STANLEY

MAKE SOMETHING GREAT™

THE STANLEY WORKS

April 24, 2009

1Q 2009 Overview

Participants:

John Lundgren – Chairman & CEO

Jim Loree – Executive VP & COO

Don Allan – 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.

Highlights

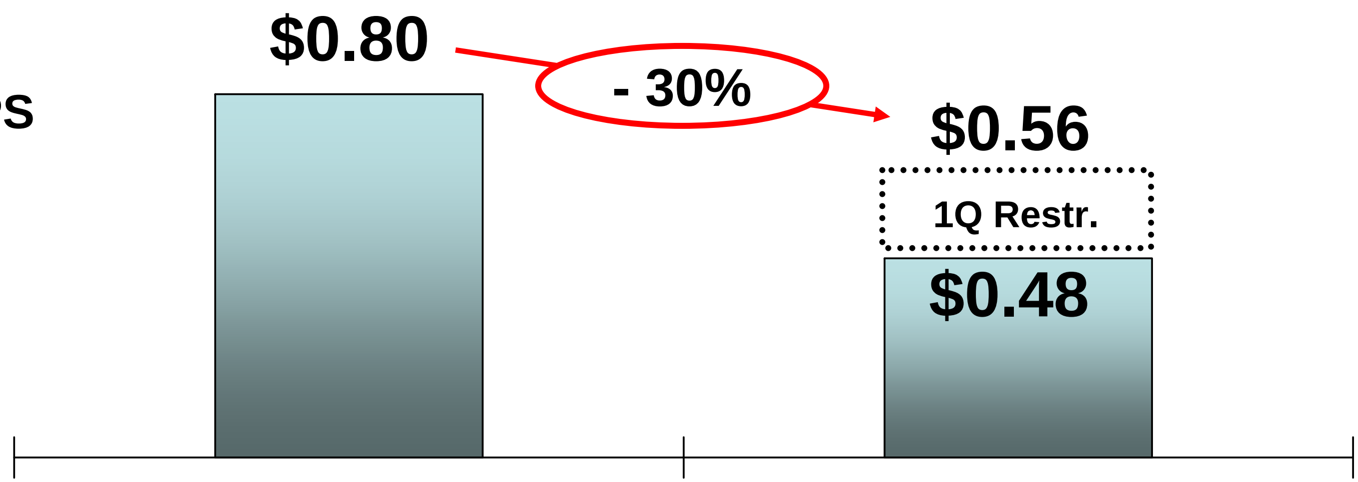
- 1Q'09 diluted EPS from continuing operations of $0.48, Inclusive of an $0.08 Restructuring Charge
- Security Segment Posts 12% Revenue Growth and 33% Profit Growth
- Overall 1Q Sales Unit Volumes Down 19% vs. Prior Year, However, Gross Margins Improve to a 1Q Record 39.6%
- $100 million Additional Cost Reduction Program Initiated – Expected to Generate $45 million of Savings in 2009; $15 million of which is expected to be Reinvested in Brand Development and Organic Growth Initiatives
- Working Capital Turns Improved to 4.8 Despite Volume Decline
- 2009 GAAP EPS Guidance Introduced at $2.00 - $2.50, Inclusive of $0.42 Restructuring and Related Charges; FCF Expected to be Above $300M

