UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 29, 1996

or

[ ] Transition Report Pursuant to Section 13 of 15(d) of the Securities Exchange Act of 1934
For the transition period from
[ ] to [ ]

Commission file number 1-5224

I.R.S. Employer Identification Number 06-0548860

THE STANLEY WORKS

(a Connecticut Corporation)
1000 Stanley Drive
New Britain, Connecticut 06053
Telephone: (860) 225-5111

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: shares of the company's Common Stock ($2.50 par value) were outstanding 88,844,942 as of August 2, 1996.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

THE STANLEY WORKS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited, Millions of Dollars Except Per Share Amounts)

	Second Quarter 1996	Second Quarter 1995	Six Months 1996	Six Months 1995
Net Sales	$ 677.2	$ 655.5	$ 1,312.5	$ 1,298.8
Costs and Expenses				
Cost of sales	453.0	443.6	882.3	881.2
Selling, general and administrative	153.1	148.6	302.1	295.9
Interest - net	5.4	8.1	11.9	15.6
Other - net	4.4	4.4	7.9	9.0
Restructuring	3.8	-	3.8	-
	619.7	604.7	1,208.0	1,201.7
Earnings before income taxes	57.5	50.8	104.5	97.1
Income Taxes	24.9	19.3	42.3	36.9
Net Earnings	$ 32.6	$ 31.5	$ 62.2	$ 60.2

Net Earnings Per Share of Common Stock	$ 0.37	$ 0.36	$ 0.70	$ 0.68
Dividends per share	$ 0.18	$ 0.175	$ 0.36	$ 0.35
Average shares outstanding (in thousands)	88,825	88,732	88,830	88,775

See notes to consolidated financial statements.

THE STANLEY WORKS AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited, Millions of Dollars)

	June 29 1996	December 30 1995
ASSETS		
Current Assets		
Cash and cash equivalents	$ 79.5	$ 75.4
Accounts and notes receivable	454.2	438.7
Inventories	344.4	349.1
Other current assets	42.3	51.9
Total Current Assets	920.4	915.1
Property, plant and equipment	1,147.1	1,140.7
Less: accumulated depreciation	(623.2)	(608.6)
	523.9	532.1
Goodwill and other intangibles	121.0	131.8
Other assets	103.3	91.0
	$ 1,668.6	$ 1,670.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	$ 33.4	$ 77.2
Current maturities of long-term debt	13.8	14.1
Accounts payable	119.6	112.7
Accrued expenses	204.6	183.7
Total Current Liabilities	371.4	387.7
Long-term debt	373.3	391.1
Deferred income taxes	15.0	16.4
Other liabilities	143.2	140.2
Shareholders' Equity		
Common stock	230.9	115.4
Capital in excess of par value	-	68.4
Retained earnings	919.2	937.6
Foreign currency translation adjustment	(62.7)	(70.6)
ESOP debt	(239.6)	(244.3)
	847.8	806.5
Less: cost of common stock in treasury	82.1	71.9
Total Shareholders' Equity	765.7	734.6
	$ 1,668.6	$ 1,670.0

See notes to consolidated financial statements.

THE STANLEY WORKS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, Millions of Dollars)

	SECOND QUARTER 1996	SECOND QUARTER 1995	SIX MONTHS 1996	SIX MONTHS 1995
Operating Activities				
Net earnings	$ 32.6	$ 31.5	$ 62.2	$ 60.2
Depreciation and amortization	18.7	20.8	38.8	42.7
Restructuring	3.8	-	3.8	-
Other non-cash items	12.3	6.9	17.3	13.1
Changes in operating assets and liabilities	32.2	(28.0)	13.8	(90.7)
Net cash provided by operating activities	99.6	31.2	135.9	25.3
Investing Activities				
Capital expenditures	(17.4)	(14.2)	(31.1)	(27.2)
Capitalized software	(5.6)	(3.6)	(10.8)	(9.1)
Proceeds from sales of businesses	13.3	-	15.2	-
Other	(6.0)	(1.8)	(2.7)	(1.1)
Net cash used by investing activities	(15.7)	(19.6)	(29.4)	(37.4)
Financing Activities				
Payments on long-term debt	(3.1)	(1.3)	(6.5)	(1.6)
Net short-term borrowings	(16.3)	13.4	(39.0)	42.5
Proceeds from issuance of common stock	4.2	0.4	27.1	0.9
Purchase of common stock for treasury	(9.5)	(3.8)	(47.0)	(10.2)
Cash dividends on common stock	(16.0)	(15.6)	(34.7)	(45.6)
Net cash used by financing activities	(40.7)	(6.9)	(100.1)	(14.0)
Effect of Exchange Rate Changes on Cash	(3.0)	(0.4)	(2.3)	1.6
Increase (decrease) in Cash and Cash Equivalents	40.2	4.3	4.1	(24.5)
Cash and Cash Equivalents, Beginning of Period	39.3	40.5	75.4	69.3
Cash and Cash Equivalents, End of Second Quarter	$ 79.5	$ 44.8	$ 79.5	$ 44.8

See notes to consolidated financial statements.

