

# ***StanleyBlack&Decker***

## **Investor Overview**

V9.15.10

## Cautionary Statements

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This presentation contains “forward looking statements,” that is, statements that address future, not past events. Such statements include financial projections and estimates of various elements used to reach those projections. These statements are based on assumptions of future events that may not prove to be accurate; they also are based on the Company’s plans and strategy as of the date hereof, which could

# Stanley Black & Decker

## Investor Highlights

NYSE: SWK / S&P500

\$10.0B Market Cap

2.0% Cash Dividend Yield

- Increased for 43 years
- Paid consecutively for 134 years

## Business Segments (PF2009)

CDIY	\$5.0B
Security	\$2.1B
Industrial	\$1.4B

**DEWALT**

**STANLEY**  
**BLACK & DECKER**

**BOSTITCH**

**FatMax**

**DELTA**

**PORTER CABLE**

Emhart  
Teknologies

**STANLEY**  
Security Solutions

**FACOM**

**PROTO** **MAC TOOLS**

**StanleyBlack&Decker**

Market Cap data based on 2Q'10 Q/E shares and 9/15/10 closing stock price

# Strategic Framework In Place Since 2004

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## **Maintain Portfolio Transition Momentum**

**Continue Diversification Toward Higher Growth Industrial Businesses**  
**Increase Relative Weighting Of Emerging Markets**  
**Opportunistically Consolidate Tool Industry**

## **Be Selective and Operate In Markets Where:**

**Brand Is Meaningful (Stanley Or Sub-brand)**  
**Value Proposition Is Definable And Sustainable Through Innovation**  
**Global Cost Leadership Is Achievable**

## **Pursue Growth On Multiple Fronts Through:**

**Building On Existing Growth Platforms: Convergent Security, Mechanical Security, Engineered Fastening**  
**Developing New Growth Platforms Over Time: Infrastructure and Healthcare**

## **Accelerate Progress Via Stanley Fulfillment System (SFS)**

***Consistent Strategic Focus Emphasizing Profitable Growth, Asset Efficiency***

# Core Financial Objectives

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*Long-Term Financial Objectives In Place Since 2004*

**Sales Growth**

**4-6% Organic  
~10-12% Total**

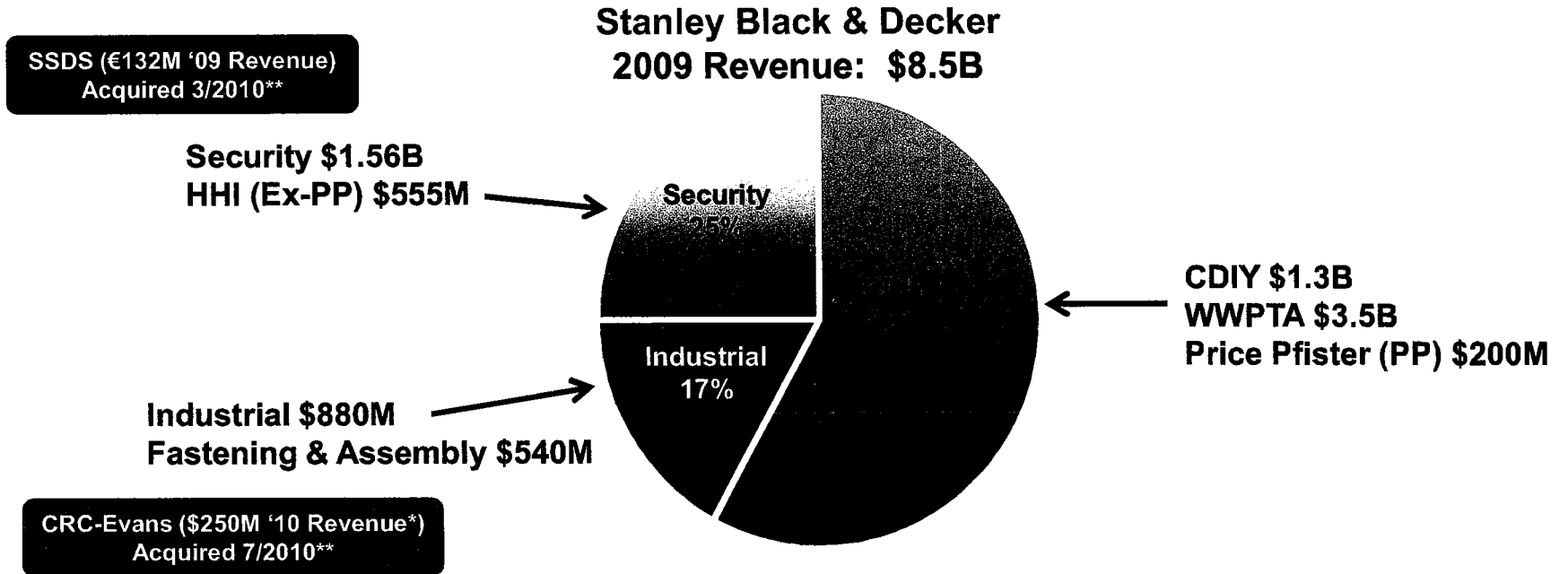
**Financial Performance**

**Mid-teens % EPS Growth  
FCF  $\geq$  Net Income  
ROCE In The Range Of 12-15%**

**Dividend**

**Continued Growth**

# A Diversified Global Leader

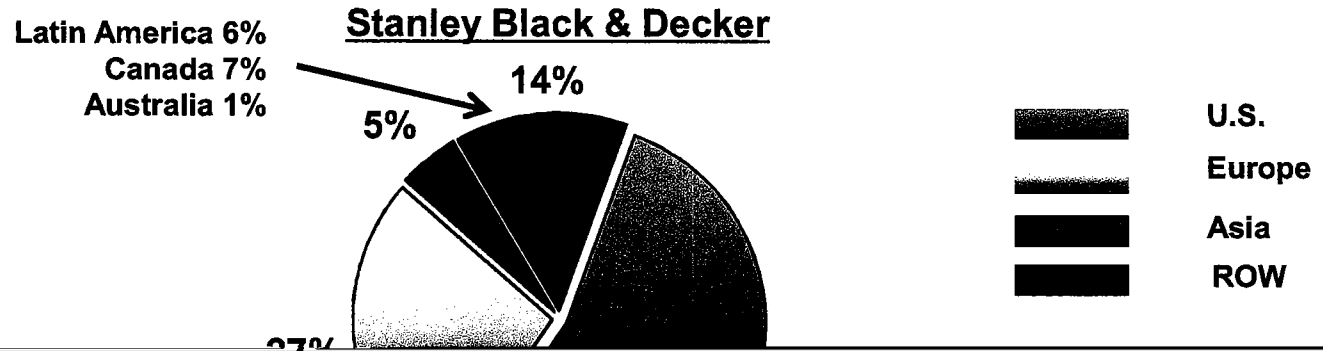


	2002	2008	2009 Pro Forma	
Largest Customer	22%	6%	~12%	} Back to Stanley 2006 Levels
U.S. Home Centers & Mass Merchants	~40%	~13%	~31%	

**Strategy Remains To Diversify End Market Exposures**

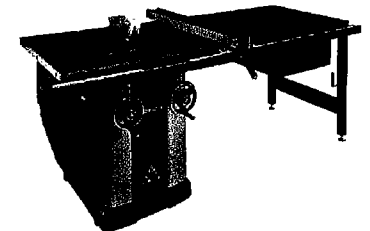
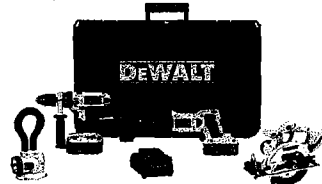
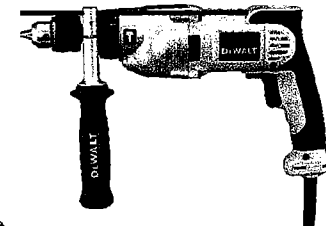
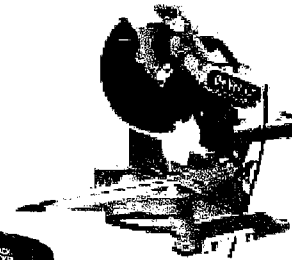
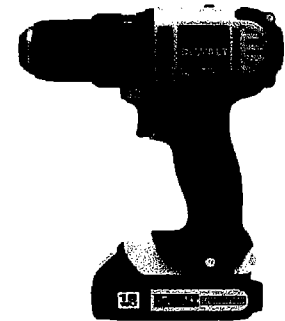
# Geographic Breakdown (LTM Including CRC & SSDS)

**Global Presence With 46% Of Revenues Outside Of The US...**



# Construction / DIY

**Construction / DIY: \$5.0B**



**Iconic Brand Names With High New Product Vitality**

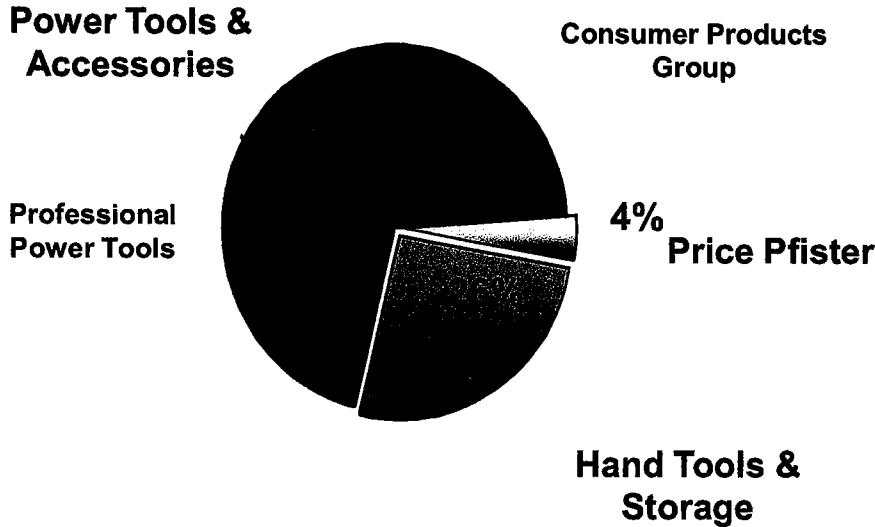


# Construction/ DIY

**Early Cycle Businesses With Potential For Strong Operating Leverage...**

- Financial/Business Profile**
- Keen End-User Focus Drives Continued New Product Development Success
  - Power Tools To Launch Entire Suite Of Lithium Ion Products By Y/E 2010; Remain Market Share Leader In Nickel Cadmium
  - Legacy Stanley Business Reached 7.7 Working Capital Turn For 2009
  - PT&A Contributed \$146M OM In 2Q, Driving 50 Bps Of Improvement To Blended Segment Profit Rate

