY \$4.5B – 13.6% OM

- Power Tools & Accessories
- Hand Tools & Storage
- Pfister

Diversified End Market Exposures



Compelling Growth Platforms

Five Growth Platforms

Convergent Security

Mechanical Security

Engineered Fastening

Infrastructure

Healthcare Solutions

**Capital Focused On Driving Growth
In Both Core And New Platforms**

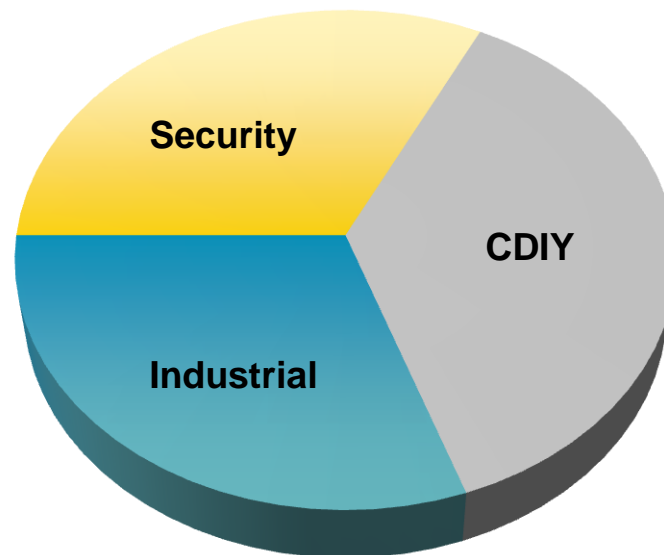
Where Do We Go From Here?

Vision:

- Revenues: \$15B By Mid-Decade
 - >15% OM
 - 15% ROCE
 - 10 Working Capital Turns

- Diversified Portfolio
 - CDII/IAR >\$7B
 - Security > \$4B
 - Engineered Fastening >\$2B
 - Infrastructure \$1 – \$2B
 - Healthcare \$1 - \$2B