THE STANLEY WORKS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES
IN SHAREHOLDERS' EQUITY
(Unaudited, Millions of Dollars)

	SIX MONTHS 1996	SIX MONTHS 1995
Balance at beginning of year	$ 734.6	$ 744.2
Net earnings	62.2	60.2

Currency translation adjustment	8.0	(7.2)
Cash dividends declared	(32.3)	(30.6)
Net common stock activity, including tax benefit	(11.5)	(5.0)
ESOP debt	4.7	5.3
Balance at end of second quarter	$ 765.7	$ 766.9

See notes to consolidated financial statements.

THE STANLEY WORKS AND SUBSIDIARIES
NOTES TO (Unaudited) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 29, 1996

NOTE A - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial statements and with the instructions to Form 10-Q and Article 10 of Regulation S-X and do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of both normal and recurring items) considered necessary for a fair presentation of the results of operations for the interim periods have been included. For further information, refer to the consolidated financial statements and footnotes included in the company's Annual Report on Form 10-K for the year ended December 30, 1995.

NOTE B - Common Stock Split

On April 17, 1996, the shareholders approved an increase in the number of authorized common shares from 110,000,000 to 200,000,000. On that date, the Board of Directors declared a two-for-one common stock split to be effected by the distribution of one additional share for each share outstanding. Such distribution was made on June 3, 1996 to shareholders of record as of May 13, 1996. Accordingly, the stock split has been recognized by reclassifying $115.5 million, the par value of the additional shares resulting from the split, from capital in excess of par value and retained earnings to common stock. All shares outstanding and per share amounts have been restated to reflect the stock split.

NOTE C - Computation of Earnings Per Share

Earnings per share are based upon the weighted average number of common shares outstanding. The exercise of outstanding stock options would not result in a material dilution of earnings per share. (See Exhibit 11)

NOTE D - Inventories

The components of inventories at the end of the second quarter of 1996 and at year-end 1995, in millions of dollars, is as follows:

	June 29 1996	December 30 1995
Finished products	$ 222.0	$ 224.1
Work in process	68.9	63.1
Raw materials	51.2	59.4
Supplies	2.3	2.5
	$ 344.4	$ 349.1

NOTE E - Cash Flow Information

Interest paid during the second quarter of 1996 and 1995 amounted to $7.3 million and $9.5 million, respectively. Interest paid for the six months of 1996 and 1995 amounted to $14.2 million and $13.9 million, respectively.

Income taxes paid during the second quarter of 1996 and 1995 were $28.8 million and $32.5 million, respectively. Income taxes paid for the six months of 1996 and 1995 were $29.5 and $42.1 million, respectively.

NOTE F - Restructuring

During the second quarter of 1996, the company recorded a $3.8 million restructuring charge. The charge includes approximately $5.2 million in gains from recent divestitures, offset by the write-off of assets associated with product segments that the company is actively marketing.

During the first six months of 1996, the company made severance and other exit cost payments of $7 million under the previously disclosed restructuring program. At June 29, 1996, the reserve balance for the company's restructuring activities was $13 million.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Consolidated net sales for the second quarter were $677 million, up 3% from prior year sales of $656 million. Net earnings were reported at $33 million, or $.37 per share, and were reduced by $.12 per share related to the company's restructuring program. Gains from recent divestitures were offset by charges for the writedown of assets associated with the company's active marketing of non-strategic product segments and resulted in a net restructuring charge of $4 million (pre-tax), or $.06 per share. The company also incurred $8 million (pre-tax), or $.06 per share, for consulting and transition costs related to its various restructuring activities. Excluding these restructuring charges and restructuring-related transition costs, net earnings would have been $43 million, or $.49 per share, a 37% increase over the prior year earnings of $31 million, or $.36 per share.

Consolidated net sales for the first six months of 1996 were $1.3 billion, up 1% from 1995 sales. Net earnings of $62 million, or $.70 per share, included charges of $.17 per share related to the company's restructuring program. Excluding restructuring charges of $.06 per share and restructuring-related transition costs of $.11 per share, net earnings would have been $77 million, or $.87 per share, a 28% increase over prior year earnings of $60 million, or $.68 per share.

Initiatives announced last year as part of the company's "4x4" restructuring program are now being implemented. While the company is incurring some short-term transition costs related to these programs, the planned reductions in its cost structure are beginning to be realized. The progress to-date is very much on target. The company is especially pleased with the success of its cross-divisional procurement teams.

Consolidated gross margins improved to 33.1% of sales from 32.3% for the second quarter and to 32.8% from 32.1% for the first six months. The positive effects of purchasing and other restructuring initiatives contributed to the improvement in margins. In addition, prior year margins had been adversely affected by manufacturing integration costs at the Mechanics Tools division. Operating expenses included consulting and other restructuring-related transition costs of $4 million and $8 million for the second quarter and first six months, respectively. Excluding these charges, operating expense as a percent of sales would have declined to 22.0% from 22.7% for the second quarter and to 22.4% from 22.8% for the first six months. This improvement in core operating expense ratios reflects aggressive cost containment efforts as well as the benefits accruing from restructuring.