**2009 Revenue Mix**



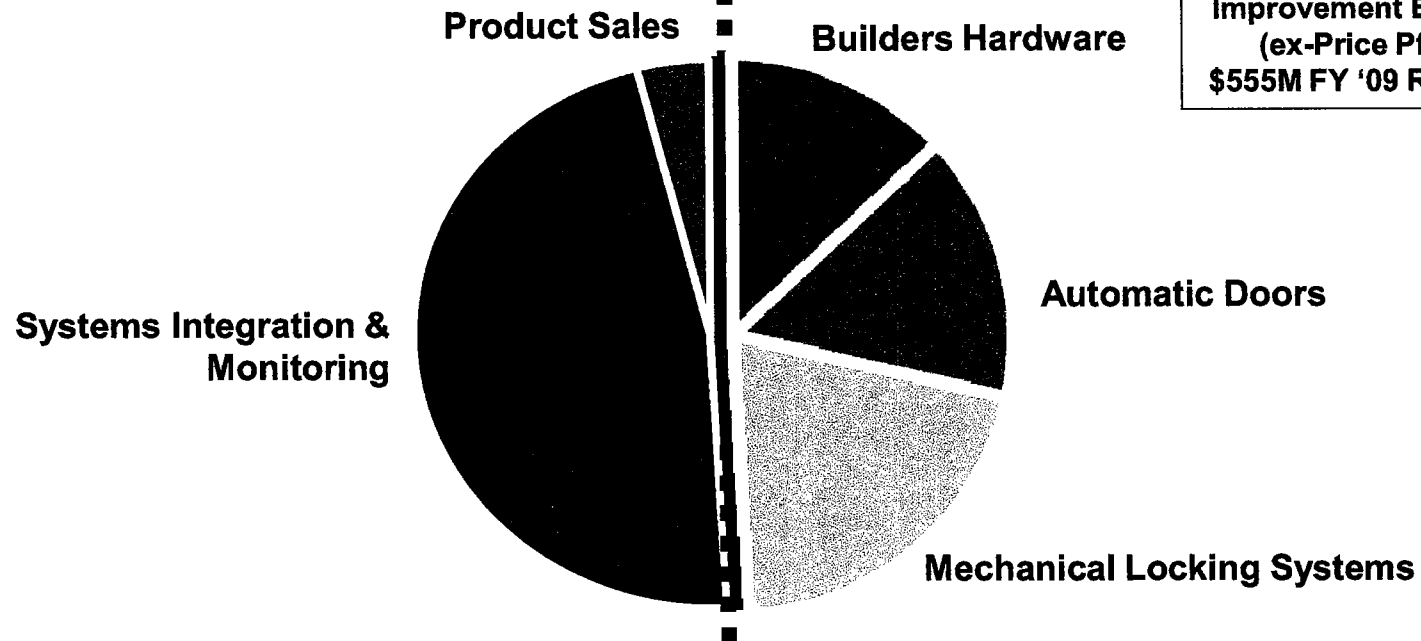
# Security

## Two Growth Platforms With Strong Operating Margins

**Convergent Security**  
~\$0.8B FY'09 Revenues

**Mechanical Access**  
~\$0.8B FY'09 Revenues

**BDK Hardware & Home Improvement Business (ex-Price Pfister)**  
\$555M FY '09 Revenues



# Security: Electronic/Convergent Security Solutions

## Recent Acquisition Of SSDS\* Expands European Presence

**Financial/Business Profile**

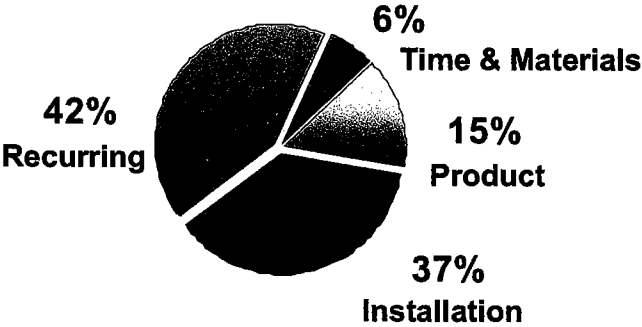
- ~\$800M/Yr. Revenue
- OM ~ 16% - 19%
- 110 Offices Globally
- 5 Monitoring Centers
- 3,700+ Employees
- 450K+ Customers
- Global Market Share Of 2%+

**42%  
Recurring  
Revenue**

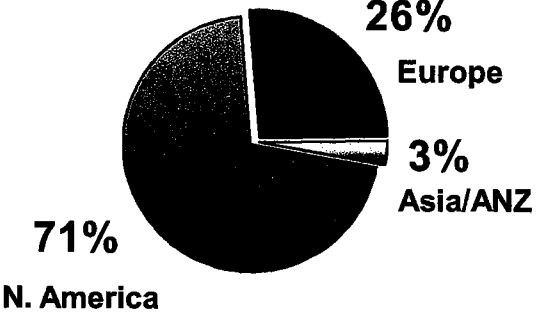
**Key Competitive Differentiators**

- Reputation For Service Excellence via Five Customer Touch Points
- Ability To Provide Real-Time Data/Video Services To Customer Base...Unique To The Industry

**2009 Revenue Mix**



**2009 Geographic Mix**



**Stanley Solutions De Sécurité (SSDS)\* Acquisition**

- Combination With GdP Business Creates A Market Share Leader In France
- 2009 Revenues Of \$145M/ ~ 45% RMR
- \$0.07-\$0.08 EPS Accretive By Year 3
- \$35M In Cost Synergies
- Dilutive To CSS Margins Near Term
- Will Approach Line Average OM Rate In 2011

\*Formerly ADT France Acquired March 2010

# Security: Mechanical Access Solutions

## High Margin / Solid Growth Business...

### Financial/Business Profile

- ~\$770M/Yr. Run Rate Revenues
- OM ~ 18% - 20%
- Current Market Share Of 4%+ Globally (11%+ In NA)
- 75 Offices Globally, ~4,000 Employees (50% Sales And Service Employees)

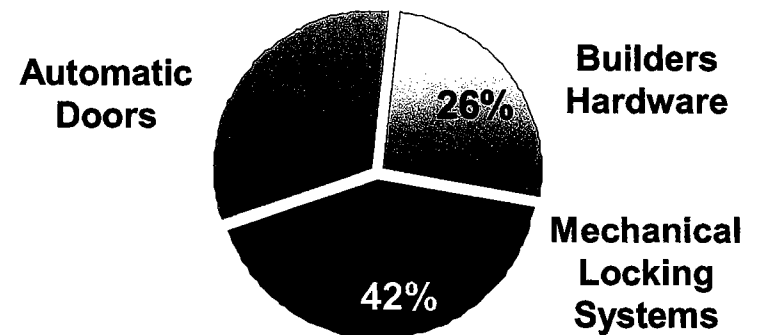
### Key Competitive Differentiators

- Trusted And Respected Brand
- Direct Go-To-Market Strategy... National North American Footprint

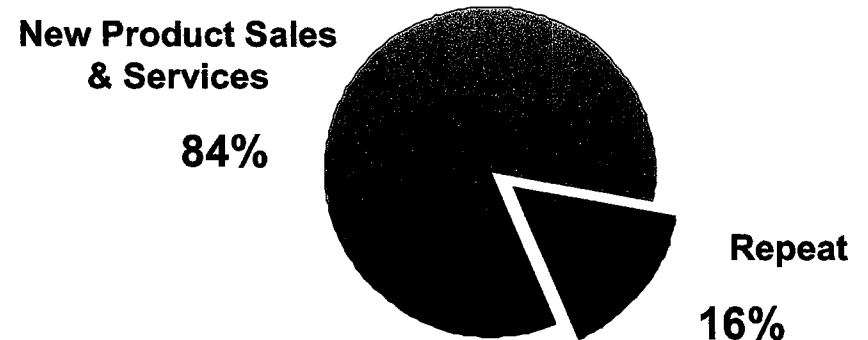
### Black & Decker Hardware & Home Improvement

- 2009 Revenues Of \$555M (Excludes PP)
- Strong Brands Such As: Baldwin, Kwikset & Weiser
- Market Share Leader For Opening Price Point Products – Retail Is Largest Channel
- Strong Focus On New Product Development: SmartKey™ Product Driving Sales

### 2009 Segment Mix



### 2009 Revenue Mix



...With Focus On Global Expansion And LCC Sourcing Opportunities

# Security: Healthcare Growth Platform

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*Healthcare Solutions: ~\$140M*

- **Strong Toehold In Personal Security Market With Xmark And Senior Technologies**
- **Innerspace And Scan Modul Form Solid Global Base For Specialty Medical Storage Solutions Business**

