

STANLEY B&D NYSE-SWK

RECENT PRICE **60.19** P/E RATIO **10.2** (Trailing: 11.5; Median: 14.0) RELATIVE P/E RATIO **0.70** DIV'D YLD **2.7%** VALUE LINE

TIMELINESS 3 Lowered 2/10/12	High: 47.0	52.0	37.9	49.3	51.8	54.6	64.3	52.2	53.4	67.7	78.2	81.9							Target Price Range
SAFETY 2 Raised 7/20/12	Low: 28.1	27.3	20.8	36.4	41.5	41.6	47.0	24.2	22.6	48.8	47.1	59.5							2015 2016 2017
TECHNICAL 3 Lowered 4/20/12	LEGENDS — 8.0 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded areas indicate recessions																		
BETA 1.10 (1.00 = Market)																			

2015-17 PROJECTIONS		Ann'l Total	
Price	Gain	Return	
High 120	(+100%)	21%	
Low 80	(+35%)	10%	
Insider Decisions			
	A	S	O
to Buy	0	0	0
Options	1	0	1
to Sell	2	0	1
Institutional Decisions			
	3Q2011	4Q2011	1Q2012
to Buy	199	195	226
to Sell	198	200	196
Hlds(000)	140205	144246	146385
	Percent shares traded		
	30	20	10
	% TOT. RETURN 6/12		
	THIS STOCK		
1 yr.	-8.4	-4.1	
3 yr.	104.7	68.8	
5 yr.	21.5	19.0	

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
30.10	30.07	30.74	30.94	32.27	31.00	29.87	32.95	36.84	39.45	49.10	55.78	56.12	46.36	50.29	61.20	67.90	71.10	Sales per sh ^A	76.25
1.93	2.93	2.45	2.49	3.26	3.36	3.17	3.05	4.14	4.45	5.03	6.21	5.77	5.20	5.58	7.67	8.40	9.35	"Cash Flow" per sh	10.90
1.09	2.11	1.54	1.52	2.22	2.31	2.31	1.90	2.94	3.21	3.47	4.00	3.41	2.72	3.96	5.24	5.90	6.65	Earnings per sh ^B	8.20
.73	.77	.83	.87	.90	.94	.99	1.04	1.08	1.14	1.18	1.22	1.26	1.30	1.34	1.64	1.64	1.68	Div's Decl'd per sh ^C	1.80
.89	.83	.64	.88	.70	.66	.43	.39	.58	.82	.98	1.08	1.79	.90	.99	1.78	1.00	.95	Cap'l Spending per sh	1.65
8.79	6.85	7.54	8.27	8.65	9.83	11.33	10.56	14.78	17.35	18.96	21.50	21.40	24.95	42.28	41.68	44.30	50.60	Book Value per sh ^D	66.90
88.72	88.79	88.77	88.95	85.19	84.66	86.84	81.28	82.62	83.27	81.84	80.38	78.88	80.62	167.21	169.55	167.00	166.00	Common Shs Outst'g ^E	160.00
26.1	19.5	26.8	18.6	11.7	16.6	17.2	15.1	14.6	14.4	14.2	14.0	12.9	14.1	14.7	12.9	12.9	12.9	Avg Ann'l P/E Ratio	12.0
1.63	1.12	1.39	1.06	.76	.85	.94	.86	.77	.77	.77	.74	.78	.94	.94	.81	.81	.81	Relative P/E Ratio	.80
2.6%	1.9%	2.0%	3.1%	3.5%	2.4%	2.5%	3.6%	2.5%	2.5%	2.4%	2.2%	2.9%	3.4%	2.3%	2.4%	2.4%	2.4%	Avg Ann'l Div'd Yield	1.9%

CAPITAL STRUCTURE as of 3/31/12																			
Total Debt \$3639.4 mill. Due in 5 Yrs \$1744.6 mill.																			
LT Debt \$2905.7 mill. LT Interest \$88.0 mill.																			
(Total interest coverage: 3.8x)																			
(29% of Capital)																			
Leases, Uncapitalized Annual rentals \$123.0 mill.																			
Pension Assets-12/11 \$1788.9 mill.																			
Oblig. \$2466.7 mill.																			
Preferred Stock None																			
Common Stock 170,891,595 shares																			
as of 4/19/12																			
MARKET CAP: \$10.3 billion (Large Cap)																			
CURRENT POSITION				2010	2011	3/31/12													
(SMILL.)																			
Cash Assets	1745.4	906.9	883.6																
Receivables	1417.1	1553.2	1725.8																
Inventory (LIFO)	1272.0	1438.6	1589.7																
Other	381.1	424.0	404.2																
Current Assets	4815.6	4322.7	4603.3																
Accts Payable	998.6	1312.6	1417.5																
Debt Due	417.7	526.6	733.7																
Other	1325.9	1429.3	1285.9																
Current Liab.	2742.2	3268.5	3437.1																

