

*StanleyBlack&Decker*

# STANLEY BLACK & DECKER

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Bank Of America/Merrill Lynch  
Conference  
September 2012





# 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: A Diversified Global Leader

## Who We Are

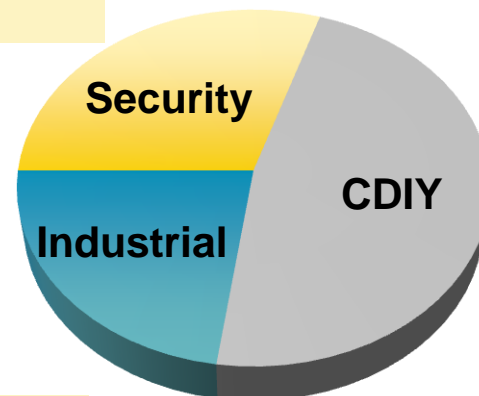
### Stanley Black & Decker (NYSE: SWK)

2011 Revenue: ~\$11.0B\*

Market Cap: \$11.2B

Cash Dividend Yield: 3.0%

- Increased for 44 years
- Paid consecutively for 134 years



## What We Will Discuss Today:

**Long-Term Revenue & Profit Growth Opportunities Across All Three Segments:  
Spot Light On Five “Mega” Organic Growth Initiatives Announced In July:**

Emerging Markets

Offshore Oil & Gas Pipeline Services

“Smart” Tools & Storage

RTLS Enabled Security

Black & Decker Revenue Synergies

## Capital Allocation Strategy

# Construction & Do-It-Yourself (CDIY)

Current State: ~\$5.3B In Revenues With 2012 OM% Greater Than 15%

Professional  
Power Tools  
\$2B

**DEWALT**

Consumer  
Products Group  
\$1.3B

**BLACK &  
DECKER**

**PORTER  
CABLE**

Hand Tools &  
Storage  
\$1B

**STANLEY**

**DEWALT**

**BOSTITCH**

Fastening &  
Accessories  
\$1B

**DEWALT**

**BLACK &  
DECKER**

**STANLEY**

**BOSTITCH**

**Powers**  
FASTENING INNOVATIONS

## Long-Term Revenue & Profit Drivers

Business Remains ~\$1.5B-\$2B In Revenue From Peak

- High-30s Incremental Margins Expected

New Products Drive \$750M In Revenue Annually

- Enables Continued Market Share Gains And Growth At Greater Pace Than Market

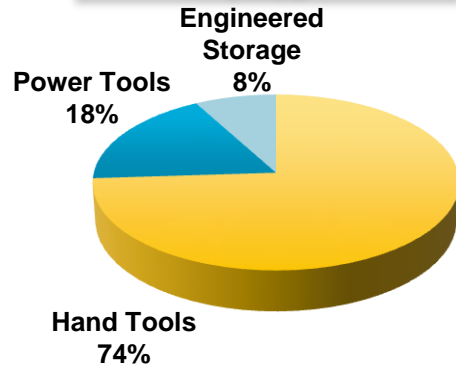
21% Of Revenues From Emerging Markets By YE'12

- Dedicated SBUs For Mid Price Point (MPP) Hand & Power Tools
- Operating Margin % In E.M. Greater Than Segment Line Ave.

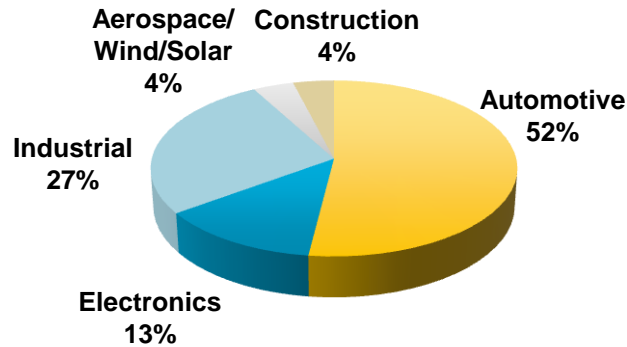
# Industrial

**Current State: ~\$2.7B In Revenues With 2012 OM% Greater Than 16.5%**

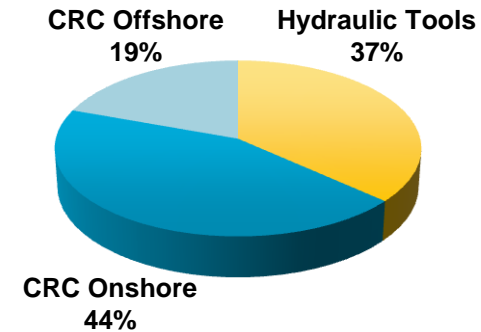
## Industrial & Automotive Repair \$1.3B



## Engineered Fastening (Incl. Pending Infastech Acquisition) \$1.4B



## Infrastructure \$400M



## Long-Term Revenue & Profit Drivers

Leverage CribMaster & AeroScout Into Industrial Markets

- MRP Vending , “FOD” Control
- Electronic Kanbans & Plant Productivity Monitoring

Increased Penetration Into Emerging Markets

- Large & Profitable MPP Opportunity – Leverage EXPERT Line

Infastech Acquisition (4Q Expected Close) Expands Engineered Fastening Platform Into Other High Growth Verticals & Opens Up New End Markets

Diversifies Business Mix, Broadens Geographic Reach, Improves Value Proposition & Provides Scale  
36% Of PF Revenues In Asia Pacific Region