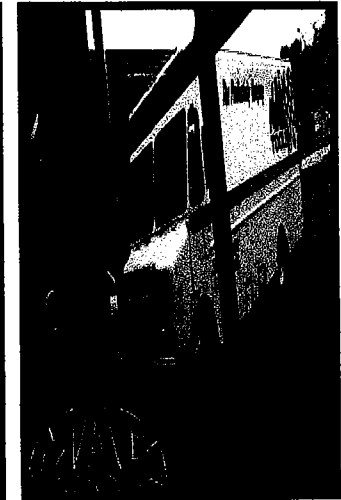
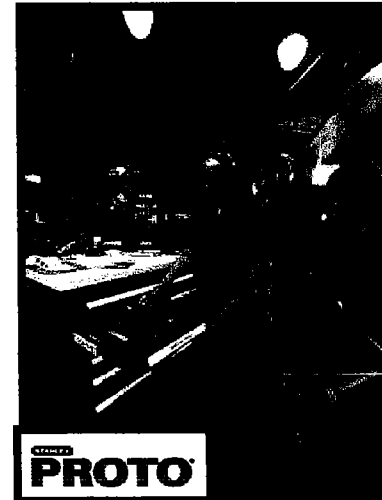
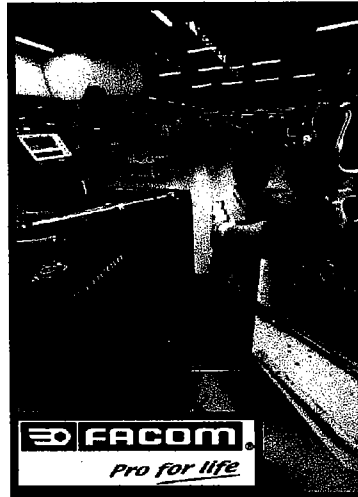


# Industrial: Industrial & Automotive Repair (IAR)

## Industrial & Automotive Repair Tools: \$0.8B

### Facom, Proto & Mac Tools

- \$14B Market, Growing 2-3%
- #1 Market Share Europe, #2 U.S.
- 8-10% Market Share In \$1.5B U.S. Mobile Market
- Importance Of Brand Strength Very High
- Attractive Emerging Markets Creating Growth Opportunities
- *De minimis* Auto OEM Exposure



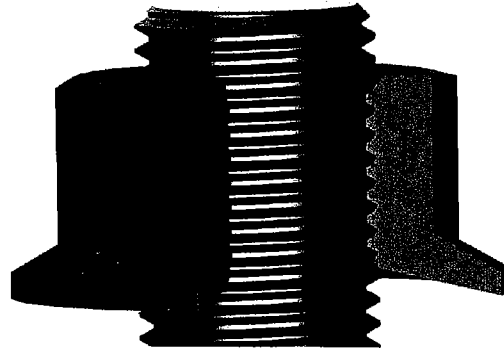
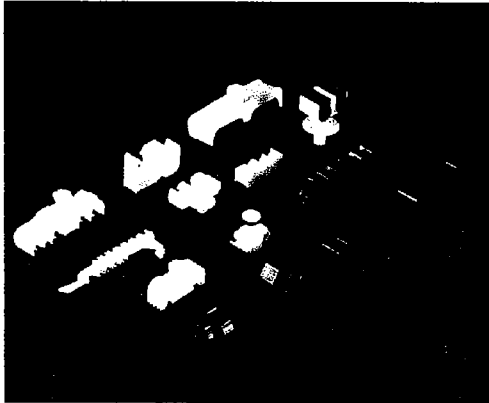
Tough Storage Solutions Targeting A Broad Range of Applications

### Vidmar

- Market Leader In ~\$500M N.A. Modular Storage Market
- Has Maintained 10 Working Capital Turns For Over 24 Months

# Industrial: Engineered Fastening - Growth Platform

**Engineered Fastening: \$0.6B**



- **\$48B Global Fastener Market: Revenues Split Between: Blind Rivets (~42%), Stud Welding (~30%) and Engineered Fasteners (~28%)**
- **2/3 Of Revenues Tied To Automotive Manufacturing; Strategy To Diversify In Place (FIT Acquisition Into Aerospace)**
- **40% Of Revenues From Europe, 35% From Americas & Remainder With Highest Growth Trajectory From Asia**

**Emhart<sup>®</sup>  
Teknologies**

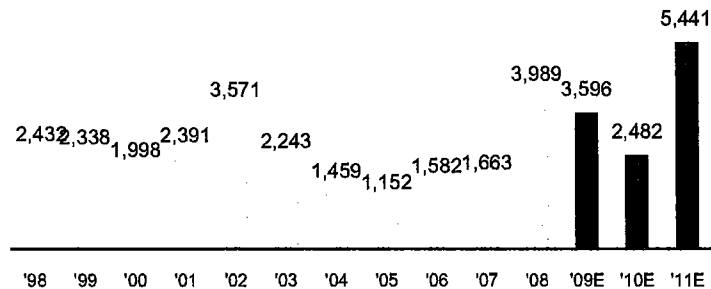
**High Return Business: Focus On Creating Productivity For Customers**

**StanleyBlack&Decker**

# Industrial: Infrastructure Growth Platform

**Hydraulics Business (\$100M ('09)) + CRC-Evans Acquisition (\$250M FY'10 (3/31))**

## U.S. Pipeline Construction



## Int'l Pipeline Construction In 2010 & Beyond<sup>1</sup>

Region	2010	2011	2012	2013	2014	2015
Asia-Pacific	45,987					
Latin America	15,869					
Russia and Eastern Europe	13,545					
Middle East	7,901					
Africa	6,016					
EU and Western Europe	1,165					

### Why Infrastructure?

- \$1 - \$2 Trillion Per Year Global Spend
  - Majority In Emerging Markets
  - Numerous Attractive, Scalable Niches

### Focus Areas

- Specialized Tools, Equipment & Services For Commissioning, Repair & Maintenance Of Infrastructure In Areas Such As:
  - Oil & Gas
  - Transportation
  - Water & Sewer
  - Power Systems

### Desired Business Characteristics

- Leadership Positions In Attractive Niches
- Global Reach- Presence In Emerging Markets
- Engineered Solutions

**Goal: Grow Infrastructure Platform To \$1 - \$2 Billion In 5 – 7 Years**

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Source: Energy Information Administration, Spears & Associates, company filings, analyst research; Energy Information Administration, Pipeline & Gas Journal, 2010

<sup>1</sup>Projects under way at the start of or set to begin in 2010 and will be completed in 2010 or later. Includes probable major projects whose installation will begin in 2010 or later

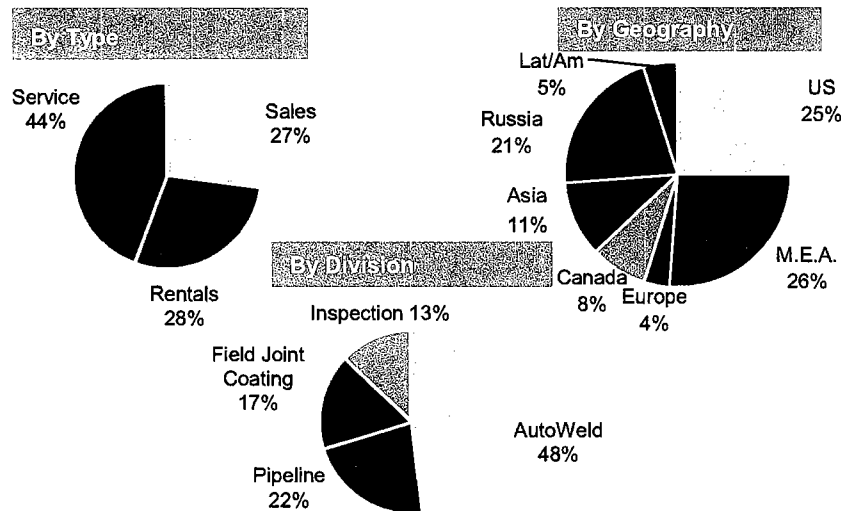


# Infrastructure Platform: CRC-Evans Pipeline International

## Description

- Founded In 1933, CRC-Evans Is A Full-line Supplier Of Specialized Equipment And Services Used In The Construction Of Large Diameter Oil And Natural Gas Transmission Pipelines
- The Company Sells And Rents Custom Pipe Handling And Joint Welding (AW) And Coating (FJC) Equipment Used In The Construction Of Large And Small Diameter Pipelines
- Experienced And Strong Management Team To Remain

## Company Breakdown (2010 Revenues\*)



## Financials

- Revenues Of ~\$250 Million For Fiscal Year 2010 (March 31)
- Peak Revenues Of \$353 Million And EBITDA Of \$102M In Fiscal 2009
- \$5 Million In Cost Synergies By Year 3; ~\$1 Million In First Full Year
- Immediately Accretive To Earnings; Over \$0.10 Earnings Accretion Expected By Year Three
- Purchase Price Of \$445 Million
- Funded By Existing Sources Of Liquidity With No Increase In Year-End Debt Levels
- Meets Stanley Black & Decker's Financial Criteria For Platform Acquisition
  - ROCE Of ~12% By Y3
- Will Operate Within Industrial Segment

**StanleyBlack&Decker**

\*CRC-Evans' Fiscal 2010 Ended 3/31/10  
The Acquisition Was Closed On 7/28/10

# Stanley's Focus On Brand

**Total Of \$20M In Brand Investments In 2009;  
Unaided Awareness Rose To 48% From 43%**



The Official Tool Provider of the  
Walt Disney World Resort

## Disney Partnership

- 10-year Alliance Partnership With Branding, B To B And Special Program Elements; One Of A Select Group Of Alliance Partners
- Construction Wall Signage Throughout Walt Disney World Resort
- Stanley, Mac And Vidmar Products Outfit Working Lights, Motor, Action Garage
- Stanley Providing Cabinets, Tools, Benches And Accessories For Test Track Queue Line And Ride
- Stanley and MAC Tools logo at the Walt Disney World Speedway

**StanleyBlack&Decker**



## MLB Sponsorship

- Signage In 40% Of All MLB Games
- Strategic Sign Placement To Maximize Television Exposure
- Strong Customer Activation Initiative