BUSINESS: Stanley Black & Decker is a diversified global provider of hand tools, power tools and related accessories, mechanical access solutions, and more. The construction and DIY segment (51% of '11 sales) makes hand and pneumatic tools, etc. The Industrial division (24% of '11 sales) manufactures professional mechanics and hydraulic tools, storage systems, etc. The Security Solutions unit (25% of '11 sales) provides access and security systems. Has about 44,700 employees. Officers & directors own 2.2% of common; BlackRock, Inc. 6.7%; MA Financial Services, 5.7% (3/12 proxy). President & CEO: John F. Lundgren. Incorporated: Connecticut. Address: 1000 Stanley Drive, New Britain, CT 06053. Telephone: 860-225-5111. Internet: www.stanleyblackanddecker.com.

Stanley Black & Decker recently celebrated the second anniversary of its formation. This \$10.4 billion global industrial leader, which provides hand tools, power tools, mechanical-access solutions, and more, was created two years ago this past March 12th, and the marriage, thus far, has been a swimming success. Indeed, we look for the company to post earnings of just under \$6.00 a share this year, on a solid 8%-10% top-line advance, as SWK's fortunes reap the rewards of healthy demand for its lineup of products (despite an uninspiring economic situation), a number of recent acquisitions, and sizable merger synergies (see below) related to the creation of the company.

The company's margins ought to benefit from considerable merger-related synergies. Stanley Black & Decker is in the final stages of achieving annualized cost synergies of about \$485 million, up substantially from the original forecast of approximately \$350 million. This comes as no great surprise, given that Stanley has proven itself quite adept at the M&A game. Indeed, prior to the Stanley Works/Black & Decker merger,

Stanley had spent about \$2.8 billion in acquisitions since 2002. **An ongoing share-repurchase program should help boost earnings over the long haul.** As of the end of the March quarter, there were 7.8 million shares of common stock available for buyback under the current authorization, which should certainly boost shareholder value going forward. **Another dividend hike seems to be in the offing.** SWK has racked up a rather impressive history of increasing its dividend every year, and management recently mentioned that it is reviewing a "meaningful dividend increase" during the second half of the year. **At the recent quotation, investors need not jump in.** Despite the aforementioned pullback in its price, SWK stock's 3- to 5-year capital appreciation potential is still below the median equity under *Value Line* review. What's more, based on recent price and earnings momentum, this good-quality issue is merely ranked to run in tandem with the broader market averages over the year ahead.

Cal-endar	QUARTERLY SALES (\$ mill.) ^A				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2009	913.0	919.2	935.5	969.4	3737.1
2010	1263	2365	2369	2412	8409.5
2011	2362	2603	2619	2792	10376
2012	2652	2913	2880	2895	11340
2013	2785	3025	2995	2995	11800
Cal-endar	EARNINGS PER SHARE ^{AB}				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2009	.48	.89	.77	.58	2.72
2010	.70	1.24	.97	1.05	3.96
2011	1.08	1.46	1.34	1.36	5.24
2012	1.09	1.57	1.63	1.61	5.90
2013	1.34	1.75	1.80	1.76	6.65
Cal-endar	QUARTERLY DIVIDENDS PAID ^{CM}				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2008	.31	.31	.32	.32	1.26
2009	.32	.32	.33	.33	1.30
2010	.33	.33	.34	.34	1.34
2011	.41	.41	.41	.41	1.64
2012	.41	.41			

(A) Year end on Saturday closest to Dec. 31st (B) Based on average shares thru '96; diluted thereafter. Quarterly EPS may not sum due to rounding. Excludes nonrecurring: '97, (\$2.58); '99, 15¢; '01, (50¢); '02, (21¢); '03, (80¢); '04, (8¢); '05, 2¢; '06, (1¢); '08, 51¢; '09, 34¢; '10, (\$2.64). Next earnings report due late July. (C) Div'd. historically paid in late March, June, Sept., and Dec. (D) Dividend reinvestment plan available. (E) Includes intangibles. At 12/31/11: \$10037.1 mill., \$59.20 a share. (F) In millions. (G) Stanley/Black&Decker merger completed.

Company's Financial Strength **A**
 Stock's Price Stability **75**
 Price Growth Persistence **70**
 Earnings Predictability **75**

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