Net sales in the Tools segment for the second quarter were virtually flat compared with last year and were down 1% for the six months. Consumer sales reflected weak non-U.S. markets. Industrial sales, which were slightly higher than the prior year quarter and virtually flat for the six months, reflected strengthening in the quarter for the U.S. MAC business offset by reduced volumes in the company's storage systems business. Engineered tool sales were strongly influenced by gains in U.S. fastening tools and fasteners. Restructuring related transition costs and restructuring charges included in second quarter operating profit were $6 million and $1 million, respectively and in the six months operating profit

were $10 million and $1 million, respectively. Operating profit margins, excluding these charges, would have improved to 13.3% of sales from 11.7% for the second quarter and to 12.5% from 11.3% for the first six months.

The Hardware segment experienced 8% growth in the second quarter and 3% for the first six months due to the strengthening of U.S. consumer markets. Operating profits included $1 million and $2 million of restructuring-related transition costs for the second quarter and first six months, respectively. In addition to restructuring benefits, margins were enhanced by increased factory utilization on higher volume and the resolution of a legal matter.

Sales gains in the Specialty Hardware segment reflected significant growth in the U.S. home center channel for the company's door products. The recent strategic assessment of the door-related product lines has resulted in an increased focus on growing the company's entry door business. Operating profits, excluding restructuring-related transition costs, would have been $7 million for the second quarter, or 7.7% of sales, compared with 4.5% in the prior year and would have been $10 million for the six month period, or 5.9% compared with 4.0% in the prior year. Improved operating margins reflected lower manufacturing costs.

Consolidated operating profit margins, excluding restructuring charges and restructuring-related transition costs, were significantly improved to 12.9% from 10.5% in the prior year period. For the six month period, consolidated operating profit margins, excluding restructuring charges and restructuring-related transition costs, were 11.9% compared with 10.3% in the prior year.

Geographically, the largest sales gains were in the U.S. due to strengthening in retail channels. Europe and Other Areas, with the exception of Canada, continued to produce weak sales results. Operating profits for the second quarter, excluding restructuring charges and restructuring-related transition costs, would have been $71 million in the U.S., $10 million in Europe, and $6 million in Other Areas. For the six month period, operating profits, excluding restructuring charges and restructuring-related transition costs, would have been $121 million in the U.S., $22 million in Europe, and $14 million in Other Areas. Second quarter operating profit reflected $3 million of restructuring charges in net corporate expense and $1 million in Other Areas.

Operating results in the second quarter clearly benefited from the company's restructuring efforts and stronger U.S. retail markets. While market conditions are less predictable, the company believes that the structural changes resulting from its restructuring initiatives will have a sustainable impact on its future profitability. The strategic evaluation of all of its business units and product segments has left the company sharply focused on achieving the full potential of its most important businesses. As a result, the company has recently begun actions to divest the following product segments determined to be non-strategic: garage-related products, office products, U.S. manufactured paint applicators, mail order safety products and drywall tape products. The sale of the U.S. manufactured paint applicator business has been completed and the company expects the sale of the remainder of these product segments to be completed by the end of the year.

The company's remaining businesses are pursuing plans and initiatives to position themselves competitively for future growth. As the company prepares to implement these plans, additional restructuring charges will be reported. In addition, the company has begun to direct its efforts toward achieving the growth goals established as part of the 4x4 program.

Liquidity and Sources of Capital

Cash flow provided by operations was $136 million for the first six months of 1996 compared to $25 million for the same period in fiscal 1995. The increase in cash flow reflects the company's significant focus on improving working capital, specifically through aggressive reductions in inventory.

During the first six months of 1996, the company made severance and other exit cost payments of $7 million as a result of previously disclosed restructuring initiatives.

At June 29, 1996, the reserve balance for the restructuring initiatives announced in 1995 was $13 million. The plant closings and exit activities initiated in 1995 are progressing as planned. Additional restructuring initiatives are currently being pursued and future restructuring charges and restructuring-related transitions costs will likely result as these various initiatives are implemented. Due to the complexity of these initiatives and the preliminary stage of planning, the company is unable to estimate the associated future charges and costs, however, it is anticipated that potential restructuring charges will be material and may approximate the amounts recorded in 1995. In addition, the restructuring related transition costs, which include plant and equipment relocation, employee training and start-up inefficiencies, may also be material and may significantly exceed the restructuring related transition costs recorded to date.

The company anticipates that its operating cash flow and borrowing capacity will enable it to fund its growth and restructuring initiatives, capital expenditures, and dividends. The restructuring activities the company has implemented to date as well as future restructuring initiatives are not expected to have a material effect on liquidity.

Capital expenditures for the year are forecast at approximately $100 million.