1Q'09 Financial Results

OM of 12% Maintained…

	1Q'08	1Q'09
OM %	12.3%	11.9%

EPS



Revenue	+4%	-15%
Tax Rate	26.2%	26.1%
Avg. Shares O/S	80.4M	79.5M

…Despite a 19% Unit Volume Decline

1Q'09 Revenues

Total 1Q'09 Revenue Down 15%…

$ millions

	1Q'08	1Q'09		
Revenues	$1,071	$ 913	- $158	- 15%

Sources Of Revenue

Volume	- 19%
Price	+ 3%
Organic	- 16%
Currency	- 6%
Acquisitions	+ 7%
	- 15%

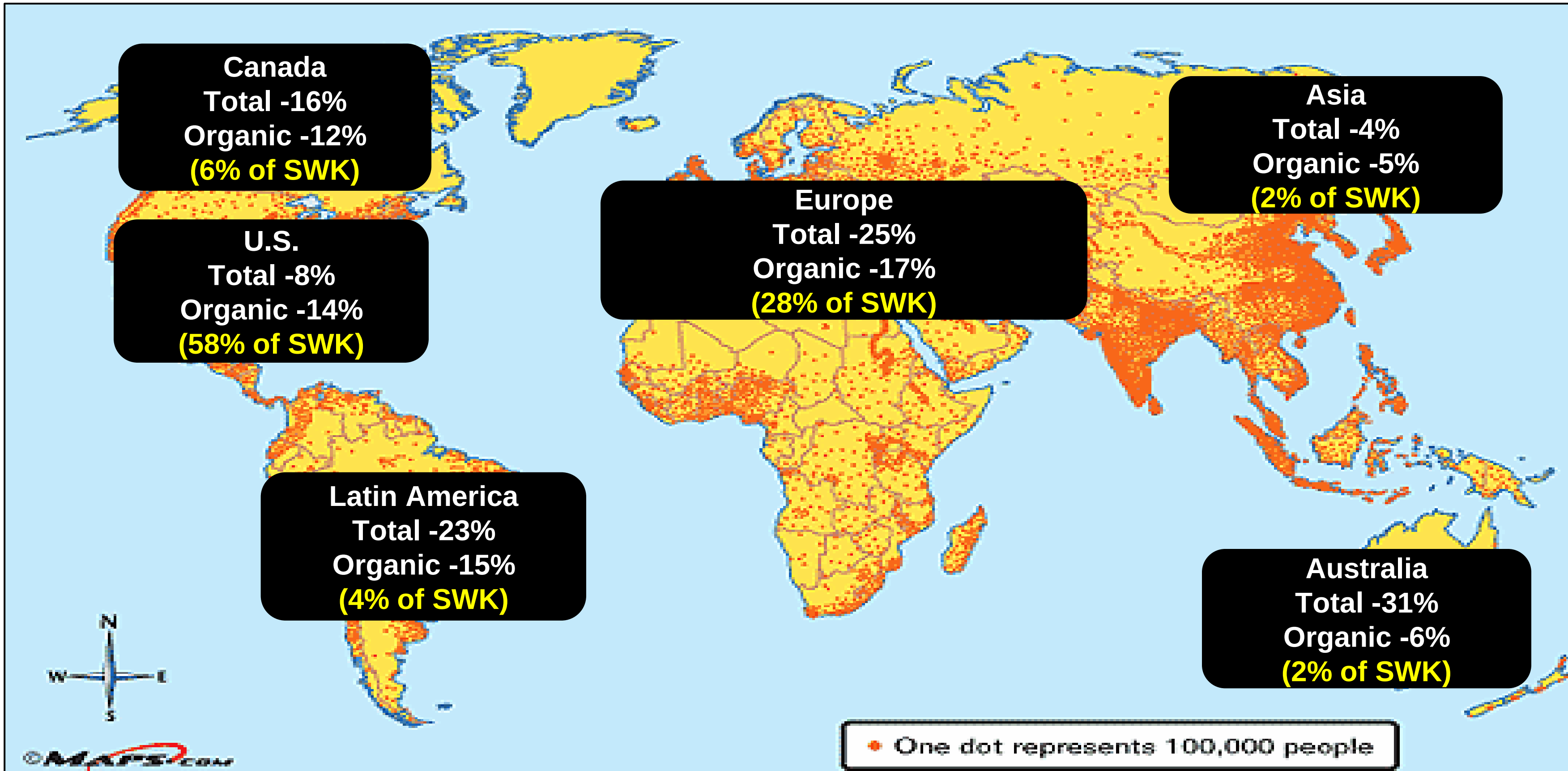
Segment Results

	Total	Volume
Security	+ 12%	- 8%
Industrial	- 29%	- 26%
CDIY	- 25%	- 22%
SWK	- 15%	- 19%