A More Diversified Portfolio



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



Back to 2008 levels

Continued Journey To Building A Diversified Industrial Leader

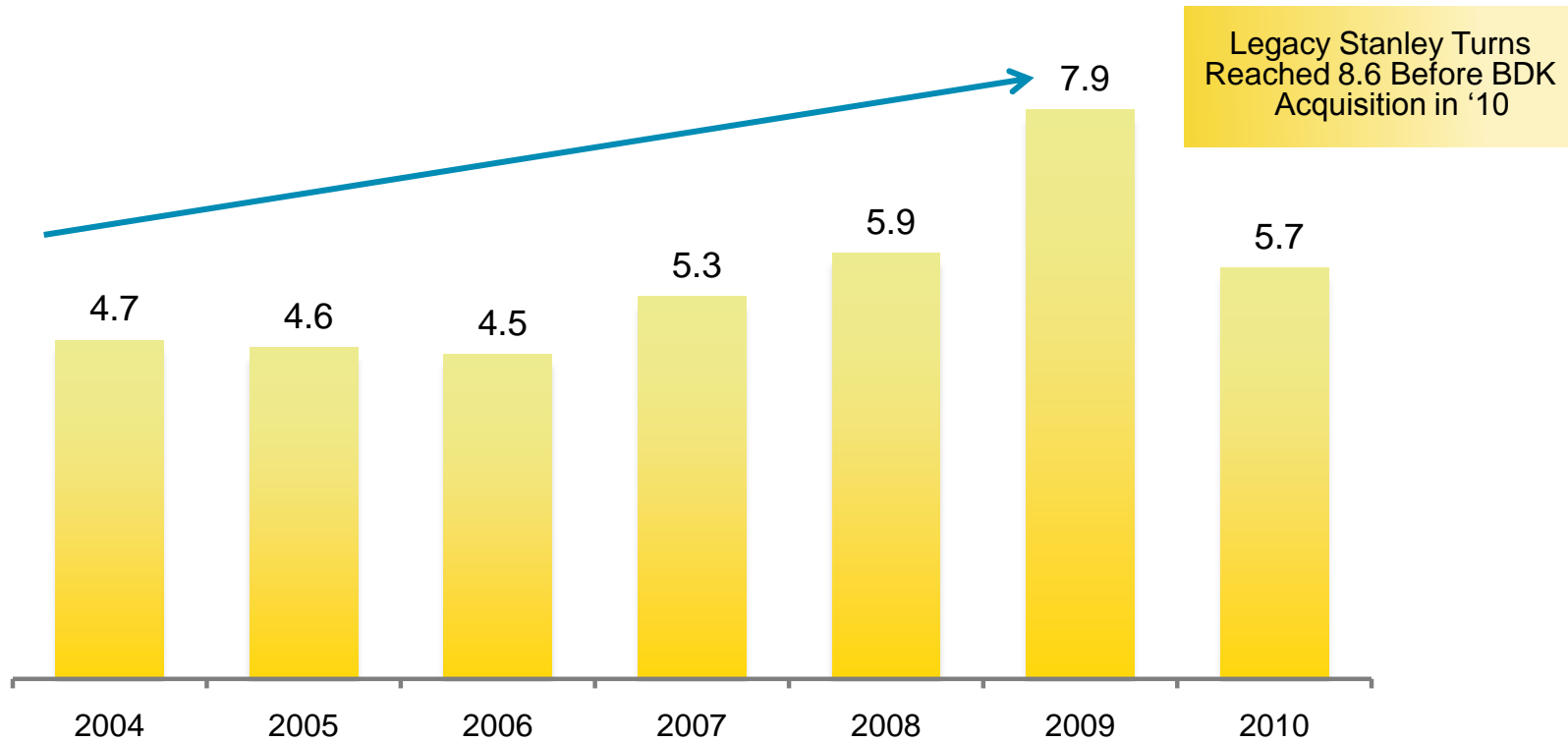
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POWERFUL FREE CASH FLOW POTENTIAL: ----- THE STANLEY FULFILLMENT SYSTEM