THE STANLEY WORKS AND SUBSIDIARIES
BUSINESS SEGMENT INFORMATION
(Unaudited, Millions of Dollars)

	Second Quarter					
	1996	Price	Unit Volume	ACQ/ DVT	Curr- ency	1995
INDUSTRY SEGMENTS						
NET SALES						
Tools						
Consumer	$ 175.7	1 %	(2)%	(1)%	(2)%	$ 183.3
Industrial	142.5	3 %	-	-	(1)%	140.3
Engineered	177.3	-	7 %	(4)%	-	172.9
Total Tools	495.5	1 %	2 %	(2)%	(1)%	496.5
Hardware	87.9	1 %	7 %	-	-	81.7
Specialty Hardware	93.8	(2)%	22 %	1 %	-	77.3
Consolidated	$ 677.2	1 %	4 %	(1)%	(1)%	$ 655.5
OPERATING PROFIT						
Tools	$ 58.8					$ 57.9
Hardware	12.7					7.7
Specialty Hardware	6.7					3.5
Total	78.2					69.1
Net corporate expenses	(13.7)					(9.0)
Interest expense	(7.0)					(9.3)
Earnings before income taxes	$ 57.5					$ 50.8
GEOGRAPHIC AREAS						
NET SALES						
United States	$ 493.2	1 %	7 %	(2)%	-	$ 466.0
Europe	101.0	1 %	-	1 %	(5)%	104.5
Other Areas	83.0	1 %	(2)%	-	(1)%	85.0
Consolidated	$ 677.2	1 %	4 %	(1)%	(1)%	$ 655.5
OPERATING PROFIT						
United States	$ 63.4					$ 50.5
Europe	9.3					11.7
Other Areas	5.5					6.9
Total	$ 78.2					$ 69.1

THE STANLEY WORKS AND SUBSIDIARIES
BUSINESS SEGMENT INFORMATION
(Unaudited, Millions of Dollars)

Year to Date

	1996	Price	Unit Volume	ACQ/ DVT	Curr-ency	1995
INDUSTRY SEGMENTS						
NET SALES						
Tools						
Consumer	$ 348.4	1 %	(2)%	-	(1)%	$ 356.8
Industrial	282.9	3 %	(3)%	-	-	284.1
Engineered	341.3	-	5 %	(4)%	-	339.4
Total Tools	972.6	1 %	-	(1)%	(1)%	980.3
Hardware	171.1	2 %	1 %	-	-	166.4
Specialty Hardware	168.8	(1)%	10 %	2 %	-	152.1
Consolidated	$ 1,312.5	1 %	2 %	(1)%	(1)%	$ 1,298.8
OPERATING PROFIT						
Tools	$ 110.7					$ 110.9
Hardware	22.3					16.2
Specialty Hardware	9.0					6.1
Total	142.0					133.2
Net corporate expenses	(22.9)					(17.9)
Interest expense	(14.6)					(18.2)
Earnings before income taxes	$ 104.5					$ 97.1
GEOGRAPHIC AREAS						
NET SALES						
United States	$ 942.7	1 %	3 %	(2)%	-	$ 920.6
Europe	209.1	1 %	(2)%	1 %	(2)%	212.3
Other Areas	160.7	1 %	(3)%	-	(1)%	165.9
Consolidated	$ 1,312.5	1 %	2 %	(1)%	(1)%	$ 1,298.8
OPERATING PROFIT						
United States	$ 108.8					$ 97.2
Europe	20.9					24.1
Other Areas	12.3					11.9
Total	$ 142.0					$ 133.2

See notes to consolidated financial statements.

PART II - OTHER INFORMATION

Item 4. - Submission of Matters to a Vote of Security-Holders

(a) The company's annual meeting of shareholders was held on April 17, 1996.

(c)(i) The following directors were elected:

	Shares Voted For	Shares Withheld	Non-Votes
Walter J. McNerney	31,737,290	3,268,316	0
Gertrude G. Michelson	31,749,638	3,255,968	0
John S. Scott	31,769,032	3,236,575	0
George A. Lorch	31,709,305	3,296,301	0
Stillman B. Brown	31,836,711	3,168,895	0
Edgar R. Fiedler	31,770,311	3,235,295	0
Mannie L. Jackson	31,614,486	3,391,120	0
Kathryn D. Wriston	31,755,511	3,250,095	0

(ii) The amendments to the Restated Certificate of Incorporation were approved by the following vote:

Shares Voted For	Shares Voted Against	Shares Voted Abstaining	Non-Votes

32,212,399	2,504,580	288,426	200

(iii) Ernst & Young LLP was approved as the company's independent auditors by the following vote:

Shares Voted For	Shares Voted Against	Shares Voted Abstaining	Non-Votes
34,453,429	372,426	179,475	277

Item 6. - Exhibits and Reports on Form 8-K

(a) Exhibits

(1) See Exhibit Index on page 14

(b) Reports on Form 8-K.

(1) Registrant filed a Current Report on Form 8-K, dated April 17, 1996, in respect of the following items reported by the Registrant:
  - (i) Press release announcing first quarter results.
  - (ii) Press release announcing the retirement of the CEO.
  - (iii) Press release announcing the board of directors vote for a 2-for-1 stock split.
  - (iv) Amendment of the bylaws to reflect various minor changes.