…As Security Performance Buffers Industrial/CDIY Impact

1Q'09 Worldwide Revenues

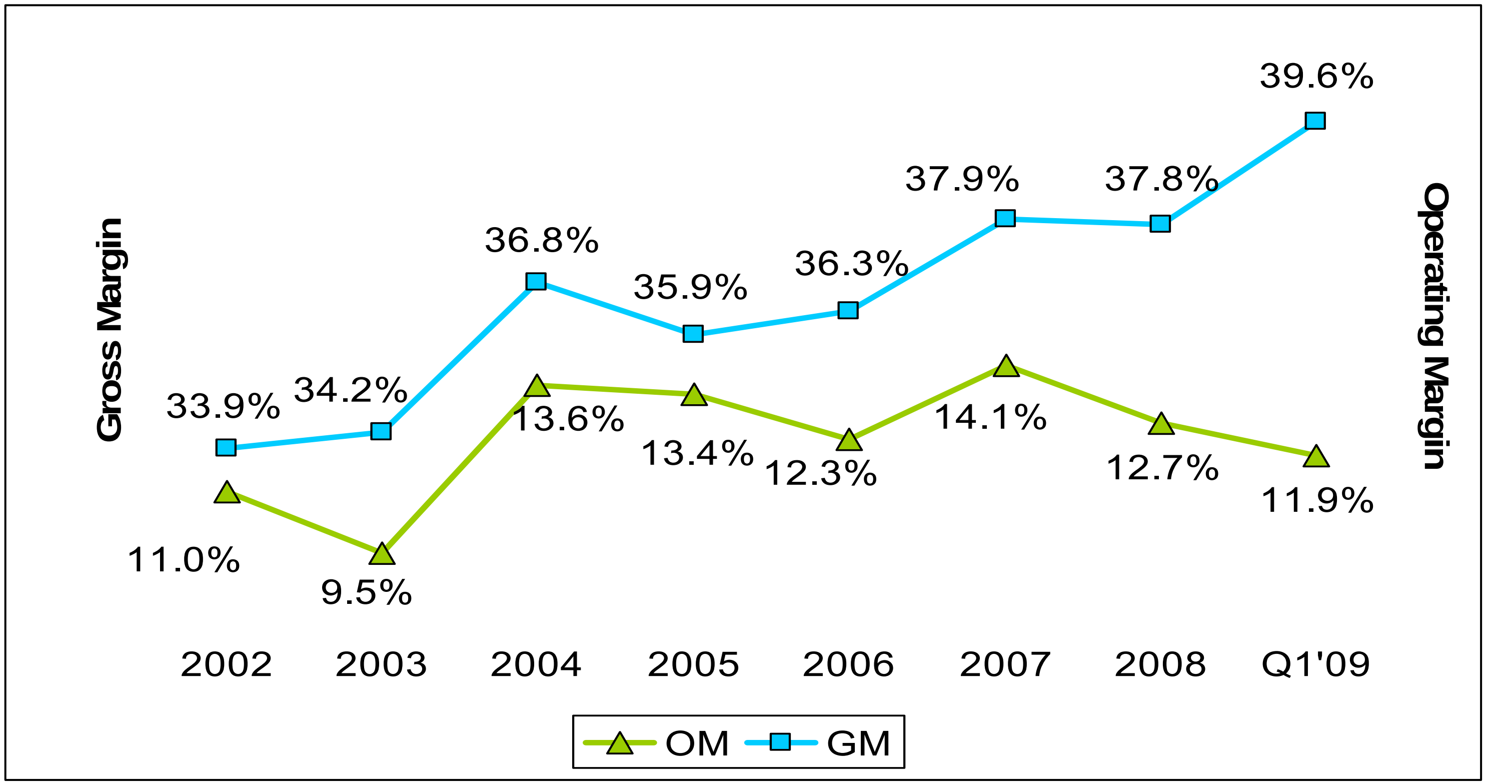
Market Slowdown Has Affected All Regions…