## NASCAR Sponsorship

- Sustained Brand Exposure Over 38 Weekends
- Extensive Customer and End User Activation
- Numerous Race-Related "In Store" And "On Track" Promotions

## English Premiere League

- Boosts International Awareness with 45% Of All Brand Impressions Seen By Those In Asia Or Latin America
- Launched Facom Marketing Campaign



## Professional Bull Riding Partnership

- "Official And Exclusive Tool Partner Of The PBR"
- Partnership Includes PBR Fan Zones & Promotions At Local SWK Dealerships

# Growth Platforms

*Capital Focused On Driving Growth Within Both Core and New Platforms...*

## Five Growth Platforms

**Convergent Security**

**Mechanical Security**

**Engineered Fastening**

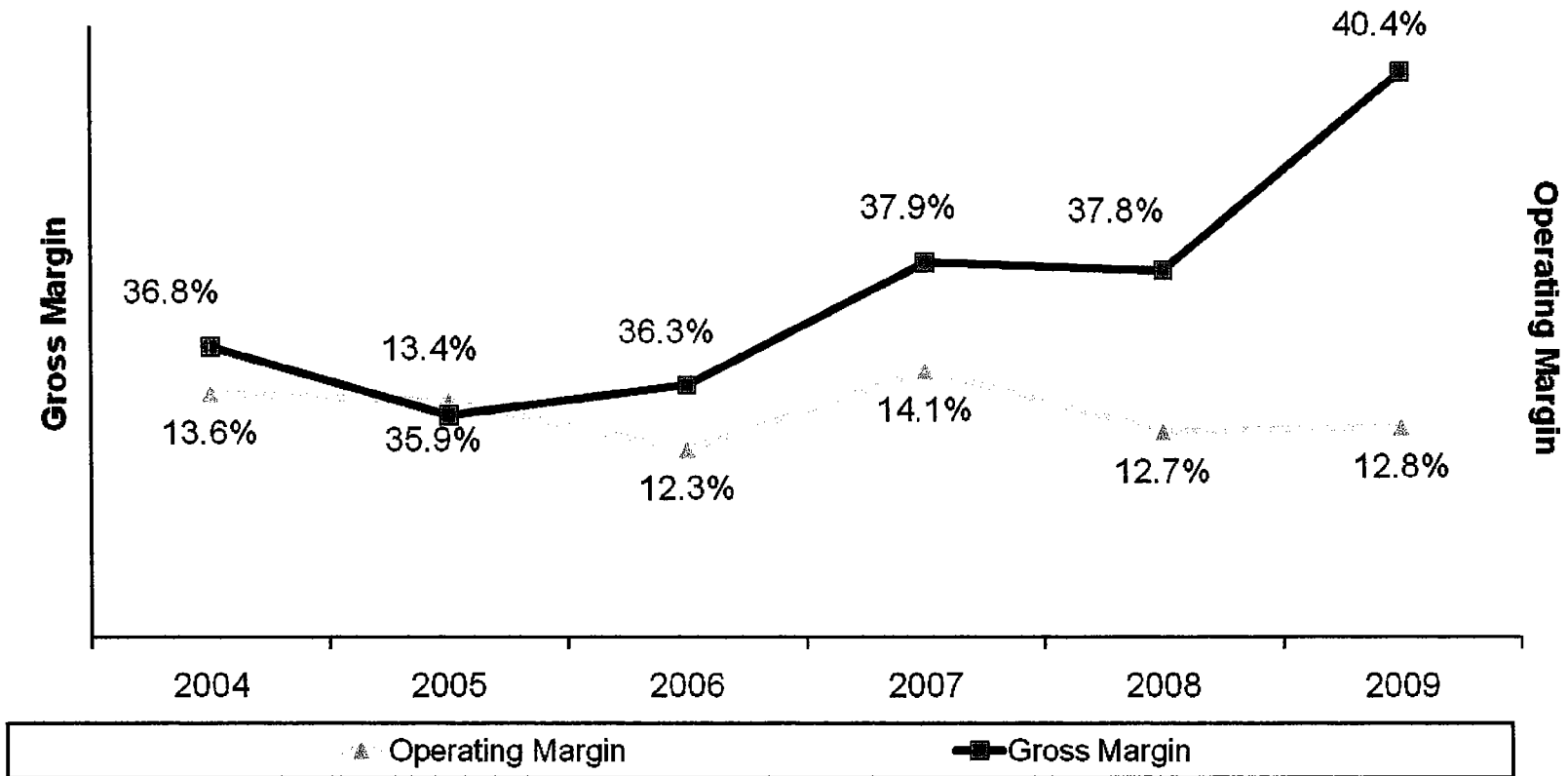
**Infrastructure**

**Healthcare**

- **Grow Organically**
- **Expand Internationally Via Acquisitions**
- **Expand Into Adjacent Markets**
- **Intensify Innovation And Product Development**
- **Streamline Manufacturing Footprint And Product Platforms**