(2) Registrant filed a Current Report on Form 8-K, dated April 17, 1996, in respect of the Registrant's press release announcing the election of a new director.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE STANLEY WORKS

Date: August 12, 1996 By: Richard Huck

Richard Huck
Vice President, Finance
and Chief Financial Officer

Date: August 12, 1996 By: Theresa F. Yerkes

Theresa F. Yerkes
Vice President and
Controller (Chief Accounting
Officer)

EXHIBIT INDEX

(3)(i) Restated Certificate of Incorporation

(11) Statement re computation of earnings per share

(12) Statement re computation of ratio of earnings to fixed charges

(27) Financial Data Schedule

RESTATED CERTIFICATE OF INCORPORATION
OF THE STANLEY WORKS

Section 1. That The Stanley Works, a corporation organized and hitherto and still conducting its business under the joint stock laws of this state, and located and having its principal office at New Britain, may, and shall hereafter, have the right to exercise its corporate franchise, and have and enjoy all the rights, powers and privileges herein granted, and whenever it shall have accepted this resolution by a vote of its shareholders, at a meeting duly called for that purpose, may conduct and carry on its business under the provisions hereof, exclusively, in the same way and manner and to the same extent in all respects as if said corporation had been originally organized under a charter containing like provisions; and the capital stock of said corporation, the shareholders therein, and the number of shares by them respectively held, shall be the same as now existing in said joint stock corporation, inclusive of original and increased capital stock thereof.

Section 2. Said Stanley Works shall be and remain a body politic and corporate by the name of The Stanley Works, located at said New Britain, and shall have and enjoy its said corporate franchise, and all the rights and privileges herein granted, for the purpose of manufacturing, buying, and selling, and dealing in all kinds of metal and hardware, and all articles composed in whole or in part of metal, wood, or other substance, which it shall deem expedient, and to do such other things as are incident to the prosecution of said business, and to exercise such mercantile powers as may be convenient and necessary for the successful prosecution of said business, and in and by said corporate name said corporation shall be and is hereby vested with the title to all the goods, chattels, lands, buildings, machinery, property, choses in action, trademarks, and effects of whatever nature heretofore acquired by and now belonging to said corporation, and is hereby authorized and empowered in addition thereto to purchase, take, hold, occupy, and enjoy to itself and assigns any such property, real, personal, or of whatever other nature, including letters patent, as will enable it the better to carry on said business to advantage, and the same may manage, control, convey, lease, sell, and dispose of at pleasure, and may take and execute leases of real estate.

Section 3. The stock of said corporation shall consist of 210,000,000 shares, divided into 200,000,000 common shares of the par value of $2.50 per share and 10,000,000 preferred shares, without par value. The Board of Directors is authorized to fix and determine the terms, limitations and relative rights and preferences of the preferred shares including, without limitation, any voting rights thereof, to divide the preferred shares into and to issue the same in series, to fix and determine the variations among series to the extent permitted by law, and, within the limits from time to time of the authorized but unissued common shares to provide that preferred shares, or any series thereof, may be convertible into the same or a different number of common shares.

Shareholders, whether of common or preferred shares, shall have no pre-emptive rights with respect to any of the common or preferred shares. Upon conversion of preferred shares into common shares, the preferred shares surrendered in such conversion shall be retired unless the Board of Directors takes specific action that the same be canceled.

Without limiting the powers now possessed by it, said corporation is vested with all the privileges and powers enumerated in the general corporation laws of this state as now existing or hereafter amended. Its officers and directors shall have the powers given to directors and officers of corporations in said general corporation laws. Said corporation is authorized to add to and otherwise amend its corporate powers and purposes in the extent and manner permitted to corporations organized under said general corporation laws, provided that the subject matter of such changes could have been lawfully inserted in the original certificate of incorporation of a corporation organized under said general corporation laws and provided further that certificates of such changes be filed with the secretary of the state as therein provided.

Section 4. The stock, property and affairs of said corporation shall be managed by a Board consisting of not less than nine nor more then eighteen directors, the exact number to be determined by the Board of Directors from time to time. The Board of Directors shall be divided into three classes designated Class I, Class II and Class III. Such classes shall be as nearly equal in number as the then total number of directors constituting the entire Board permits. At the 1983 Annual Meeting of Shareholders, or any special meeting in lieu thereof, four Class I, five Class II and five Class III directors shall be elected for initial terms expiring at the next succeeding annual meeting, the second succeeding annual meeting and the third succeeding annual meeting, respectively, and when their respective successors are elected and qualified. At each annual meeting of shareholders after 1983, the directors chosen to succeed those in the class whose terms expire shall be elected by shareholders for terms expiring at the third succeeding annual meeting after election, or for such lesser term as may be appropriate in the particular case in order to assure that the number of directors in each class shall remain constant, and when their respective successors are elected and qualified. The directors may increase the number of directorships by the concurring vote of directors holding a majority of the directorships. Any vacancy on the Board that is created by an increase in the number of directors may be filled for the unexpired term by the concurring vote of directors holding a majority of the directorships, which number of directorships shall be the number prior to the vote on the increase. Any other vacancy which occurs on the Board may be filled for the unexpired term by the concurring vote of a majority of the remaining directors in office, though such remaining directors are less than a quorum, and though such majority is less than a quorum, or by action of the sole remaining director in office. Newly created directorships or any decrease in directorships resulting from increases or decreases in the number of directors shall be so apportioned among the classes of directors as to make all the classes as nearly equal in number as possible. No reduction of the number of directorships shall remove or shorten the term of any director in office.

