

*StanleyBlack&Decker*

# STANLEY BLACK & DECKER

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Credit Suisse Conference  
June 8<sup>th</sup>, 2011





# Cautionary Statements

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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%

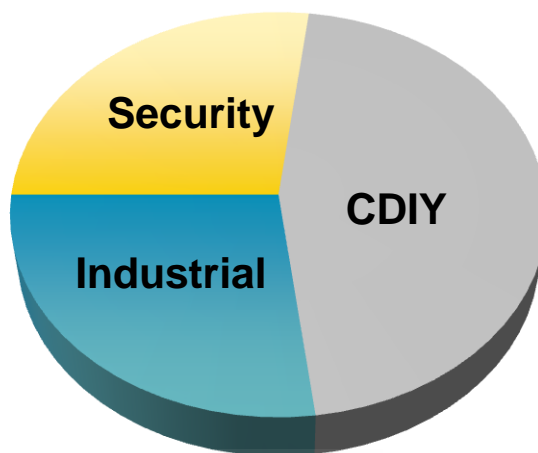
- Increased for 44 years
- Paid consecutively for 134 years

### 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

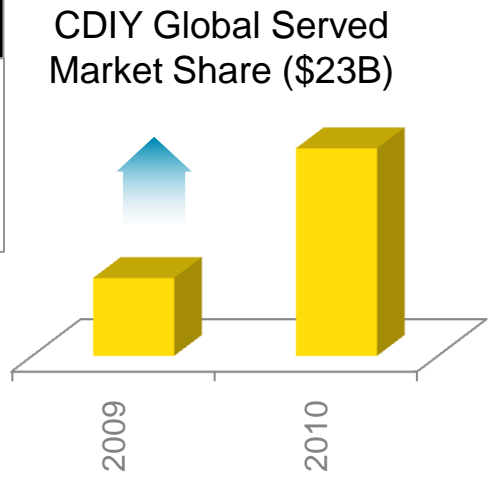
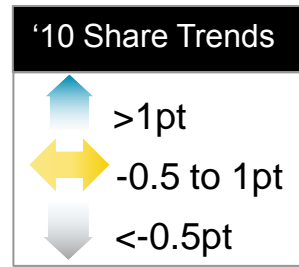
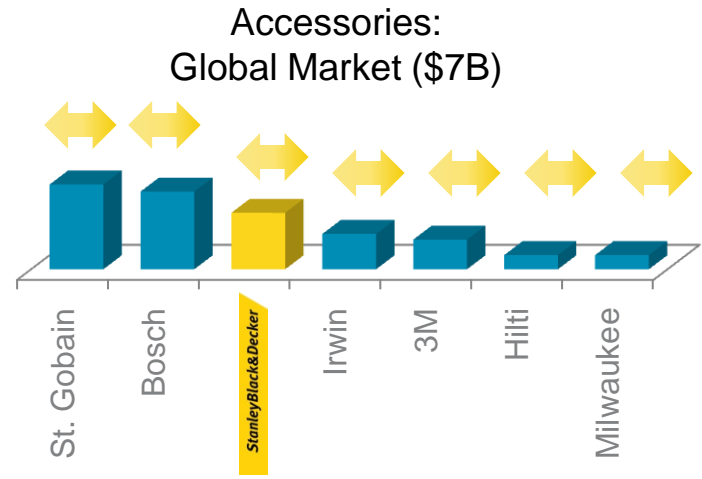
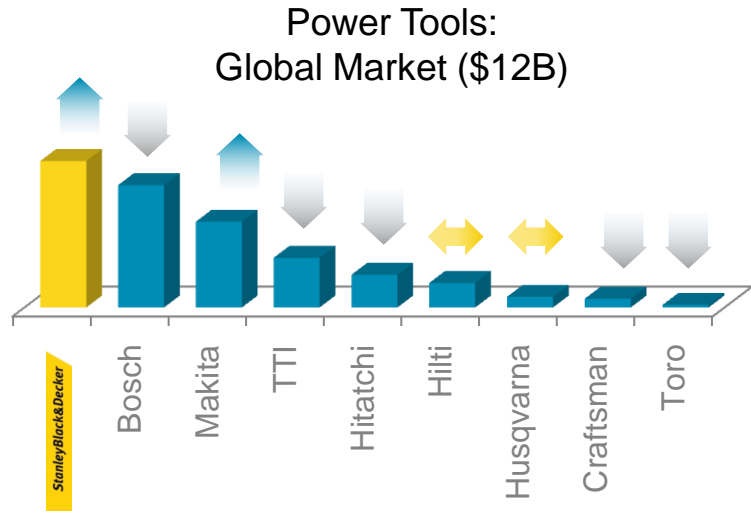