…With The Most Dramatic Decline Occurring Within Europe

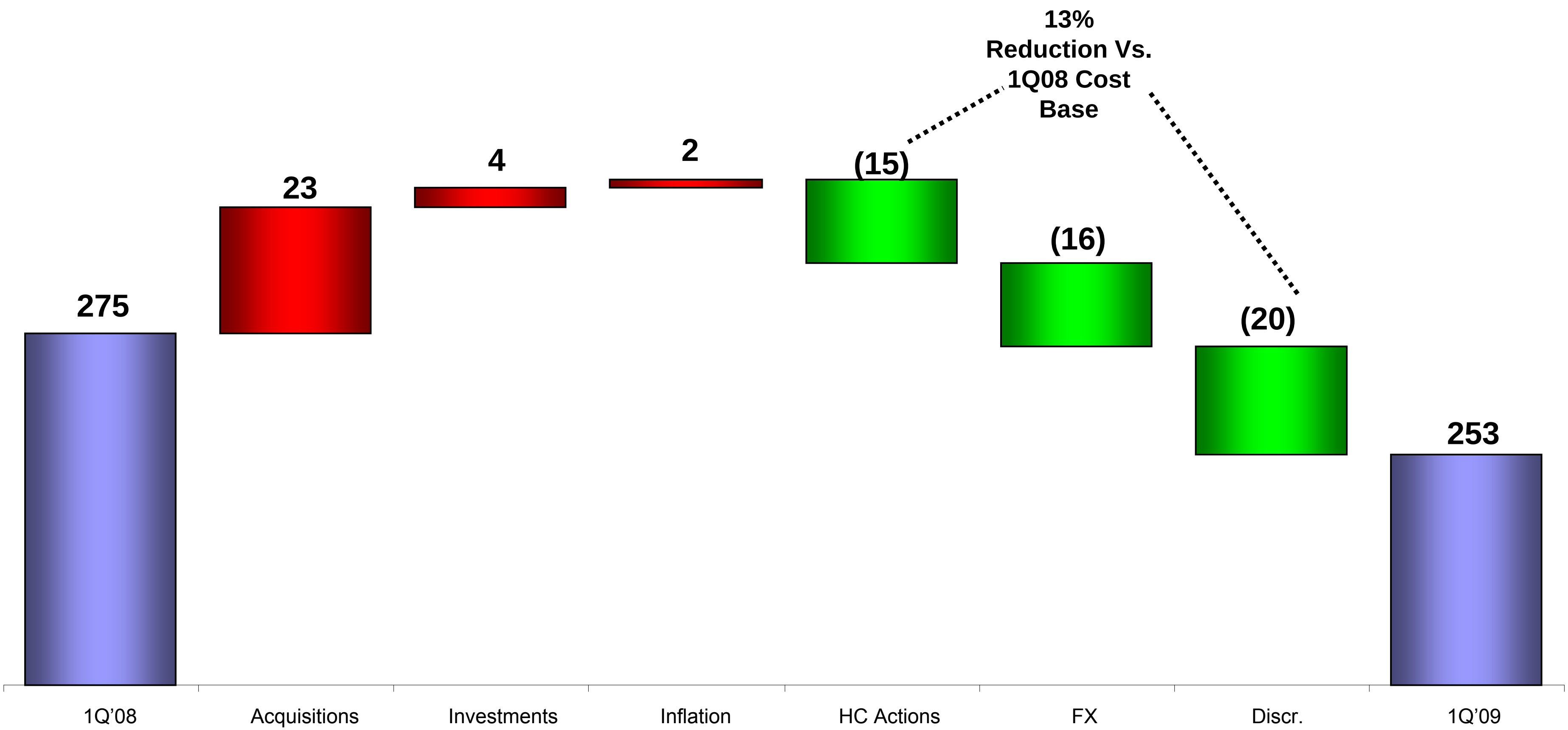
Margin Trends

Gross Margin Rate Improves 180Bps Vs. FY08…



…Illustrates the Ongoing Benefits of SWK Portfolio Shift

Expenses Down 8% Vs. Prior Year…



…As Cost Reduction Actions Provide Benefits

Cost Reductions, Charges and Reinvestment

STANLEY
MAKE SOMETHING GREAT™

1Q'09 Restructuring Actions:

- Headcount reduction of 550
- $100M (Annualized) Cost Savings Plan Initiated
- $45M Gross Savings In 2009
  - $33mm → headcount reduction
  - $12mm → other actions

2009 Restructuring and Related Charges:

- $45M Restructuring and Related Charge ($10M Related To 4Q'08 Actions), or $0.42 per share

$10M In 1Q09; $35M In 2Q'09-3Q'09

↓

90% Cash / 10%Non-Cash

Looking Forward:

- Increased organic investment in Security sales and marketing
- Brand Investments via Nascar and new M.L. Baseball sponsorship
- CT&S / Bostitch Business Model Combination Provides Benefits
  - Accelerated Product Innovation
  - Channel Efficiencies
  - Share Gain Potential

After-Tax Savings:

- Will yield gross earnings benefit of $0.42 (net $0.28) in 2009 (in addition to $1.75/share announced in January) and $0.51 in 2010 (in addition to $0.24/share announced in January)
- Combined benefit of $0.75 in 2010 will be largely used to offset 2010 cost pressures