Any director may be removed from office but only for cause by the affirmative vote of the holders of at least a majority of the voting power of the shares entitled to vote for the election of directors, considered for this purpose as one class.

Notwithstanding the foregoing, whenever the holders of any one or more classes or series of preferred stock issued by said corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of shareholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by any terms of this Certificate of Incorporation of said corporation applicable thereto, and such directors so elected shall not be divided into classes pursuant to this Section 4 unless expressly provided by such terms.

In the event of a vacancy among the directors so elected by the holders of preferred stock, the remaining preferred directors may fill the vacancy for the unexpired term.

Section 5. The existing by-laws of said corporation shall continue in force until the same are altered or repealed by the Board of Directors or a vote of the shareholders; the shareholders, at any legal meeting, shall have power to alter or repeal said by-laws, and to make or establish such other by-laws, rules and regulations, not inconsistent with the laws of this state or with Section of this Certificate of Incorporation, as they may deem expedient for the management of the affairs of the corporation, and may alter or repeal the same; and said directors may, as often as the interests of the shareholders require and the affairs of said corporation will permit, declare a dividend of profits on each share, which shall be paid by the treasurer of said corporation.

Section 6: (a) The affirmative vote of the holders of not less than 80% of the outstanding shares of capital stock of the corporation entitled to vote shall be required for the approval or authorization of any "Business Combination" (as hereinafter defined) involving an "Interested Shareholder" (as hereinafter defined); provided, however, that the 80% voting requirement shall not be applicable if:

(1) The "Continuing Directors" (as hereinafter defined) of the corporation by a two-thirds vote have expressly approved such Business Combination either in advance of or subsequent to such Interested Shareholder's having become an Interested Shareholder; or

(2) The following conditions are satisfied:

(A) The aggregate amount of the cash and the "Fair Market Value" (as hereinafter defined) of the property, securities or "Other Consideration" (as hereinafter defined) to be received per share by holders of capital stock of the corporation in the Business Combination, other than the Interested Shareholder involved in the Business Combination, is not less than the "Highest Per Share Price" or the "Highest Equivalent Price" (as hereinafter defined) paid by the Interested Shareholder in acquiring any of its holdings of the corporation's capital stock; and

(B) A proxy statement complying with the requirements of the Securities Exchange Act of 1934, as amended, shall have been mailed to all shareholders of the corporation for the purpose of soliciting shareholder approval of the Business Combination. The proxy statement shall contain at the front thereof, in a prominent place, the position of the Continuing Directors as to the advisability (or inadvisability) of the Business Combination and, if deemed advisable by a majority of the Continuing Directors, the opinion of an investment banking firm selected by the Continuing Directors as to the fairness of the terms of the Business Combination, from the point of view of the holders of outstanding shares of capital stock of the corporation other than any Interested Shareholder.

Such 80% vote shall be required notwithstanding the fact that no vote may be required or that a lesser percentage may be specified by law or in any agreement with any national securities exchange or otherwise.

(b) For purposes of this Section 6:

(1) The term "Business Combination" shall mean

(A) any merger, consolidation or share exchange of the corporation or a subsidiary of the corporation with or into an Interested Shareholder, in each case without regard to which entity is the surviving entity;

(B) any sale, lease, exchange, transfer or other disposition, including without limitation a mortgage or any other security device, of all or any "Substantial Part" (as hereinafter defined) of the assets of the corporation (including without limitation any voting securities of a subsidiary of the corporation) or a subsidiary of the corporation to an Interested Shareholder (in one transaction or a series of transactions);

(C) any sale, lease, exchange, transfer or other disposition, including without limitation a mortgage or any other security device, of all or any Substantial Part of the assets of an Interested Shareholder to the corporation or a subsidiary of the corporation;

(D) the issuance or transfer of any securities of the corporation or a subsidiary of the corporation by the corporation or any of its subsidiaries to an Interested Shareholder (other than an issuance or transfer of securities which is effected on a pro rata basis to all shareholders of the corporation);

(E) any recapitalization that would have the effect of increasing the voting power of an Interested Shareholder;

(F) the issuance or transfer by an Interested Shareholder of any securities of such Interested Shareholder to the corporation or a subsidiary of the corporation (other than an issuance or transfer of securities which is effected on a pro rata basis to all shareholders of the Interested Shareholder);

(G) the adoption of any plan or proposal for the liquidation or dissolution of the corporation proposed by or on behalf of an Interested Shareholder; or

(H) any agreement, contract or other arrangement providing for any of the transactions described in this definition of Business Combination.