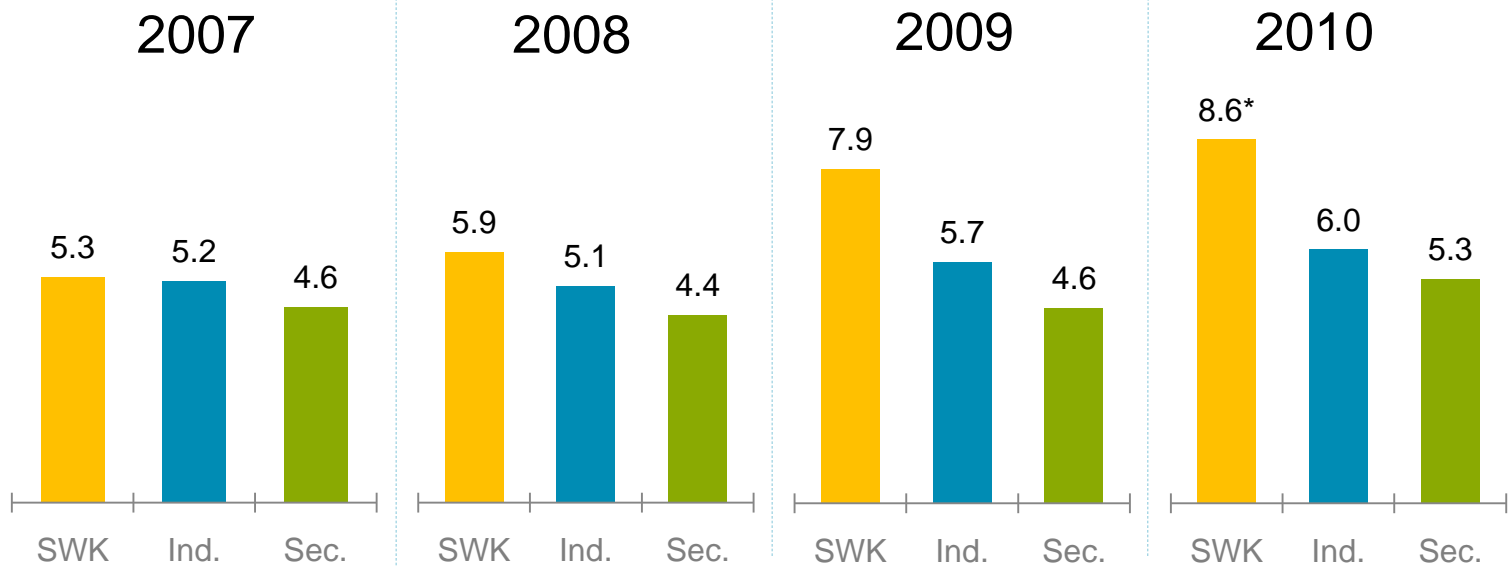
SFS Track Record: Proven Results

SFS Drove Favorable Trend In Working Capital Turns...



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

SFS Track Record: Working Capital Peer Comparison



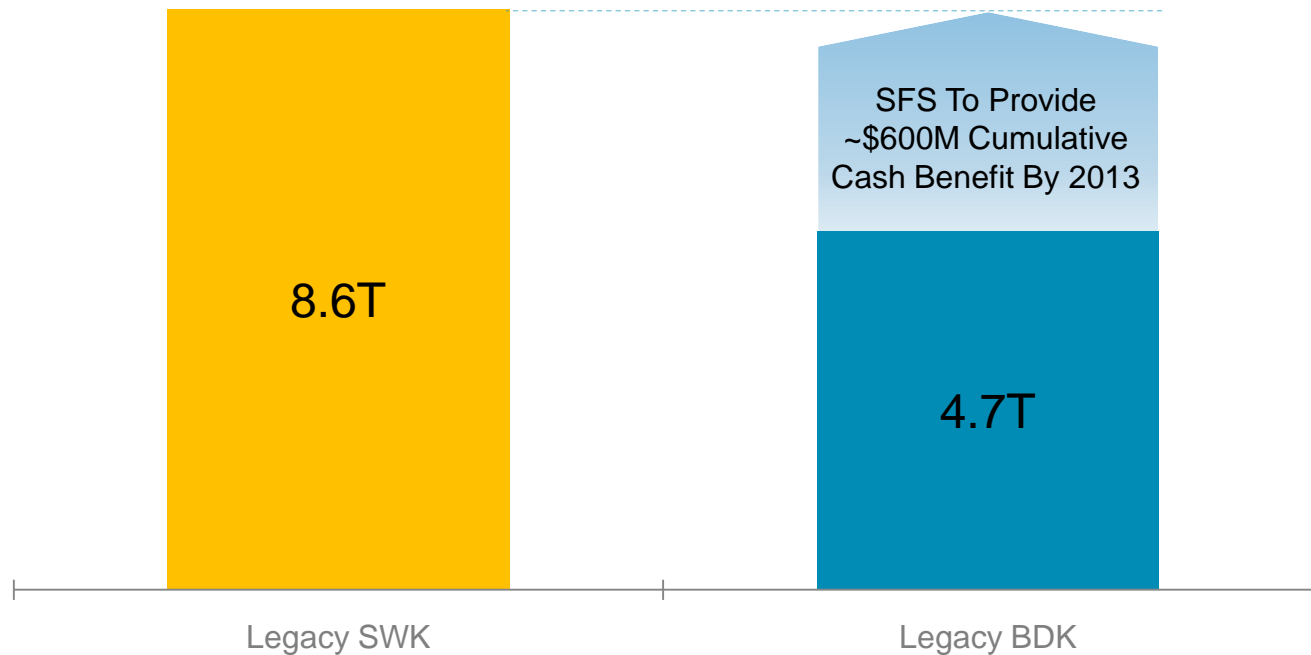
Industrial Peers: ITW, DHR, IR, CBE, SHW, MAS, NWL, SNA