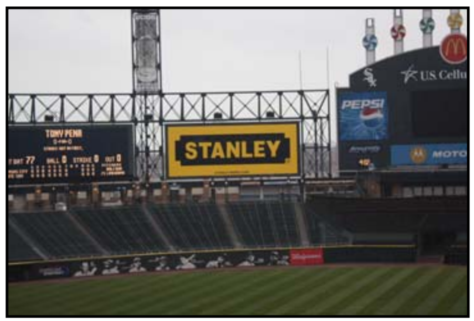
STANLEY

MAKE SOMETHING GREAT™

2009 Brand Reinvestment

Expanded Major League Baseball Marketing Program Enabling Promotion Of All Product Lines & Generation of At Least 1 Billion Brand Impressions

iPhone App



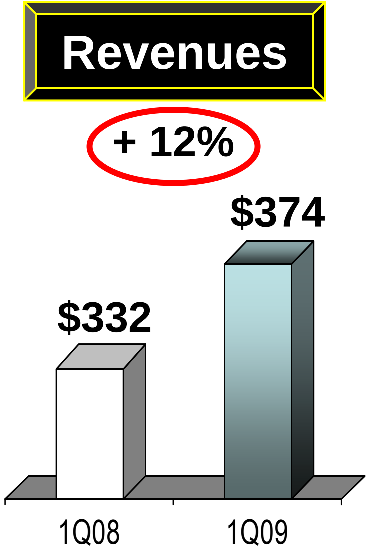
Continued Investment In NASCAR

A Total Of $21M In Brand Investment for 2009

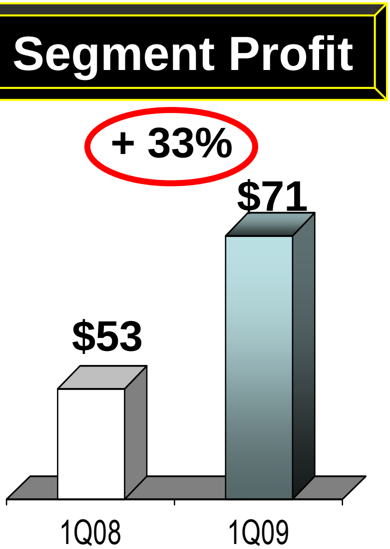
Stanley MAKE SOMETHING GREAT™

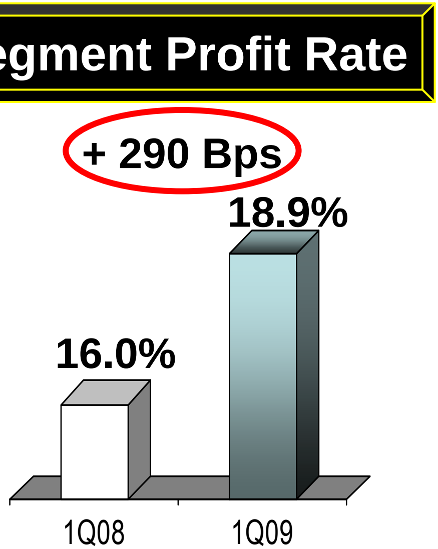
1Q'09 Security

Continued Revenue Growth And Profit Rate Expansion



Organic Growth = (4%)





Segment Profit +33% Driven By Cost Actions, Acquisitions & Continued Integration Benefits