### CDIY \$4.5B – 13.6% OM

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

## Diversified End Market Exposures

# CDIY: 2010 Global Markets Served



# CDIY: What's Next

Continued Focus On:

**Innovation** - - -

**Li-Ion Cordless**

Est. (2 – 3 Pts.)  
Per Year

2007 – 2009

Est. 40%  
Recovery

2010

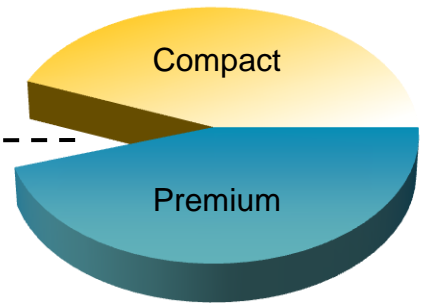
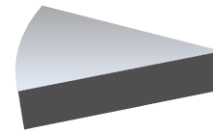
Est. 100%+  
Recovery

2011 – 2012

- Late Adapters To Li-Ion
- Focus On Higher Voltage Vs. Size/Weight, Etc.



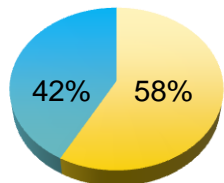
Sub-Compact



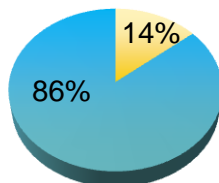
■ Li-Ion ■ Ni-Cad

## Ni-Cad / Li-Ion Shift Progression

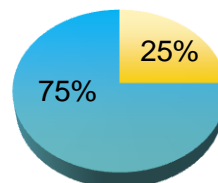
'10 Market



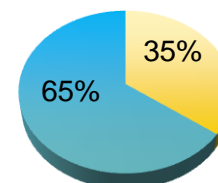
'09 CDIY



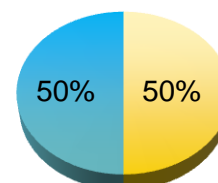
'10 CDIY



'11E CDIY



'12E CDIY



# Compelling Growth Platforms

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## Five Growth Platforms

Convergent Security

Mechanical Security

Engineered Fastening

Infrastructure

Healthcare Solutions

Capital Focused On Driving Growth  
In Both Core And New Platforms



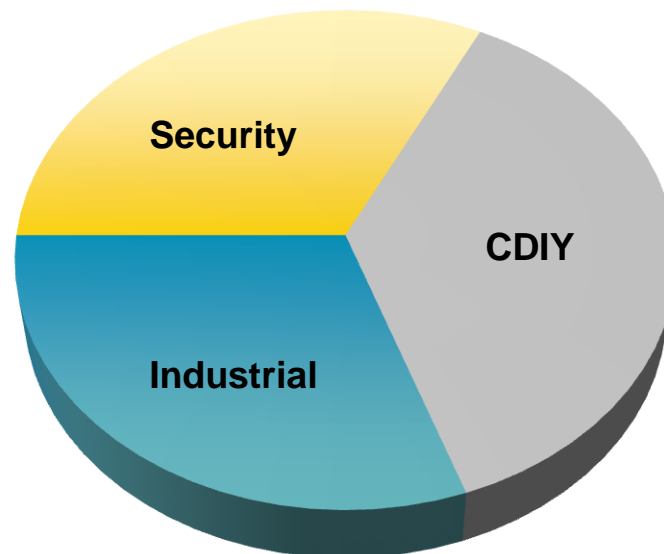
# Where Do We Go From Here?