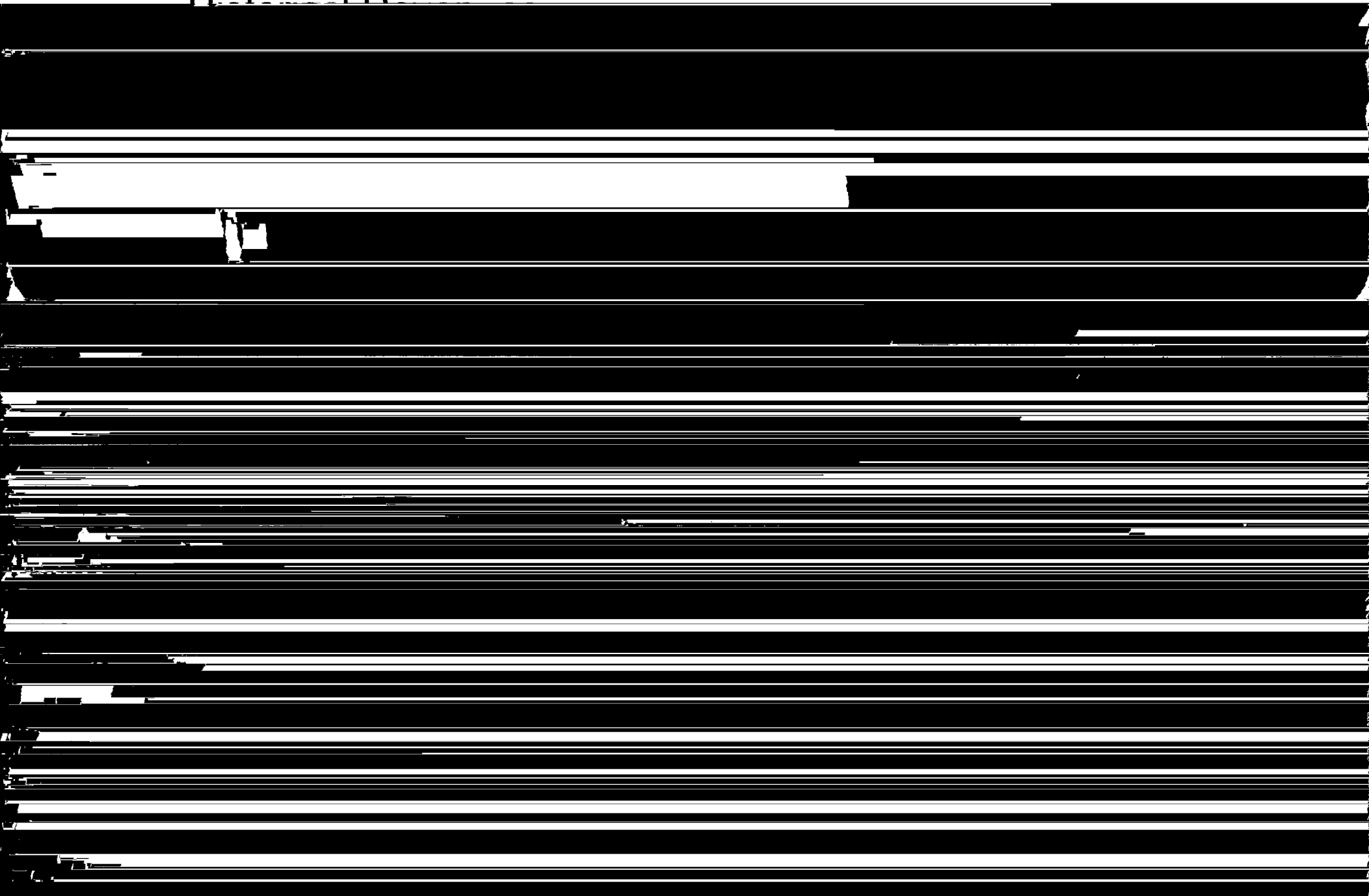
# Stanley Black & Decker Margin Trends

*Historic Strong Margin Rate Expansion Continues...*

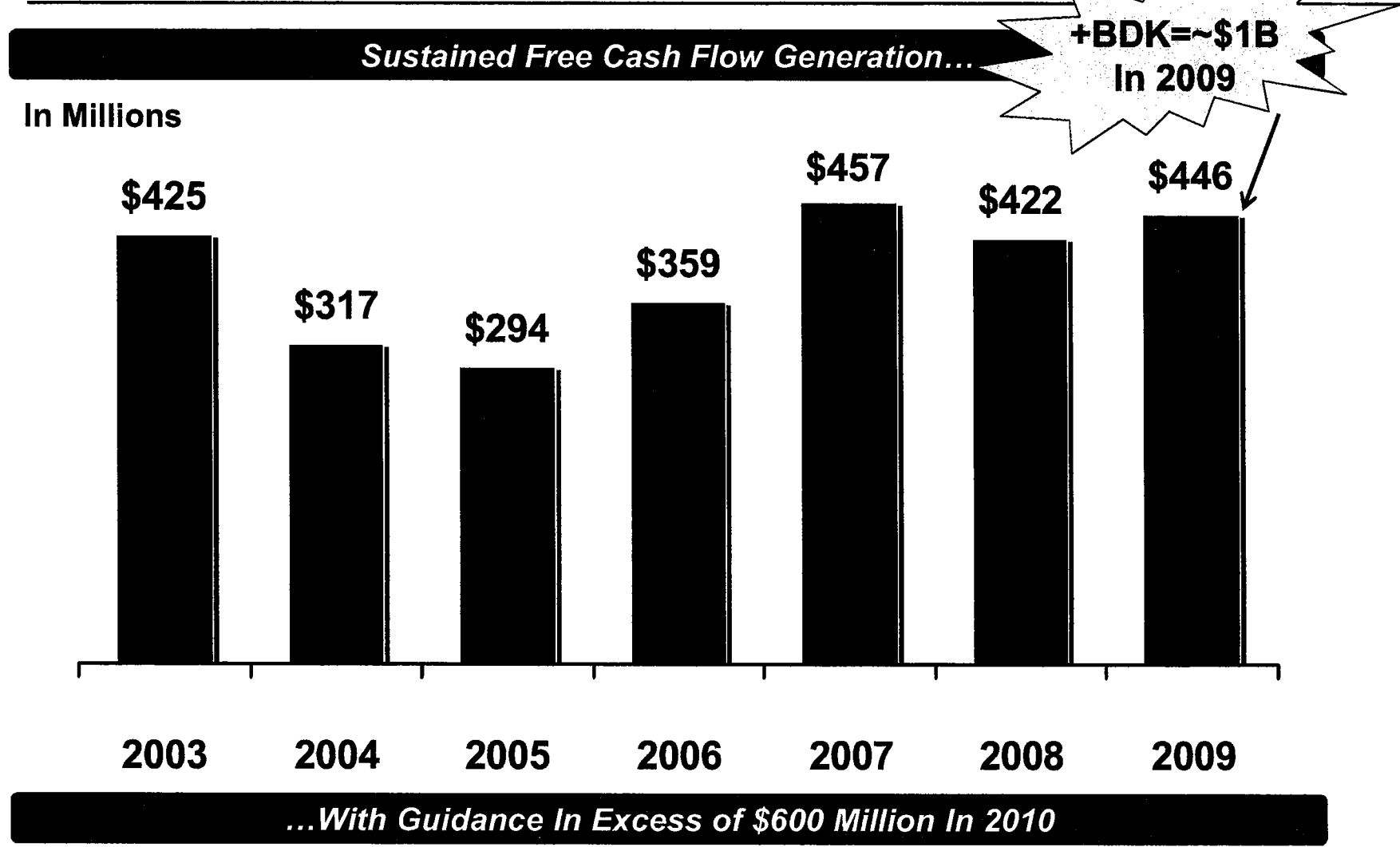


*...Due To Continuous Improvement Driven By Portfolio Transformation, SFS & Price/Inflation Recovery*

Historical Documents



# Historical Free Cash Flow\*

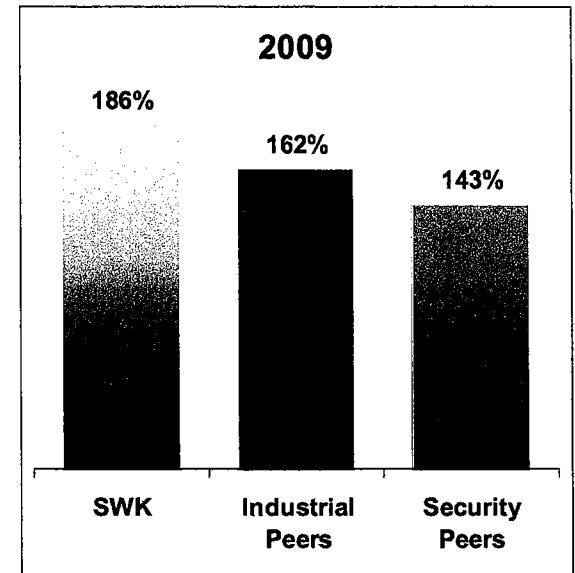
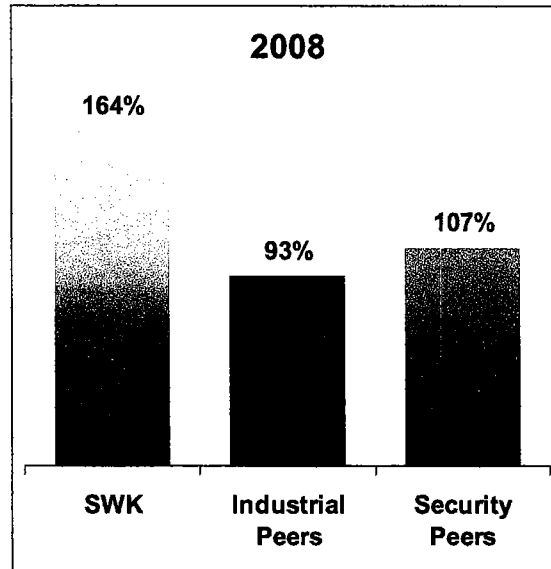
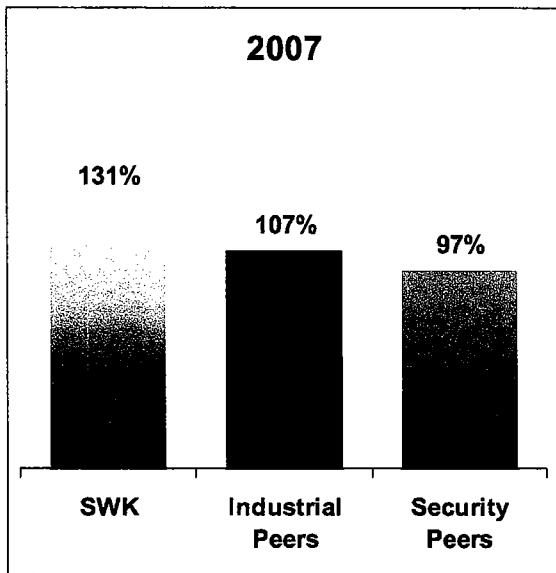


**StanleyBlack&Decker**

\*Note: See Reconciliation To Operating Cash Flow In Appendix. 2010 Guidance Excludes ~\$300M Of Merger-Related Payments

# SWK Free Cash Flow Conversion Versus Peers

## Free Cash Flow Conversion Outperformance...



## ...Driven By Execution Focus

Source: FCF/Net Income: Capital IQ (1) Free Cash Flow is defined as Cash From Operations, adjusted for unusual payments, less Capital Expenditures. Net Income is adjusted for unusual charges.

Note: 2009 represents LTM Sep-30 figures for those companies that have not yet fully reported fiscal year financials.

Industrial Peers include Black & Decker, Danaher, Cooper, Ingersoll-Rand, ITW, Sherwin-Williams, and Snap-On.

Security Peers include Brinks Home Security, Checkpoint, Diebold, Honeywell, Tyco, and UTX.

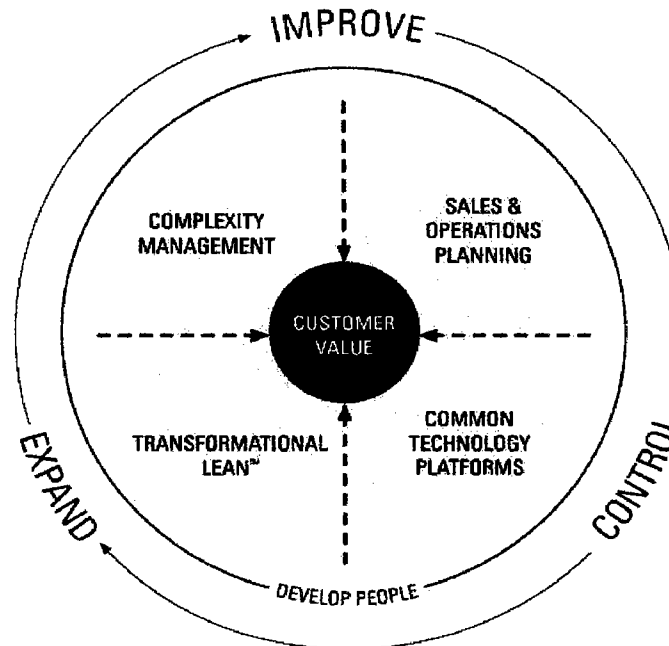
# The Stanley Fulfillment System

## Complexity Management

- Complexity Management Uses Techniques To Examine Existing Processes And Identify And Eliminate Unnecessary Activities, Thereby Reducing Costs and Increasing Productivity.
- Complexity Is Only Tolerated When It Creates Customer Value.

## Transformational Lean™

- Stanley's Proprietary Methodology Used To Minimize Inventories And Overhead By Streamlining Our Supply Chain, Manufacturing and Back-Office Processes.
- Thoroughly Integrated With Other Aspects Of SFS.



## S&OP

- Critical Business Process That Keeps Supply & Demand In Balance.
- S&OP Involves Tight Controls Across The Supply Chain Through Synchronization And Rapid Response To Demand Variations.