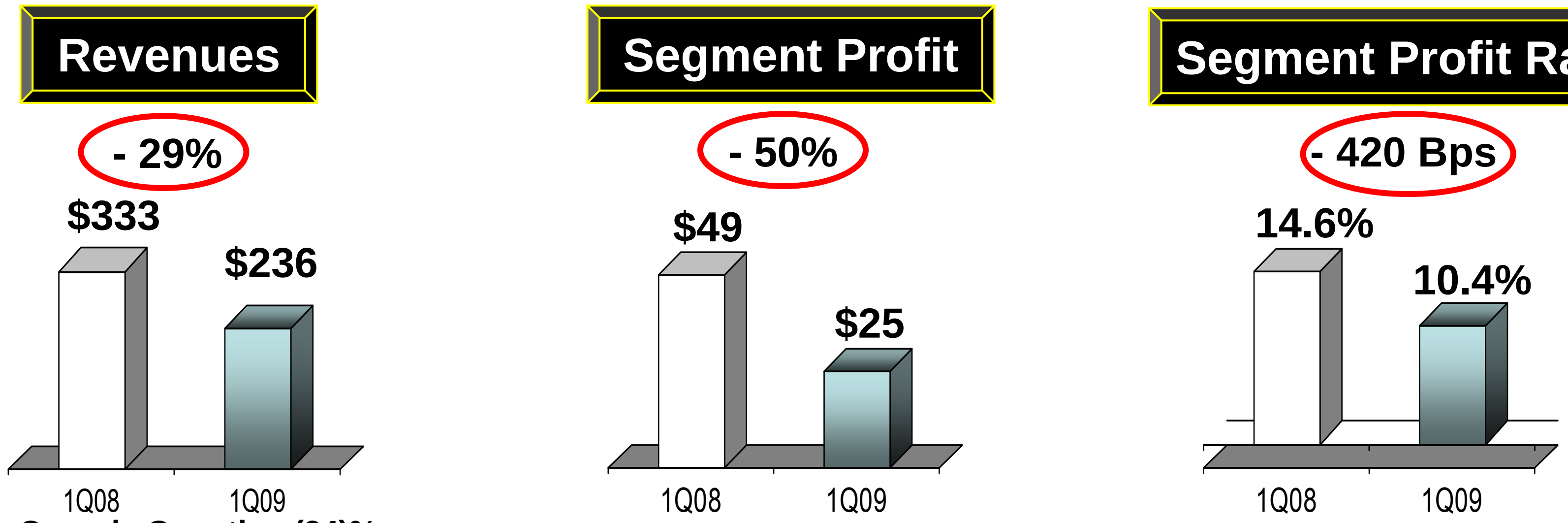
Convergent Security Solutions (CSS) Revenues +23%

- Acquisitions Providing Revenue Growth In Tough Economic Environment, Offsetting mid-single digit Organic Volume Decline
- Commercial Monitoring Margins Expand From Continued Reverse Integration of Acquisitions, Mix Towards Monitoring/RMR Growth, And Higher Margin Acquisitions

Mechanical Access Solutions (MAS) Profit Higher Despite A 4% Revenue Decrease As Price Realization & Cost Reduction Offset Volume Pressures

1Q'09 Industrial

Double-Digit Profit Rate Maintained Despite Adverse Markets



Organic Growth = (24)%

Segment Profit Rate Declined Due To Weakness In Unit Volume (~ 1/3 Customer Corrections)

- Price Recovery And Productivity Programs More Than Offset Inflation
- Europe Cost Reductions Pending EU Works Council Process (Realize In 4Q'09 and 2010)

Industrial & Automotive Tools Revenues

- Facom Organic Revenues Hurt By Global Economic Environment And Customer Inventory Corrections
- Americas Revenues -27%; Adversely Impacted By Economic Conditions And Lower Distributor Count

Engineered Solutions Revenues

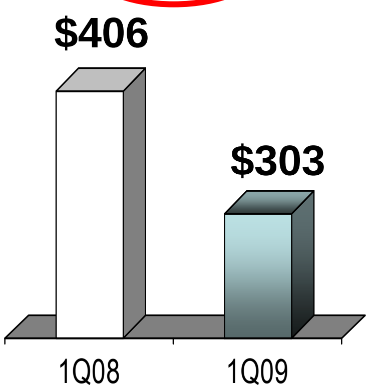
- Price Gains And Stability Of Government Businesses Were Offset By Negative Impact Of Lower Capex Spending Within Commercial Customer Base

1Q'09 CDIY

3 Point Sequential Profit Rate Improvement Achieved

Revenues

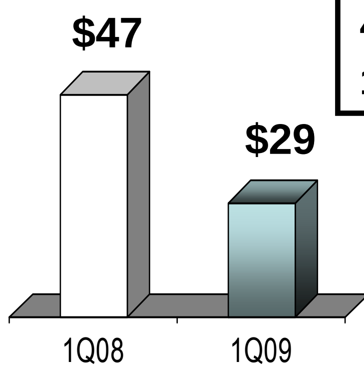
- 25%



Organic Growth = (18%)