## 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**



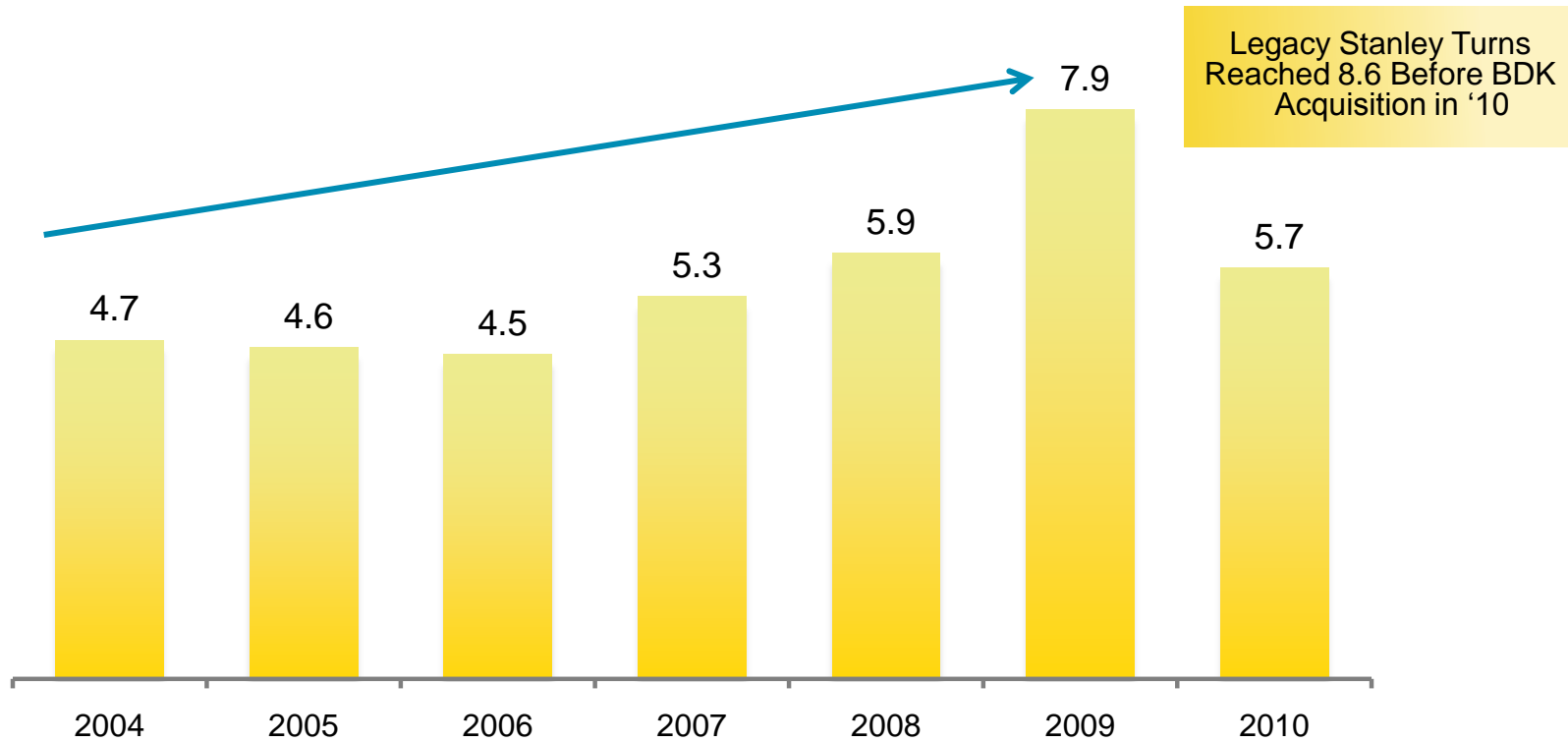
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# POWERFUL FREE CASH FLOW POTENTIAL: ----- THE STANLEY FULFILLMENT SYSTEM