(2) The term "Interested Shareholder" shall mean and include any individual, partnership, corporation or other person or entity which, as of the record date for the determination of shareholders entitled to notice of and to vote on any Business Combination, or immediately prior to the consummation of such transaction, together with its "Affiliates" and "Associates" (as defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934 as in effect at the date of the adoption of this Article by the shareholders of the corporation [collectively, and as so in effect, the "Exchange Act"]), are "Beneficial Owners" (as defined in Rule 13d-3 of the Exchange Act) in the aggregate of 10% or more of the outstanding shares of any class of capital stock of the corporation, and any Affiliate or Associate of any such individual, corporation, partnership or other person or entity. Notwithstanding any provision of Rule 13d-3 to the contrary, an entity shall be deemed to be the Beneficial Owner of any share of capital stock of the corporation that such entity has the right to acquire at any time pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise.

(3) The term "Substantial Part" shall mean more than 20% of the fair market value, as determined by two-thirds of the Continuing Directors, of the total consolidated assets of the corporation and its subsidiaries taken as a whole as of the end of its most recent fiscal year ended prior to the time the determination is being made.

(4) The term "Other Consideration" shall include, without limitation, Common Stock or other capital stock of the corporation retained by shareholders of the corporation other than Interested Shareholders or parties to such Business Combination in the event of a Business Combination in which the corporation is the surviving corporation.

(5) The term "Continuing Director" shall mean a director who is unaffiliated with any Interested Shareholder and either (A) was a member of the Board of Directors of the corporation immediately prior to the time that the Interested Shareholder involved in a Business Combination became an Interested Shareholder or (B) was designated (before his or her initial election or appointment as director) as a Continuing Director by a majority of the then Continuing Directors.

(6) The terms "Highest Per Share Price" and "Highest Equivalent Price" as used in this Section 6 shall mean the following: if there is only one class of capital stock of the corporation issued and outstanding, the Highest Per Share Price shall mean the highest price that can be determined to have been paid at any time by the Interested Shareholder for any share or shares of that class of capital stock. If there is more than one class of capital stock of the corporation issued and outstanding, the Highest Equivalent Price shall mean with respect to each class and series of capital stock of the corporation, the amount determined by a majority of the

Continuing Directors, on whatever basis they believe is appropriate, to be the highest per share price equivalent of the Highest Per Share Price that can be determined to have been paid at any time by the Interested Shareholder for any share or shares of any class of securities of capital stock of the corporation. In determining the Highest Per Share Price and Highest Equivalent Price, all purchases by the Interested Shareholder shall be taken into account regardless of whether the shares were purchased before or after the Interested Shareholder became an Interested Shareholder. Also, the Highest Per Share Price and the Highest Equivalent Price shall include any brokerage commissions, transfer taxes, soliciting dealers' fees and other expenses paid by the Interested Shareholder with respect to the shares of capital stock of the corporation acquired by the Interested Shareholder. In the case of any Business Combination with an Interested Shareholder the Continuing Directors shall determine the Highest Per Share Price and the Highest Equivalent Price for each class and series of capital stock of the corporation.

(7) The term "Fair Market Value" shall mean (A) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock on the Composite Tape for New York Stock Exchange Listed Stocks, or, if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, or, if such stock is not listed on such Exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which such stock is listed, or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations System or any system then in use, or if no such quotations are available, the fair market value on the date in question of a share of such stock as determined by a two-thirds vote of the Continuing Directors in good faith; and (B) in the case of property other than stock or cash, the fair market value of such property on the date in question as determined by a two-thirds vote of the Continuing Directors in good faith.

(c) The determination of the Continuing Directors as to Fair Market Value, Highest Per Share Price, Highest Equivalent Price, and the existence of an Interested Shareholder or a Business Combination shall be conclusive and binding.

(d) Nothing contained in this Section 6 shall be construed to relieve any Interested Shareholder from any fiduciary obligation imposed by law.

(e) The fact that any Business Combination complies with the provisions of paragraph (a)(2) of this Section 6 shall not be construed to impose any fiduciary duty, obligation or responsibility on the Board of Directors, or any member thereof, to approve such Business Combination or recommend its adoption or approval to the shareholders of the corporation, nor shall such compliance limit, prohibit or otherwise restrict in any manner the Board of Directors, or any member thereof, with respect to evaluations of or actions and responses taken with respect to such Business Combination.

(f) Notwithstanding any other provisions of this Certificate of Incorporation or the By-Laws of the corporation, the affirmative vote of the holders of not less than 80% of the outstanding shares of capital stock shall be required to amend, alter, change, or repeal, or adopt any provisions inconsistent with, this Section 6.

Section 7. Said corporation by vote of its directors may, from time to time, acquire and hold its own stock for distribution among its employees, and may so distribute and sell such stock at not less than par among such of its employees, not including any director, as in the judgment of its directors will best promote the interests of said company or the welfare of its employees, in such manner and upon such terms as said directors may by vote determine, provided said corporation shall not at any time acquire or hold more than ten percentum of its outstanding capital stock for such purposes, and provided no such stock shall be acquired when said company is insolvent or so as to render it immediately insolvent. Said corporation shall not vote upon shares of its own stock so acquired or held.