Segment Profit

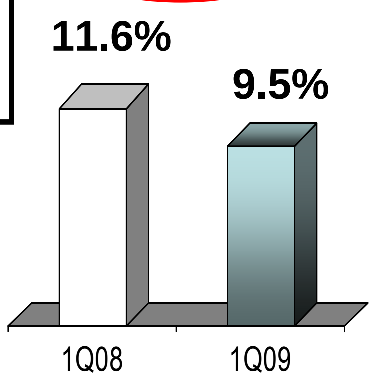
- 38%



	OM%
4Q'08	6.4%
1Q'09	9.5%

Segment Profit Rate

- 210 Bps



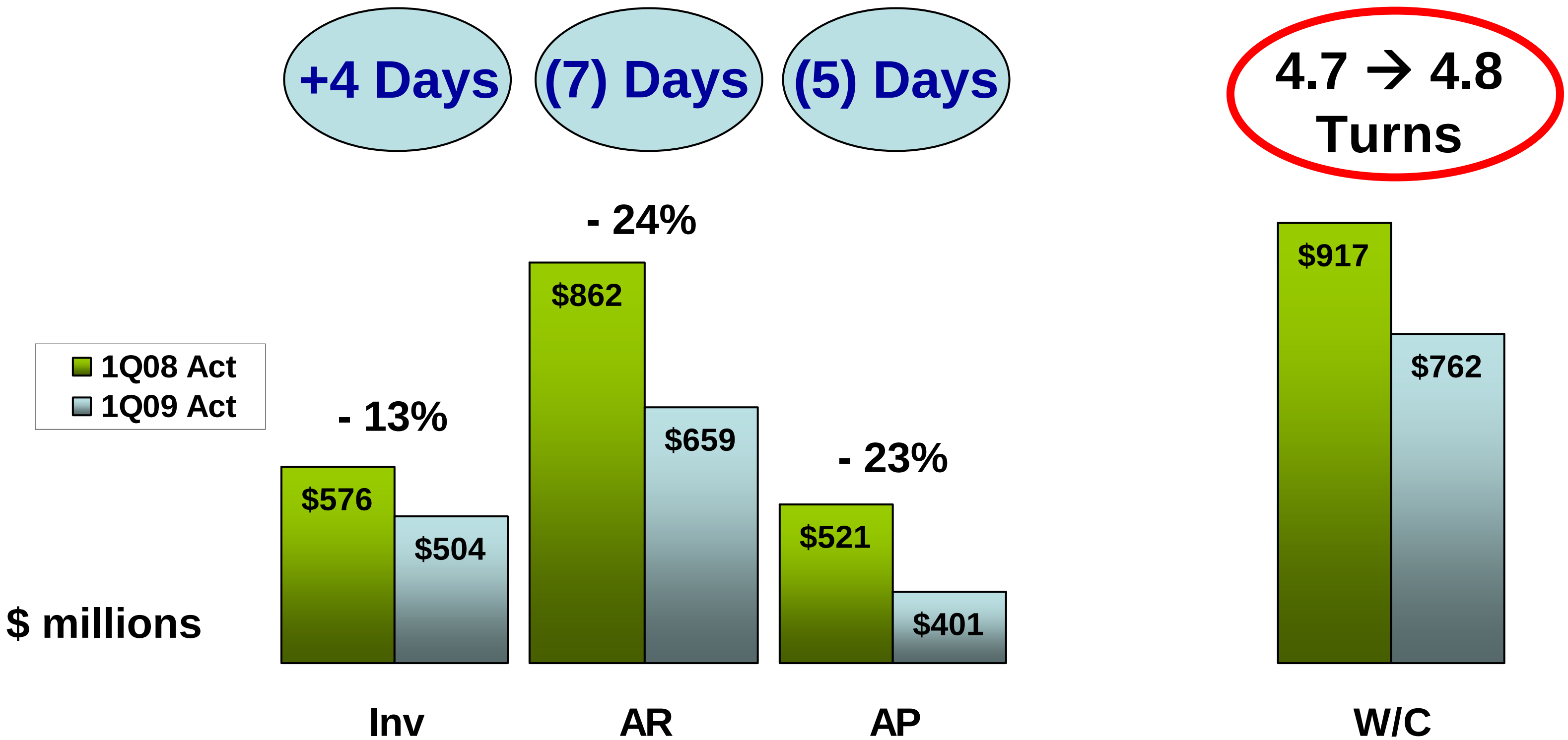
Volume Declined 22% As Softness Within U.S. Residential Construction Markets Continued

European Organic Revenues Declined 20% As A Result Of Weakness Across Most Major Markets; Cost Reduction Actions Of ~$10M To Be Realized Following EU Works Council Process

Bostitch Margin Rate Negatively Impacted By Sizeable Unit Volume Decline Related To Continued Weakness In The U.S. And Sharp Declines In European Markets While Holding Price Favorability At ~4%