## Common Platforms

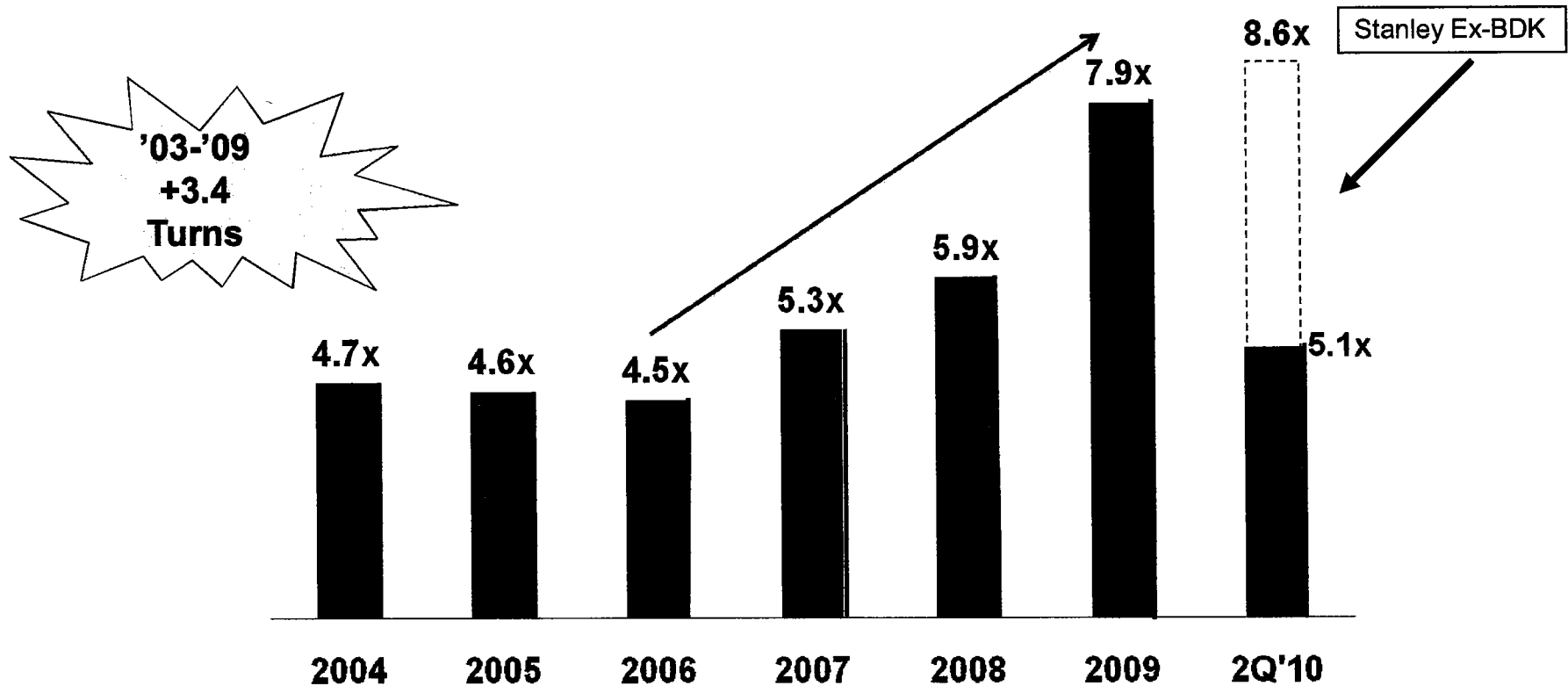
- Operating On Common Platforms Is An Essential Component Of Utilization Of Technology To Facilitate Organic Growth And Integration Of Acquired Companies.
- SFS Involves Development Of Standardized Business Processes And System Platforms To Reduce Costs And Provide Scalability.

**Embedded Processes, Culture Of Continuous Improvement**



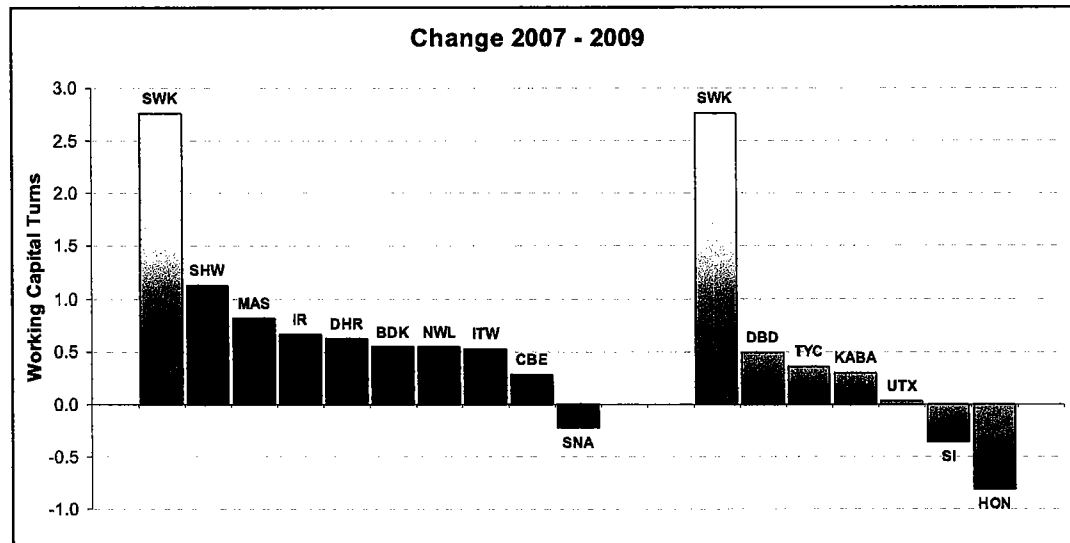
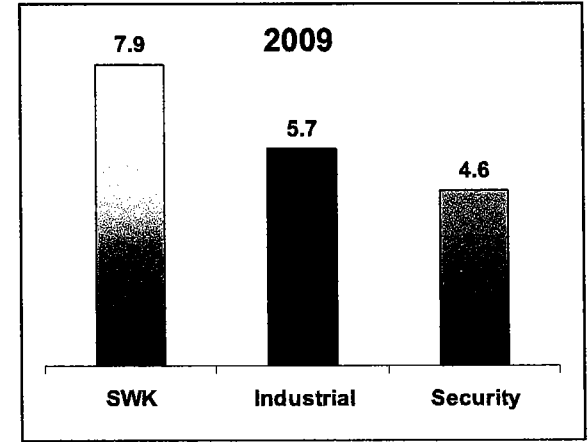
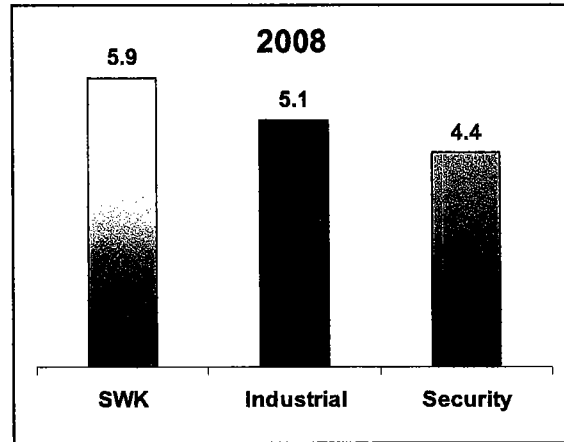
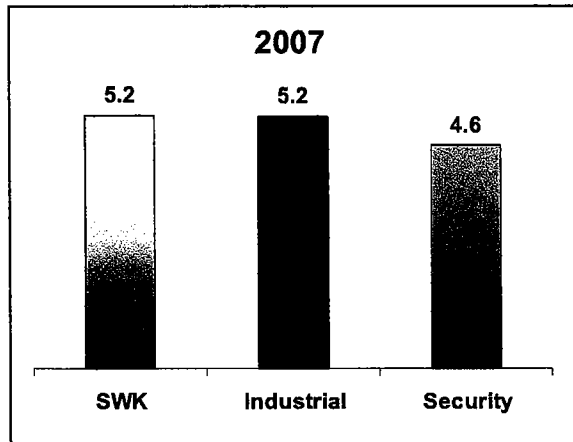
# Proven Results

*SFS Drove Favorable Trend In Working Capital Turns...*



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

# Working Capital Turn Performance Versus Peers

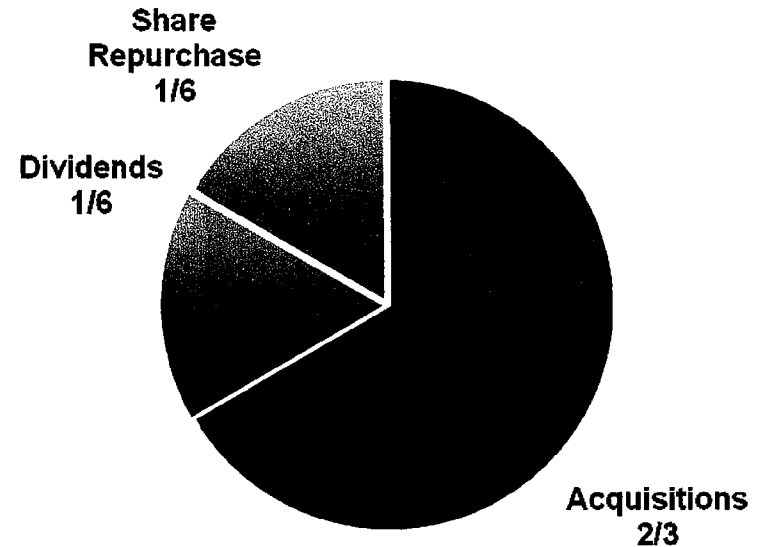


# Long-Term Capital Allocation Strategy

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## Long-Term Capital Allocation Objectives

- Target Strong Investment Grade Credit Rating
- Invest Approximately 2/3 In Acquisitions And Growth
- Return Approximately 1/3 To Shareholders
- Committed To Continued Dividend Growth



*Capital Allocation Strategy Supports Strong Balance Sheet,  
Shareholder Returns & Continued Growth*

# Acquisition Track Record

**Over \$3.0B Has Been Invested In Acquisitions Since 2002...**

	Year	Acquisition	Price (\$M)
Security	07	HSM	545
	02	Best Access	315
	08	Sonitrol	280
	04	Blick & Frisco Bay	215
	05	National	175
	04/05	ISR, SGI, PHI	125
	02-09	Various	250
	08	GdP	170
	07/08	Innerspace / Scan Modul	80
	08	Xmark	45
	10	ADT France	10
		(Now Known As Stanley Solutions De Sécurité)	
		Sub-Total	2,210
Tools/Other	06	Facom	480
	10	CRC-Evans	445
		Sub-Total	935