Security Peers: SI, UTX, HON, TYC, ASSA, BCO, DBD, CKP

Clearly A Differentiated Performance

SFS: The Black & Decker Opportunity

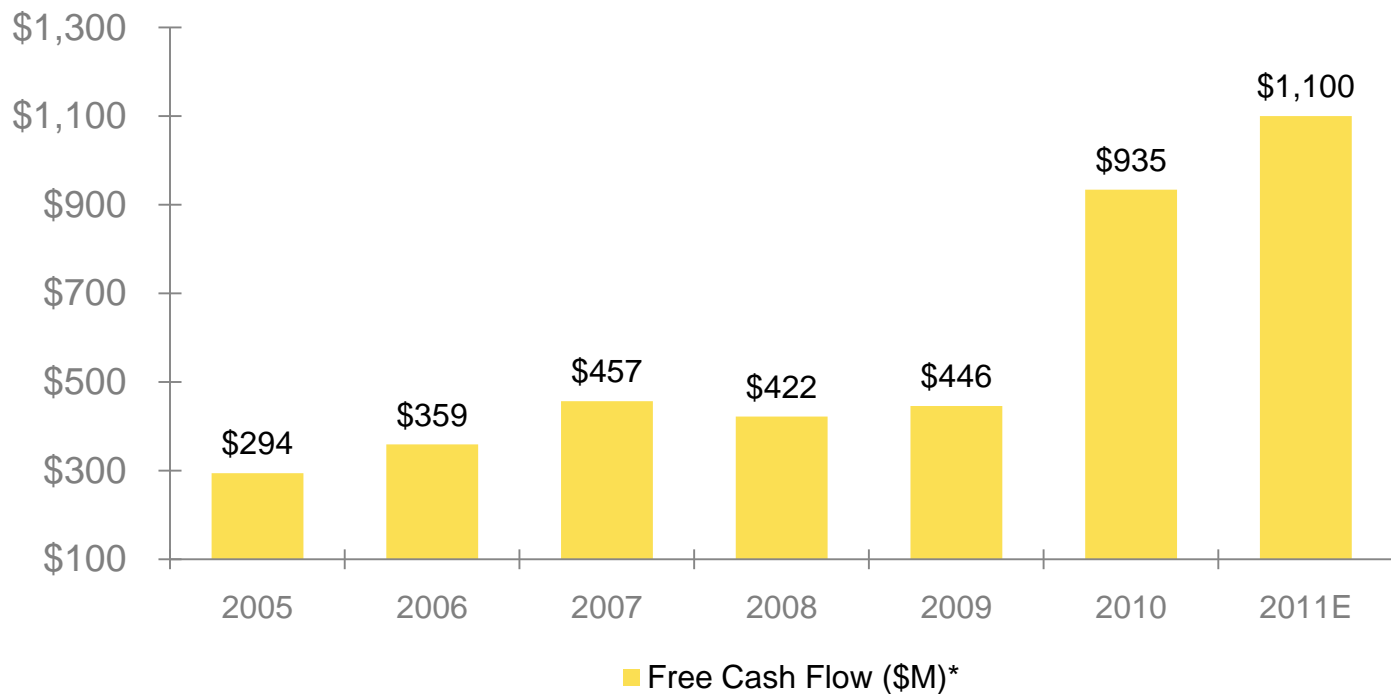
SFS Will Be Utilized To Elevate Legacy Black & Decker WC Turns To Legacy Stanley Levels...