1Q’09 Working Capital

Working Capital Turns Improve 2% Vs. Prior Year…



	Inv	AR	AP
1Q’08 Act Days	79	73	71
1Q’09 Act Days	83	66	66

W/C
4.7 Turns
4.8 Turns

…$155M Reduction Since 1Q’08 and More To Come

1Q'09 Free Cash Flow

STANLEY
MAKE SOMETHING GREAT™

1Q Working Capital Negative, Consistent With SWK Historical Results

($ million)	1Q'09	1Q'08	V$
Net Income	$ 38	$ 67	$ (29)
Deprec/Amort	48	41	7
Restructuring	9	3	6
Working Capital	(45)	(16)	(29)
Receivable Sales	0	8	(8)
Other	(46)	5	(51)
Operating CF	4	108	(104)
CapEx	(22)	(25)	3
Free Cash Flow	(18)	83	(101)

Comparisons	1Q	FY
1Q04	(16)	
1Q05	(65)	
1Q06	14	
1Q07	(22)	30
1Q08	(16)	126

SFS

Full Year FCF Forecast Estimated To Be Greater Than $300M

1Q'09 Balance Sheet

Conservative Financial Position Maintained…

	1Q'09	4Q'08	VPY$
Cash	128	212	(84)
Other Assets	4,596	4,654	(58)
Debt	1,601	1,612	(11)
Other Liabilities	1,417	1,530	(113)
Equity	1,706	1,724	(18)
Total Capital	3,307	3,336	(29)
Debt/Capital	48%	48%	
Adj. Debt/Capital*	35%-37%	35%-37%	

*Adjusted for Equity Credit From Rating Agencies

…2009 FCF After Dividends Targeted Primarily For Deleveraging

Guidance Factors

2008 GAAP EPS Actual	**$2.82***
Unit Volume -13% To -15%	**($2.90 - $2.40)**
Currency Impact **(based on current rates)**	**($0.50)**
2008 Cost Reduction Initiatives	**$1.75**
1Q'09 Cost Reduction Initiatives **(net of reinvestment)**	**$0.28**
Acquisitions **(GdP, Sonitrol, Xmark & ScanModul)**	**$0.10**
Restructuring **(lower 2009 charges vs. 2008)**	**$0.45**
2009 GAAP EPS Guidance	**$2.00 - $2.50**

* EPS prior to recast

STANLEY
MAKE SOMETHING GREAT™

Summary

- Positioned well to reinvest in the Stanley brand and organic growth opportunities within the Security business on the heels of strategic restructuring actions
- Continued focus on paying down debt and keeping the dividend intact
- Dedicated to ongoing success of SFS both as a source of cash and a competitive weapon
- Continue disciplined pricing approach and SG&A control to maximize margins

APPENDIX

STANLEY
MAKE SOMETHING GREAT™

SWK End Markets By Business

End Market	*MAS*	*CSS*	*Industrial*	*CDIY*	*SWK*
Res. Const.	23%	0%	8%	59%	29%
Comm. Const.	13%	25%	5%	11%	12%
Retail	32%	13%	0%	6%	10%
Health Care	11%	15%	3%	0%	5%
Education	9%	9%	0%	0%	3%
Government	5%	8%	4%	1%	4%
Automotive	0%	2%	26%	0%	8%
Industrial	3%	10%	52%	20%	24%
Other	4%	18%	2%	3%	5%
Total	***100%***	***100%***	***100%***	***100%***	***100%***

***Industrial includes manufacturing, utilities, distribution, power, rail, oil & gas, etc.**

Debt/Capital Adjustment

	1Q'09 Reported	$416MM ETPS 50% ADJ (FACOM '05)	$320MM Equity Unit 50%-75% ADJ (HSM '07)		1Q'09 ADJ'D*	
			50%	75%	50%	75%
Cash	128					
Other Assets	4,596					
Debt	1,601	-208	-160	-240	1,233	1,153
Other Liabilities	1,417					
Equity	1,706	208	160	240	2,074	2,154
Total Capital	3,307					3,307
Debt/Capital	48%					
Adj. Debt/Capital*					37%	35%

* The adjustments for equity content in the ETPS and Equity Units are consistent with the treatment by the nationally recognized statistical ratings organizations that rate the company's debt securities and, thus, the adjusted debt to capital ratio is considered a relevant measure.

A Legacy of Quality.

STANLEY®

MAKE SOMETHING GREAT™

A Future of Growth.