**...To Advance Growth Platforms**

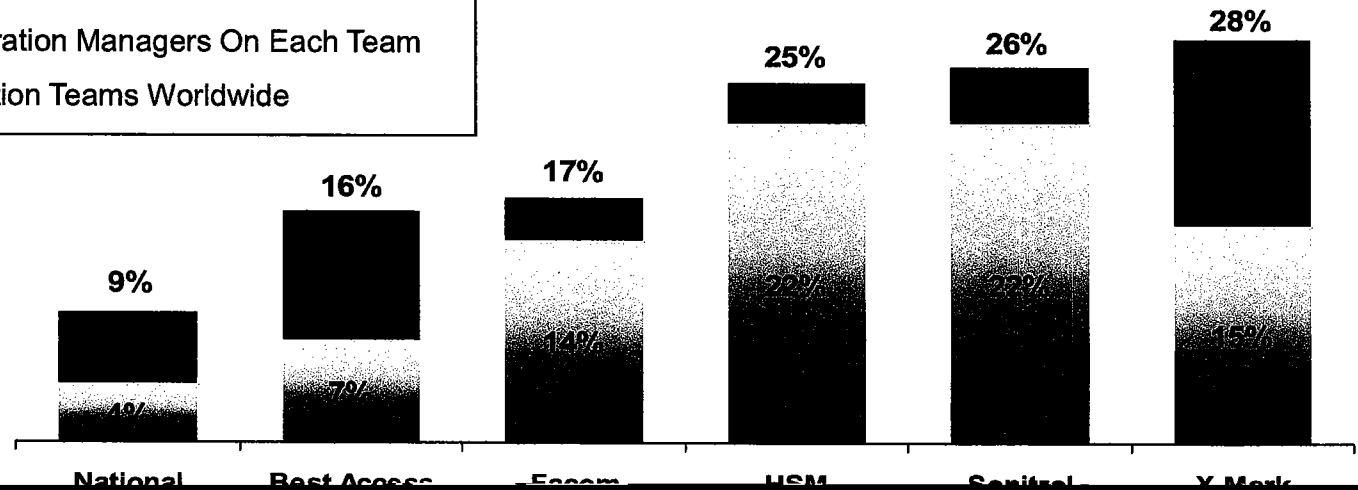
# Successful Integration Track Record

## Integration Process Best Practices

- Integration Plan For First 100 Days Finalized Prior To Close
- Consensus On Integration Plan With Both Management Teams Prior To Close
- Integration Management Team Rhythms And Milestones Each Week
- Experienced Integration Managers On Each Team
- In-Country Integration Teams Worldwide

Yields 6% Margin Improvement On Average

## Operating Margin %



# Black & Decker Combination: Integration Progress In First Four Months

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## Major Milestones

### *Cost Synergy Targets Confirmed*

- \$90 Million Of Cost Synergies To Be Realized In 2010; On Track For \$350 Million Annual Cost Synergy Realization By Y3
- Rigorous Tracking Processes In Place; Weekly/Monthly Rhythms Established To Monitor Progress And Flag Issues Early
- Outside Integration Consultants To End Work In Mid-August

### *Focus On Execution*

- Organization Is Stabilized; Executed Well In First Full Quarter As Combined Company
- Streamlining Internal Integration Teams; Deploying Select Leaders Back Into Businesses
- Management Teams Have Traveled Global Sites To Meet with Thousands Of Employees

### *Capturing Revenue Synergies*

- Beginning To Identify Revenue Synergy Opportunities; Focus Is On High Priority Opportunities
- Actively Developing Plans And Hiring People, Where Necessary, To Execute

### *Roll-Out Of Stanley Fulfillment System On BDK Framework*

- Establish Clear And Universal Understanding Of SFS Goals, Principles & Processes Together With Working Capital Fundamentals Across Enterprise
- Provide Tools And Processes To Develop An SFS Game Plan To Achieve Working Capital Goals
- Provide Methods, Tools & Know How To Enable Businesses To Engage Associates Quickly At Point Of Impact

# Black & Decker Combination: Cost Synergy Drivers

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***Cost Synergy Target Of \$350 Million Is Achievable***

Cost Synergies (\$M)

Manufacturing And Distribution

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# Black & Decker Combination: Revenue Synergies

## *Combination Also Provides Substantial Revenue Synergy Potential*

- Cross-Selling Opportunities For Products Of Both Companies In Mature Markets
- Expanded Product Distribution Reach For Both Companies
- Increased Presence And Scale In Emerging Markets Will Accelerate Penetration And Growth
- Increased Scope And Scale Of Innovation Process Will Accelerate New Product Development
- Increased Cash Flow Will Allow Greater Re-Investment In Existing Brands, Channels And Operations

### **Examples**

- Utilize Stanley's Global Industrial And Automotive Repair Channels To Sell Additional DeWalt Power Tools
- Distribute Stanley Hand Tools And Hardware Through Black & Decker's Latin American Sales Force
- Leverage Black & Decker's Strong Presence In The STAFDA\* Channels To Sell Additional Stanley Hand Tools

## *Revenue Synergy Planning Process Kicked Off In 2Q*



# Black & Decker Combination: Pro Forma Financial Impact

**Creates A Global Leader With Pro Forma 2009 Revenues Of \$8.5B**

**EBITDA Of \$1.3B Including Full Run-Rate Synergies in 2009**

**Free Cash Flow In Year 3 To Be ~\$1B**

	Year 1	Year 2	Year 3
	\$125	\$250	\$350
<b>Pro Forma GAAP EPS Accretion</b> (\$ per Diluted Share)	(\$3.25) - (\$3.00)	\$0.25 - \$0.35	\$0.95 - \$1.05
<b>Pro Forma Adjusted EPS Accretion</b> (\$ per Diluted Share)	(\$0.45) - (\$0.20)	\$0.50 - \$0.60	\$1.05 - \$1.15
<b>Pro Forma Cash EPS Accretion</b> (\$ per Diluted Share)	(\$0.05) - \$0.20	\$0.90 - \$1.00	\$1.40 - \$1.50

**GAAP EPS → Adjusted EPS**

- Costs To Achieve Synergies \$400M  
(Yr 1 - \$330M, Yr 2 - \$50M, Yr 3 - \$20M)
- Non-Cash Inventory Charge \$170M  
(Yr 1 Only)
- Transaction/Other Expense \$70M  
(Yr 1 Only)

**Adjusted EPS → Cash EPS**

- Annual Additional ~ \$80-90M Pre-Tax Intangible Amortization

**Highly Accretive Transaction Results In Approximately \$5.00 Of EPS In Year 3**

# Black & Decker Combination: Financial Position

***A Strong Capacity To Maintain A Conservative Financial Position...***

	Standalone	Combined	
	2009 Actual	2009 PF Actual	Year 3 PF Forecast
<b>Synergies (\$M)</b>	-	-	\$350
<b>EBITDA (\$M)*</b>	~ \$540	~ \$920	~ \$1,500
<b>Free Cash Flow*</b>	~ \$450	~ \$850	~ \$1,000
<b>Debt/EBITDA*</b>	1.7x	2.9x	~1.4x
<b>Total Debt / Capitalization</b>	~ 30%	~ 42%	~ 25%

<b>SWK Credit Rating:</b>
S&P: A Moody's: Baa1 Fitch: A-

**Combined Company Credit Ratings → Strong Investment Grade**

***...Will Create An Even Stronger Company With A Solid Foundation***

# Summary

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## *Key Takeaways*

Diversified Portfolio Able To Perform Through Cycles

Global Cost Leadership Across All Three Business Segments

Attractive Growth Platforms

1. Security Solutions (Convergent & Mechanical)
2. Infrastructure
3. Engineered Fastening
4. Healthcare Solutions

SFS Playing A Critical Role In Supporting Long-term Growth And Asset Efficiency As Well As Black & Decker Integration

Powerful Synergy And Growth Opportunities Through Combination With Black & Decker

*Executing A Clear Roadmap For Profitable Growth*

***StanleyBlack&Decker***

**Appendix**

# Stanley Black & Decker 2010 Outlook

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***2010 EPS Guidance Increased To \$3.35 - \$3.55\*  
Free Cash Flow For 2010 To Now Exceed \$600 Million\*\****

**For The Remaining Six Months Of 2010 The Company Is Providing The Following Key Factors Associated With The Above 2010 EPS Guidance Range:**

- 2H'10 Net Organic Sales (Ex-Currency) Will Increase 4% - 5% From 2009 Pro Forma Levels. Increased EPS Guidance Primarily A Reflection Of 2Q'10 Outperformance, Driven Partially By Customer Restocking, Which Is Not Expected To Continue In 2H'10
- Gross Margins To Be In Range Of 37-38%: Lower Than Previously Anticipated Inflation Due To The RMB Revaluation Essentially Offsets The Headwinds Experienced Due To Depreciation Of The Euro Versus The USD
- Commodity Inflation, As Indicated In April, Likely To Be A Headwind In 2H'10

***Cash EPS Of \$5.10 - \$5.30 For 2010***

# Stanley Black & Decker 2010 Outlook

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**2010 GAAP EPS Guidance Of \$0.60 - \$1.00\***

**Including All Black & Decker And ADT France Transaction-related One-time Charges, The Company Expects EPS To Approximate \$0.60 - \$1.00 In 2010**

**For The Full Year Of 2010 The Company Estimates The One-time Charges Related To Black & Decker And ADT France (now known as Solutions De Sécurité) Transactions To Be:**

- Restructuring Costs Associated With Severance Of Employees And Facility Closures Of \$245 To \$295 Million
- One-time Costs To Be Recorded In SG&A And “Other-net” Of \$120 Million For Certain Executive Compensation Charges, Investment Banking Fees And Advisory/Consulting Fees
- The Non-Cash Inventory Step-up Accounting Charge Of \$170 Million