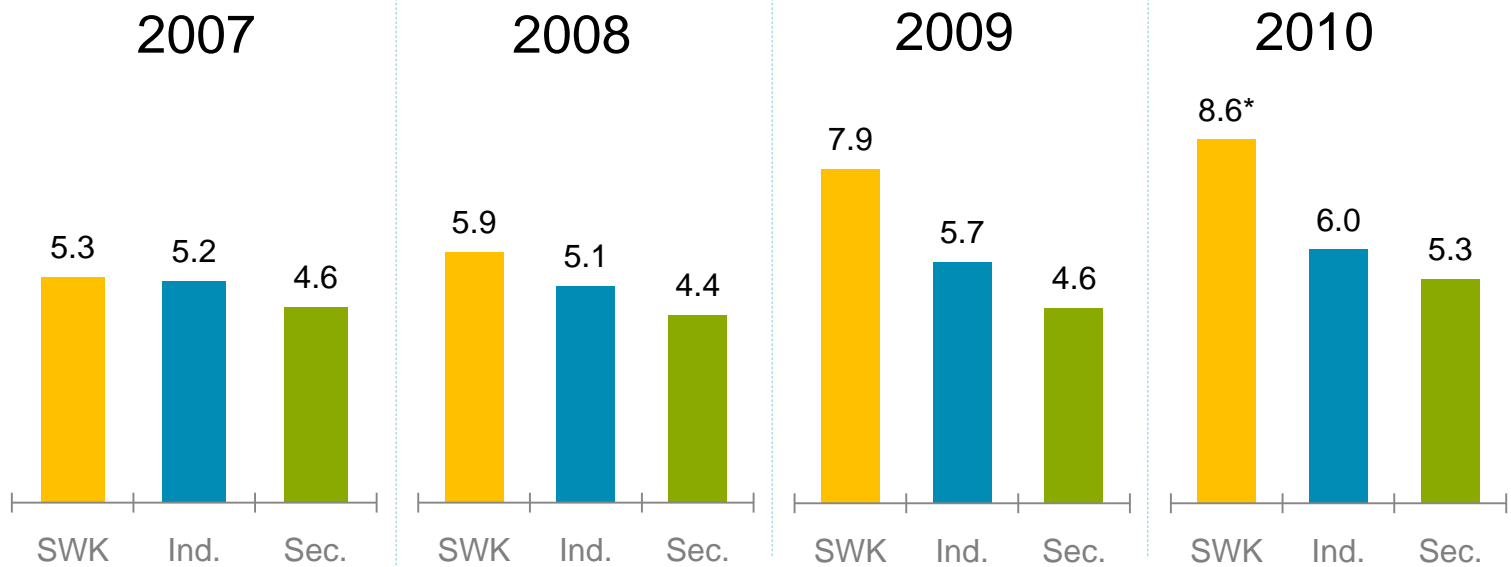
# SFS Track Record: Proven Results

## 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



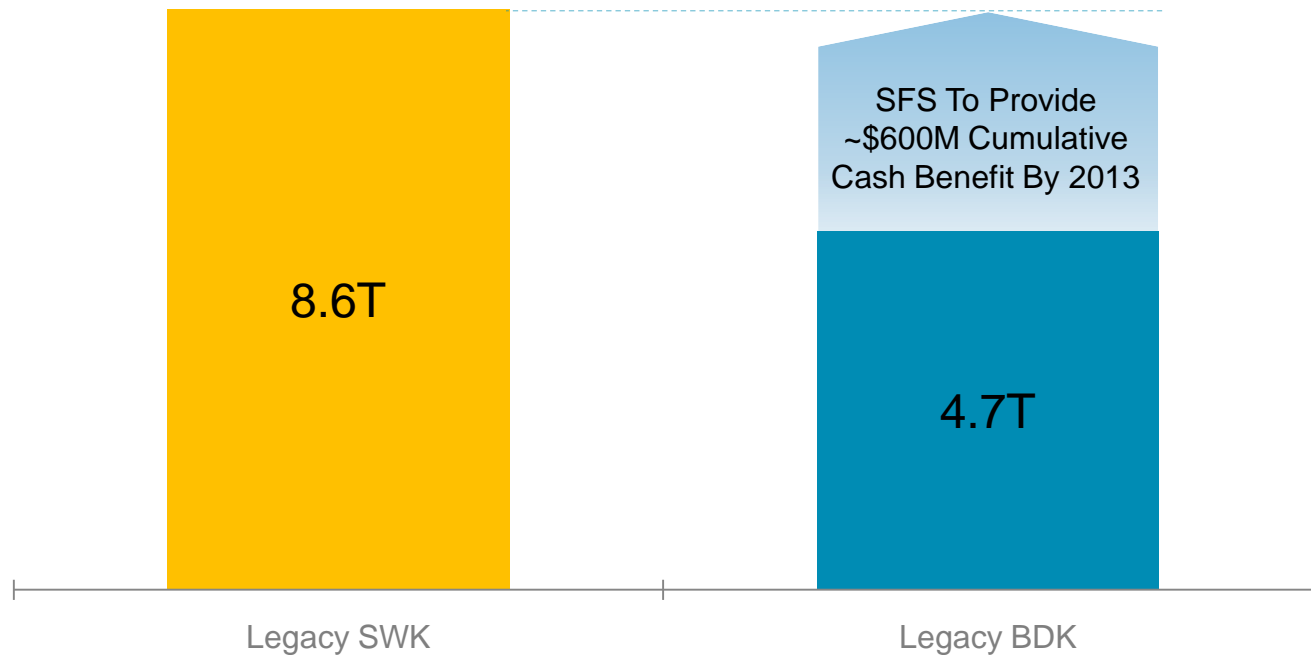
**Industrial Peers: ITW, DHR, IR, CBE, SHW, MAS, NWL, SNA**

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