...Transformational Lean™ Will Be The Next Chapter

Free Cash Flow: Historical & Projected Performance

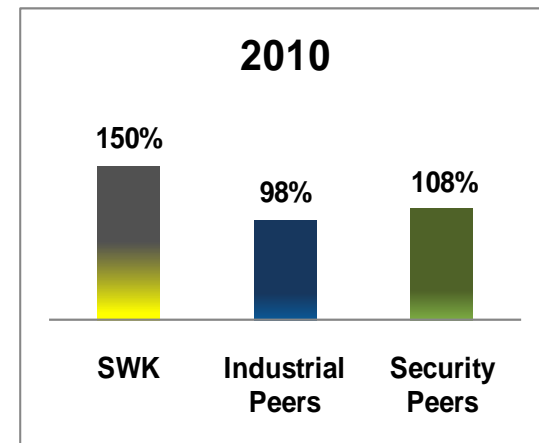
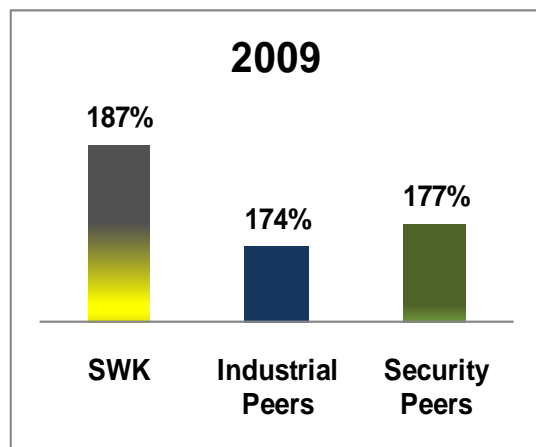
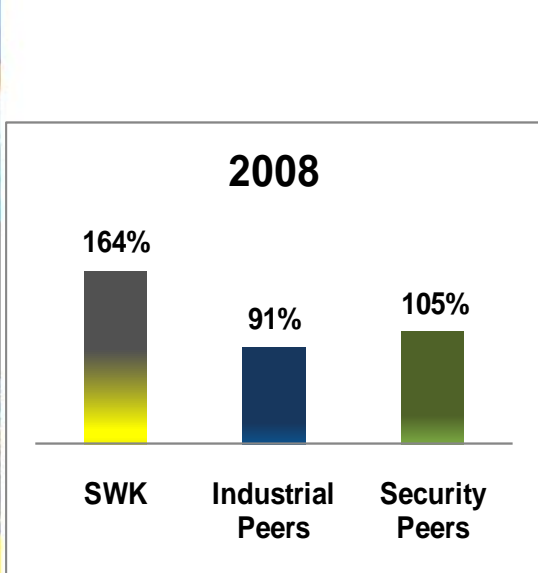
Free Cash Flow Approached \$1B In 2010, Two Years Ahead Of Schedule...



...And Is Expected To Exceed Original Year 3 Goal In First Full Year Of Merger

FCF Conversion vs. Peers

Free Cash Flow Conversion Outperformance In Legacy Stanley Business...



...Driven By Execution Focus

Source: Capital IQ-FCF/Net Income: Free Cash Flow is defined as Cash From Operations, adjusted for unusual payments, less Capital Expenditures. Net Income is adjusted for unusual charges.
Industrial/Tools Peers include ITW, Newell Rubbermaid, Snap-On, Sherwin Williams, Cooper, Danaher, Ingersoll Rand.
Security Peers include Brinks Home Security, Checkpoint, Diebold, Honeywell, Tyco, UTX, Assa Abloy and Siemens.

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2011 GUIDANCE



Reiteration Of Key 2011 Guidance Components

- Reiterating 5-6% Organic Revenue Growth Guidance In 2011 (5.5% - 6.5% Including Revenue Synergies)
 - Driven By New Products, Market Share Gains And Growth From Emerging Markets: Predicated On Very Little Market Growth
- 2011 FY EPS Guidance Of \$5.00 - \$5.25*
 - Operating Margin Expansion Of 150 Basis Points From 2010 OM% Of 12.6%
- 2011 Free Cash Flow Guidance Of ~\$1.1B*
 - Predicated On A ½ Turn Improvement In Working Capital From 2010 Y/E Level (5.7 Turns)
- Remain Confident In Ability To Recover ~80% Of Inflation With Price In 2H'11; FY Recovery Remains 33 – 50%

Pricing Center of Excellence

Price Recovery Is A Competitive Advantage...