# Stanley Black & Decker Segments: 2H'10 Outlook

## *Company-Wide Initiatives In Place To Drive Top Line Growth...*

### **CDIY**

- Low-Single Digit Revenue Growth Expected For 2H'10
- Restocking Activity To Slow Significantly Compared To 2Q
- Recovery In Emerging Markets, Particularly Latin America, Expected To Exceed Developed Nations
- Share Gains To Continue With Lithium Ion Compact Product Line; 2H Roll Out To Provide Further Boost
- New Products From All SBUs To Drive Top Line
- Cost Synergy Realization And Productivity Expected To Slightly Outpace Commodity And Currency Headwinds

### **Industrial**

- High Single-Digit Revenue Growth Expected For 2H'10
- Customer Restocking In Industrial Channels Expected To Continue; Lesser Extent Than 1H'10
- North American Industrial Distribution Sales To Remain Strong; Offset Weakness In Mobile Distribution Market
- Soft Government Spending On Storage Remains A Challenge; Improvement Hinges On Passage Of Supplemental War Spending Bill
- Expect Light Vehicle Production To Be Flat Versus Prior Year; Down Slightly From 2Q. Uptick Forecasted in 4Q
- Continued Revenue And Profit Expansion For Infrastructure Solutions Business Tied In Large Part To Scrap Steel Prices

### **Security**

- Flat To Low Single-Digit Revenue Growth Expected For 2H'10 (Ex-SSDS)
- 2Q Segment Growth Drivers Expected To Continue (National Accounts, Retrofit Business, Healthcare & International)
- Commercial Construction Market Remains Soft; External Estimates For Bottom Pushed To 4Q or 1Q'11
- Slight Improvement In Delayed And Abandoned Construction; Focus On Growing Education, Government and Healthcare Verticals To Continue
- Order Trends Likely To Improve in 2H; 3Q Historically Stronger On A Relative Basis

## *...Cost Synergy Realization To Support Bottom Line*

# Stanley Black & Decker: Raw Materials

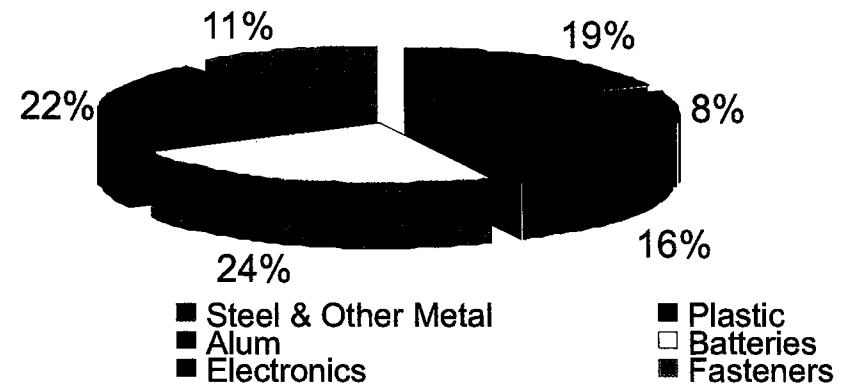
## Raw Materials

2009 Spend						
	SWK		BDK		SBD	
Steel	14%	175	3%	60	235	7%
Pkg	4%	55	3%	66	121	4%
Purchased Comp	31%	400	43%	854	1,254	38%
Resin / Plastic	5%	60	9%	185	245	7%
Base Metals	5%	60			60	2%
Purchased Prod	41%	520	42%	835	1,355	41%
Misc	1%	10			10	0%
<b>Total</b>	<b>100%</b>	<b>1,280</b>	<b>100%</b>	<b>2,000</b>	<b>3,280</b>	<b>100%</b>

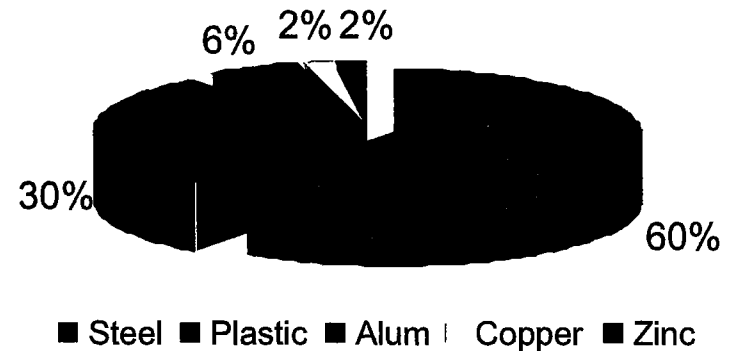
### Comments:

- Steel (Direct & Component) = ~20%
- Batteries = ~5%

## Purchased Component Detail



## Purchased Product Detail





# Stanley Black & Decker End Market Update

Estimates Based On 2009 Revenues

<i>End Market</i>	<i>MAS</i>	<i>CSS</i>	<i>Industrial</i>	<i>CDIY</i>	<i>SWK</i>
<b>Residential Const.</b>	<b>25%</b>	<b>0%</b>	<b>3%</b>	<b>29%</b>	<b>21%</b>
<b>Other Residential*</b>	<b>30%</b>	<b>0%</b>	<b>0%</b>	<b>44%</b>	<b>30%</b>
<b>Comm. Const.</b>	<b>7%</b>	<b>17%</b>	<b>2%</b>	<b>16%</b>	<b>12%</b>
<b>Retail</b>	<b>19%</b>	<b>15%</b>	<b>0%</b>	<b>2%</b>	<b>5%</b>
<b>Health Care</b>	<b>6%</b>	<b>23%</b>	<b>0%</b>	<b>0%</b>	<b>3%</b>
<b>Education</b>	<b>5%</b>	<b>3%</b>	<b>0%</b>	<b>0%</b>	<b>1%</b>
<b>Government</b>	<b>3%</b>	<b>11%</b>	<b>4%</b>	<b>0%</b>	<b>2%</b>
<b>Automotive Aftermkt.</b>	<b>0%</b>	<b>2%</b>	<b>20%</b>	<b>0%</b>	<b>4%</b>
<b>Industrial**</b>	<b>2%</b>	<b>7%</b>	<b>45%</b>	<b>9%</b>	<b>13%</b>
<b>Automotive Prod.</b>	<b>0%</b>	<b>0%</b>	<b>24%</b>	<b>0%</b>	<b>4%</b>
<b>Other</b>	<b>3%</b>	<b>22%</b>	<b>1%</b>	<b>1%</b>	<b>3%</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

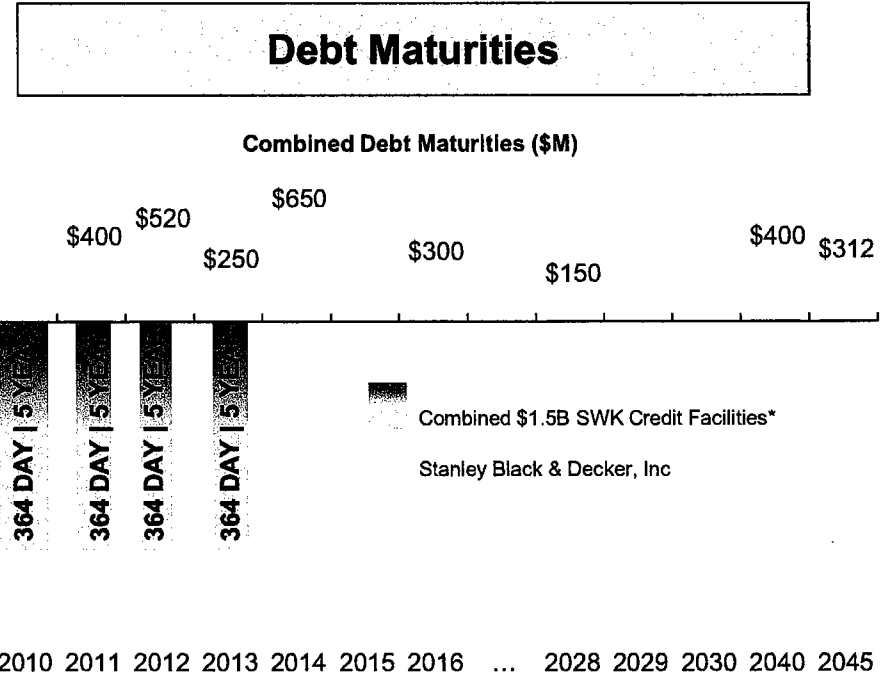
\*Includes Products For Repair, Remodel, DIY, Cleaning, Lighting, Outdoor, Hobbies, Consumer Auto And Electronics.

\*\*Industrial Includes Manufacturing, Utilities, Distribution, Power, Rail, Oil & Gas, Etc.

**StanleyBlack&Decker**

# Liquidity

Near Term Liquidity Sources	
	June 2010
Cash Position (June 2010)	\$1.6B
Combined Revolving Credit Facilities	\$1.5B
<b>Total Near Term Liquidity</b>	<b>\$3.1B</b>



**Ample Liquidity To Meet The Needs Of The New Company**

## Reconciliation of FCF and EBITDA to GAAP Measures

### Free Cash Flow

### EBITDA

	2009	2008 <sup>(A)</sup>	2007	2006	2005	2004	2003	
Net cash provided by operating activities	\$539	\$517	\$544	\$439	\$362	\$372	\$464	<u>2009</u>
Less: capital expenditures	(73)	(95)	(66)	(60)	(53)	(48)	(31)	Net earnings from continuing operations
								\$227
Less: capitalized software	(20)	(46)	(21)	(20)	(15)	(7)	(8)	Interest Income
								(3)
Add: taxes paid on CST/berger divestiture included in operating cash flow	=	<u>46</u>	=	=	=	=	=	Interest Expense
								64
Free cash flow	\$446	\$422	\$457	\$359	\$294	\$317	\$425	Income Taxes
								55
								Depreciation and amortization
								<u>200</u>
								EBITDA from continuing operations
								\$543