\$450M Addressable Offshore Market Opportunity

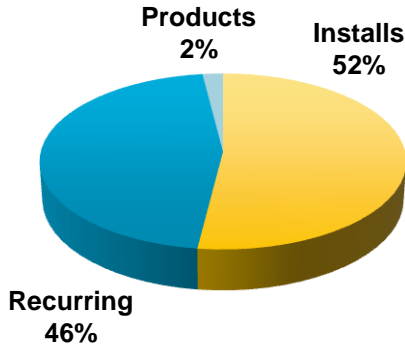
‘12: Bundled Solutions Offered To Spoolbase Owners For Single POS

‘13: Automated, Portable Spoolbases

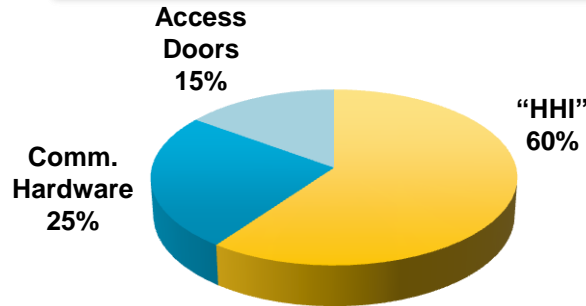
# Security

**Current State: ~\$3.4B In Revenues With 2012 OM% Greater Than 15.5%**

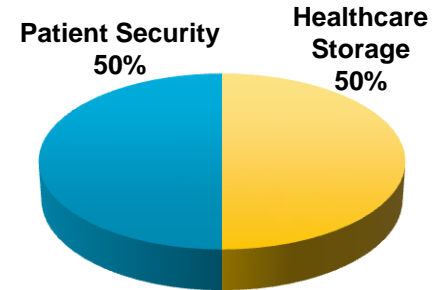
## Convergent Security Solutions (CSS) \$2B



## Mechanical Access Solutions \$1.2B



## Healthcare \$200M



## Long-Term Revenue & Profit Drivers

Niscayah Integration Progressing Extremely Well  
 -OM% To Improve 400-500BPS By YE (15 Months After Closing)  
 -OM% To Reach High-Teens By '14

Integration Of AeroScout RTLS Technology To Aid In Growth Within Underpenetrated Verticals Such As Education & Government

Emerging Markets/MPP Opportunity Within Commercial Hardware  
 - New SBU Created To Drive Success

Access Door Business To Focus On \$2.1B Global Pedestrian Door Market  
 - Key Opportunities For Sliding Doors In High Traffic Locations In Mature Markets (Gas Stations/Coffee Shops)  
 - Emerging Markets: Revolving Door Market Remains Largest Opportunity

2Q Acquisition Of AeroScout - #1 Player In The Emerging Healthcare Real Time Location Systems (RTLS) Solutions Marketplace  
 - Enables Patient Tracking, Temperature Sensing, Asset Tracking, All On WI-FI Networks.

# Where Do We Go From Here?

## Mid-Decade Vision: A More Diversified Portfolio

**Revenues: \$15B**

>20% From Emerging Markets  
10 Working Capital Turns

>15% Operating Margin  
15% ROCE

Security >\$4B  
Healthcare \$1B - \$2B

**Security**

**CDIY**

**Industrial**

Engineered Fastening >\$2B  
Infrastructure \$1B - \$2B

IAR/CDIY >\$7B

% Revenues From	2002	2008	2010	2011
U.S. Home Centers & Mass Merchants	40%	13%	31%	23%

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

**Continued Journey To Building A Diversified Industrial Leader**

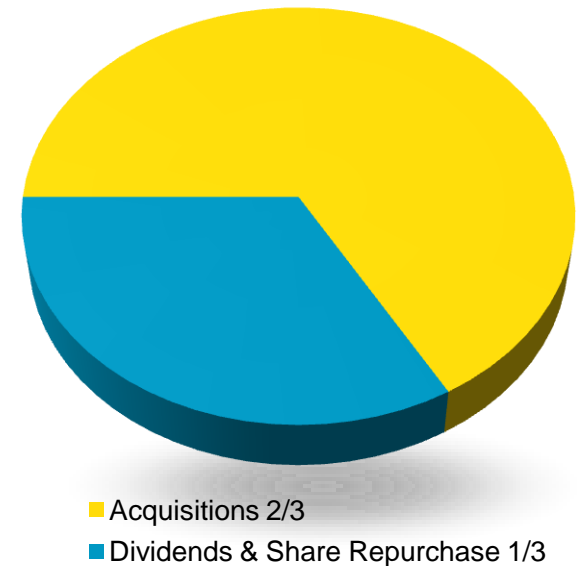
# Long-Term Capital Allocation Strategy

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



# Returning Cash To Shareholders

## Dividends

2/2011: 20% Increase In Dividend

7/2012: 20% Increase In Dividend

Current Dividend Payout Ratio: 35%\*

Current Quarterly Dividend:  
\$0.49/share

## Share Repurchases

\$350M In 2H'11

\$200M In 2Q'12

20M Share Repurchase Authorization

Important Dynamic: Only 30% Of  
Free Cash Flow Generated In  
United States

**Balanced Approach To Capital Allocation**

\*Using Mid-Point Of \$5.40 - \$5.65 2012 Guidance



# Final Points & Summary

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

- Clear Trajectory & Strategy For Long-Term Revenue Growth & Margin Expansion Across All Three Segments Of The Company
- Curtailment Of Any Other Major Bolt-On Acquisition Activity For 12 To 18 Months
  - A Short-Term Pause, Not A Long-Term Strategic Shift
- Balanced Capital Allocation Approach
  - \$550M In Share Repurchases Over Past 12 Months
  - 20% Dividend Increase In July

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