- Established in 2004; 7 Years Of Proven & Practice Experience
 - Consists Of 10 Business Consultants And IT/Statistical Analysts Divided Into 3 Teams: Each Segment Has Different Pricing Dynamic
 - Additional 10 Finance Resources Imbedded In Major Business Units Dedicated To Pricing Initiatives And Processes
 - Team Represents 100+ Years Of Pricing Experience; Held Fully Accountable For Price Recovery Goals
 - Augment, Train, Coach, And Mentor The Business Units Toward Profitable Growth
- Establish Market Pricing In Alignment With Value Delivered To Our Customers
 - Proactively Adapt Pricing To Market Conditions (Customer Sentiment, Macro Economy, Competitive Threats) And Business Objectives

33 – 50% Inflation Recovery Expected In 2011; Should Reach Legacy Stanley Levels In 2-3 Years

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APPENDIX



2011 Outlook (From 4/27 Release)

2011 EPS Guidance Of \$5.00 - \$5.25*

- 2011 Full Year EPS Guidance Range Of \$5.00 - \$5.25* From Previous Range Of \$4.75 - \$5.00*
 - GAAP EPS Range (\$4.35 - \$4.60)
 - 1H'11 Expected To Represent ~45% Of FY 2011 EPS
- Tax Rate Will Approximate 20% - 21%, From Previous Range Of 25% - 26%
- Full Year Inflation Recovery Via Price Will Still Be 33% - 50%, With Net 100 Bps Negative Impact From Price/Inflation.
 - ~\$40M Net Impact/Headwind Witnessed In 1Q; Same To Be Expected For 2Q
 - Inflation Recovery Via Price For 2H'11 To Be ~80%. Net Impact/Headwind Expected To Approximate \$20M In 2H'11
- \$250 Million Cash Financed Share Repurchase Program To Commence In 2Q To Help But Not Completely Offset Share Creep; FY'11 Average S/O To Be ~172M.
- Net Organic Sales To Increase 5-6% From Combined Company Pro Forma Level Of \$9.3 Billion
- Revenue Synergies Will Add An Incremental 50 Bps To 2011 Revenues; Modest EPS Impact
- Acquisition Revenue (CRC-Evans, SSDS, GMT, InfoLogix) Will Approximate 3% Growth (From \$9.3B 2010 PF)
- \$165 Million In Cost Synergies Related To The Black & Decker Merger
- Operating Margin Rate Expansion Of Approximately 150 Bps Versus 2010.
 - Includes Net 100 Bps Negative Impact From Price/Inflation
 - Based On Current Rates, Foreign Exchange Should Not Have A Significant Impact On Margin Rate
- Non-Merger And Acquisition Related Restructuring, Impairment And Related Charges To Remain Relatively Flat To Those Taken In 2010 (~\$25 Million)

Free Cash Flow To Approximate \$1.1B*

Reconciliation Of FCF And EBITDA To GAAP Measures

	Free Cash Flow						EBITDA	
	2010	2009	2008 ^(A)	2007	2006	2005		2010
Net cash provided by operating activities	\$1,121	\$539	\$517	\$544	\$439	\$362		<u>2010</u>
Less: capital expenditures	(186)	(73)	(95)	(66)	(60)	(53)	Net earnings from continuing operations	\$198
Less: capitalized software	-	(20)	(46)	(21)	(20)	(15)	Interest Income	(10)
Add: taxes paid on CST/berger divestiture included in operating cash flow	=	=	<u>46</u>	=	=	=	Interest Expense	110
Free cash flow	\$935	\$446	\$422	\$457	\$359	\$294	Income Taxes	39
							Depreciation and amortization	<u>349</u>
							EBITDA from continuing operations	\$686

(A) In 2008, Free Cash Flow Excludes Income Taxes Paid On The Gain From The CST/Berger Divestiture Due To The Fact The Taxes Are Non-recurring And The Directly Related Gross Cash Proceeds Are Classified In Investing Cash Flows.