Section 8. Said company is hereby authorized to transmit power, for use in its manufacturing business only, from the town of Kent to its manufacturing plant in New Britain by means of poles, wires, fixtures, or otherwise, over land or private rights of way which it may purchase from the owners thereof or persons interested therein, and in so doing may cross over highways with its wires, without running along said highways, however; said rights to cross such highways to be exercised in conformity with the provisions of sections 3903 to 3910, both inclusive, of the general statutes.

Section 9. (The act validating certain conveyances from the American Tube and Stamping Company to The Stanley Works approved April 12, 1927 and an act validating a conveyance from The Stanley Works to Northeastern Steel Corporation approved April 20, 1955 are both omitted because no longer significant as a part of the Certificate of Incorporation of The Stanley Works.)

Section 10. Except to the extent prohibited by law, the Board of Directors shall have the right (which, to the extent exercised, shall be exclusive) to establish the rights, powers, duties, rules and procedures that from time to time shall govern the Board of Directors and each of its members, including without limitation the vote required for any action by the Board of Directors, and that from time to time shall affect the directors' power to manage the business and affairs of the corporation; and no bylaw shall be adopted by shareholders which shall impair or impede the implementation of the foregoing.

Section 11. A director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages in excess of the compensation received by the director for serving the corporation during the year of the violation to the extent such exemption from liability is permitted under the Connecticut Stock Corporations Act as the same exists. If the Connecticut Stock Corporations Act is amended hereafter to authorize corporate action further limiting or eliminating the personal liability of directors for monetary damages, then the liability of a director of the corporation shall be limited or eliminated to the fullest extent permitted by the amended Connecticut Stock Corporations Act. Any repeal or modification of this Section or adoption of an inconsistent provision shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

Exhibit 11

THE STANLEY WORKS AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE
(dollars and shares in thousands
except per share amounts)

	SECOND QUARTER ENDED		SIX MONTHS ENDED	
	JUNE 29 1996	JULY 1 1995	JUNE 29 1996	JULY 1 1995
Earnings per common share:				
Weighted average shares outstanding	88,825	88,732	88,830	88,775
Net earnings	$32,557	$31,450	$62,190	$60,186
Per share amounts	$0.37	$0.36	$0.70	$0.68
PRIMARY:				
Weighted average shares outstanding	88,825	88,732	88,830	88,775
Dilutive common stock equivalents - based on the treasury stock method using average market price	1,407	954	1,342	956
	90,232	89,686	90,172	89,731
Per share amounts	$0.36	$0.35	$0.69	$0.67
FULLY DILUTED:				
Weighted average shares outstanding	88,825	88,732	88,830	88,775
Dilutive common stock equivalents - based on the treasury stock method using the quarter end market price if higher than average market price	1,407	954	1,374	958
	90,232	89,686	90,204	89,733
Per share amounts	$0.36	$0.35	$0.69	$0.67

Note: This calculation is submitted in accordance with Regulation S-K item 601(b)(11) although not required by footnote 2 to paragraph 14 of APB Opinion No. 15 because it results in dilution of less than 3%.

The weighted average number of shares for all prior periods have been restated to give retroactive effect to the two-for-one stock split declared on April 17, 1996.

Exhibit 12

THE STANLEY WORKS AND SUBSIDIARIES
COMPUTATION OF EARNINGS TO FIXED CHARGES
(in Millions of Dollars)

	SECOND QUARTER 1996	SECOND QUARTER 1995	SIX MONTHS 1996	SIX MONTHS 1995
Earnings before income taxes	$57.5	$50.8	$104.5	$97.1
Add:				
Portion of rents representative of interest factor	3.4	3.3	6.7	6.6
Interest expense	6.8	9.2	14.3	18.0
Amortization on expense on long-term debt	0.1	0.1	0.1	0.1
Amortization of capitalized interest	0.1	0.1	0.2	0.3
Income as adjusted	$67.9	$63.5	$125.8	$122.1
Fixed charges:				
Interest expense	$6.8	$9.2	$14.3	$18.0
Amortization on expense on long-term debt	0.1	0.1	0.1	0.1
Capitalized Interest	0.1		0.1	
Portion of rents representative of interest factor	3.4	3.3	6.7	6.6
Fixed charges	$10.4	$12.6	$21.2	$24.7
Ratio of earnings to fixed charges	6.53	5.04	5.93	4.94

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This schedule contains summary financial information extracted from The Stanley Works and Subsidiaries Consolidated Balance Sheets and Statements of Earnings and is qualified in its entirety by reference to such financial statements.

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6-MOS
DEC-28-1996
JUN-29-1996
79,500
0
454,200
0
344,400
920,400
1,147,100
623,200
1,668,600
371,400
373,300
0
0
230,900
534,800
1,668,600
1,312,500
1,312,500
882,300
882,300
0
0
11,900
104,500
42,300
62,200
0
0
0
62,200
.70
0

On April 17, 1996, the company declared a two-for-one stock split. Prior period Financial Data Schedules have not been restated.