**Clearly A Differentiated Performance**

# SFS: The Black & Decker Opportunity

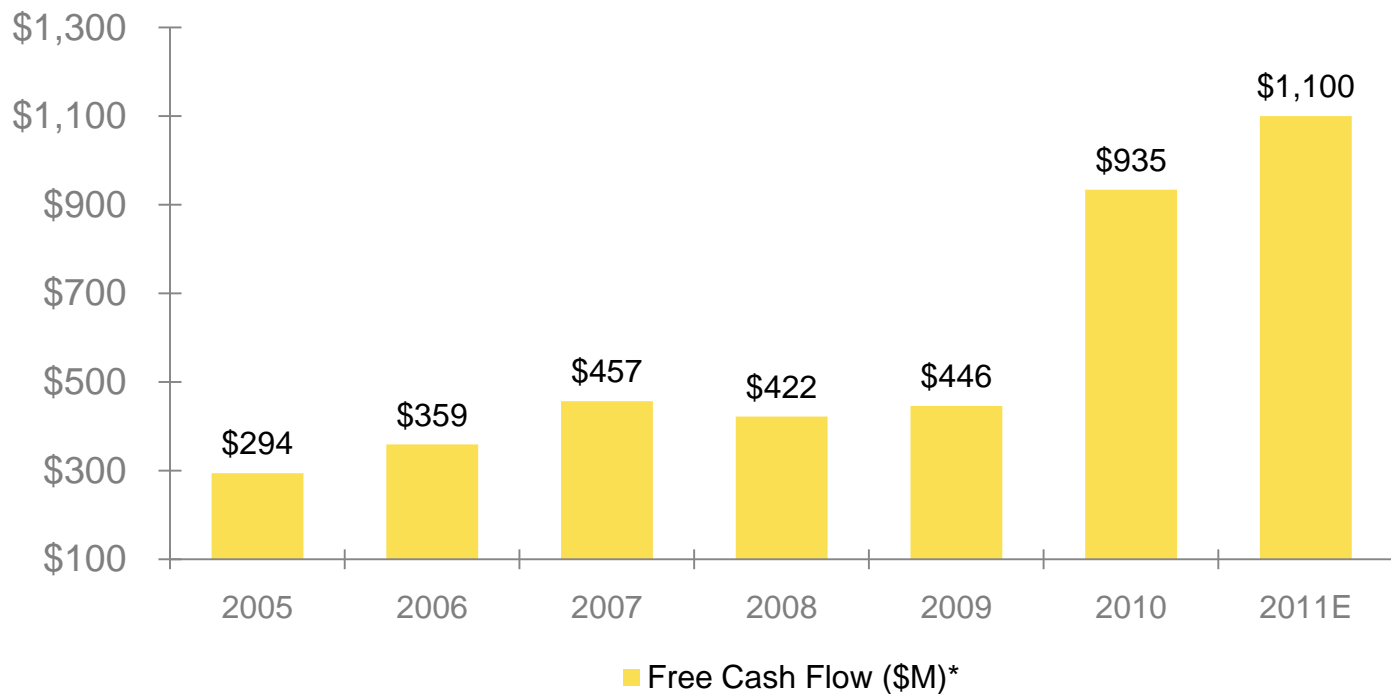
**SFS Will Be Utilized To Elevate Legacy Black & Decker WC Turns To Legacy Stanley Levels...**



**...Transformational Lean™ Will Be The Next Chapter**

# Free Cash Flow: Historical & Projected Performance

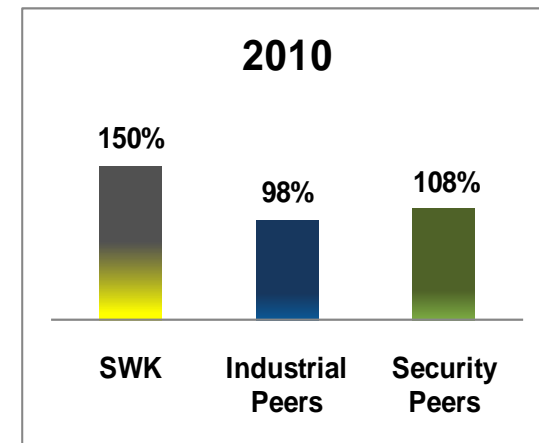
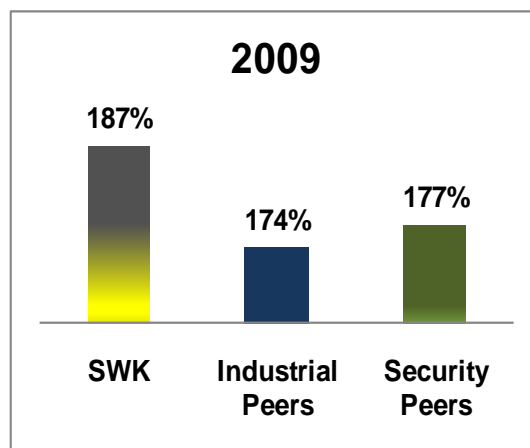
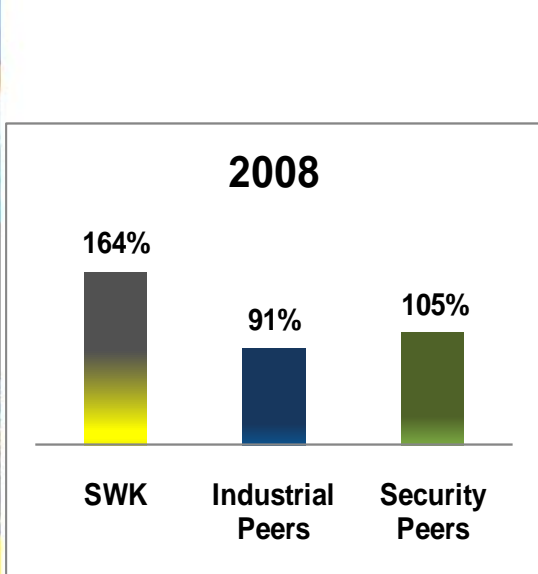
**Free Cash Flow Approached \$1B In 2010, Two Years Ahead Of Schedule...**



**...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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