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 September 28, 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 88,892,891 as of November 1, 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)

	Third Quarter 1996	Third Quarter 1995	Nine Months 1996	Nine Months 1995
Net Sales	$ 672.9	$ 655.7	$ 1,985.4	$ 1,954.5
Costs and Expenses				
Cost of sales	448.4	448.0	1,330.7	1,329.2
Selling, general and administrative	151.7	148.0	453.8	443.9
Interest - net	5.2	7.6	17.1	23.2
Other - net	5.5	3.7	13.4	12.7
Restructuring	3.1	41.5	6.9	41.5
	613.9	648.8	1,821.9	1,850.5
Earnings before income taxes	59.0	6.9	163.5	104.0

Income Taxes	21.3	8.6	63.6	45.5
Net Earnings (Loss)	$ 37.7	$ (1.7)	$ 99.9	$ 58.5
Net Earnings (Loss) Per Share of Common Stock	$ 0.42	$ (0.02)	$ 1.12	$ 0.66
Dividends per share	$ 0.185	$ 0.18	$ 0.545	$ 0.53
Average shares outstanding (in thousands)	88,847	88,579	88,832	88,718

See notes to consolidated financial statements.

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

	September 28, 1996	December 30, 1995
ASSETS		
Current Assets		
Cash and cash equivalents	$ 85.0	$ 75.4
Accounts receivable	473.8	438.7
Inventories	342.4	349.1
Other current assets	39.8	51.9
Total Current Assets	941.0	915.1
Property, plant and equipment	1,158.3	1,140.7
Less: accumulated depreciation	(632.2)	(608.6)
	526.1	532.1
Goodwill and other intangibles	112.1	131.8
Other assets	110.4	91.0
	$ 1,689.6	$ 1,670.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	$ 15.8	$ 77.2
Current maturities of long-term debt	14.1	14.1
Accounts payable	128.6	112.7
Accrued expenses	238.8	183.7
Total Current Liabilities	397.3	387.7
Long-term debt	350.6	391.1
Deferred income taxes	12.6	16.4
Other liabilities	141.4	140.2
Shareholders' Equity		
Common stock	230.9	115.4
Capital in excess of par value	-	68.4
Retained earnings	940.0	937.6
Foreign currency translation adjustment	(60.6)	(70.6)
ESOP debt	(237.2)	(244.3)
	873.1	806.5
Less: cost of common stock in treasury	85.4	71.9
Total Shareholders' Equity	787.7	734.6

	$ 1,689.6	$ 1,670.0

See notes to consolidated financial statements.

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

	THIRD QUARTER 1996	THIRD QUARTER 1995	NINE MONTHS 1996	NINE MONTHS 1995
Operating Activities				
Net earnings (loss)	$ 37.7	$ (1.7)	$ 99.9	$58.5
Depreciation and amortization	20.0	21.0	58.8	63.7
Restructuring	3.1	41.5	6.9	41.5
Other non-cash items	0.2	0.5	17.5	13.6
Changes in operating assets and liabilities	(8.6)	(10.8)	5.2	(101.5)
Net cash provided by operating activities	52.4	50.5	188.3	75.8
Investing Activities				
Capital expenditures	(19.9)	(17.5)	(51.0)	(44.7)
Capitalized software	(5.7)	(4.6)	(16.5)	(13.7)
Proceeds from sales of businesses	18.9	-	34.1	-
Other	0.3	(0.7)	(2.4)	(1.8)
Net cash used by investing activities	(6.4)	(22.8)	(35.8)	(60.2)
Financing Activities				
Payments on long-term debt	(19.3)	(81.9)	(25.8)	(83.5)
Proceeds from long-term borrowings	-	84.2	-	84.2
Net short-term borrowings	(17.6)	(24.2)	(56.6)	18.3
Proceeds from issuance of common stock	4.8	1.8	31.9	2.7
Purchase of common stock for treasury	(9.0)	(2.3)	(56.0)	(12.5)
Cash dividends on common stock	-	(0.7)	(34.7)	(46.3)
Net cash used by financing activities	(41.1)	(23.1)	(141.2)	(37.1)
Effect of Exchange Rate Changes on Cash	0.6	(0.9)	(1.7)	0.7
Increase (decrease) in Cash and Cash Equivalents	5.5	3.7	9.6	(20.8)
Cash and Cash Equivalents, Beginning of Period	79.5	44.8	75.4	69.3
Cash and Cash Equivalents, End of Third Quarter	$ 85.0	$ 48.5	$ 85.0	$ 48.5

See notes to consolidated financial statements.

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

NINE MONTHS

	1996	1995
Balance at beginning of year	$ 734.6	$ 744.2
Net earnings	99.9	58.5
Currency translation adjustment	10.0	(9.4)
Cash dividends declared	(48.7)	(46.6)
Net common stock activity, including tax benefit	(15.2)	(4.0)
ESOP debt	7.1	7.0
Balance at end of third quarter	$ 787.7	$ 749.7

See notes to consolidated financial statements.

THE STANLEY WORKS AND SUBSIDIARIES
NOTES TO (Unaudited) CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 28, 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 third quarter of 1996 and at year-end 1995, in millions of dollars, is as follows:

	September 28 1996	December 30 1995
Finished products	$ 221.7	$ 224.1
Work in process	65.1	63.1
Raw materials	53.3	59.4
Supplies	2.3	2.5
	$ 342.4	$ 349.1

NOTE E - Cash Flow Information

Interest paid during the third quarter of 1996 and 1995 amounted to $4.4 million and $10.8 million, respectively. Interest paid for the nine months of 1996 and 1995 amounted to $18.6 million and $24.7 million, respectively.

Income taxes paid during the third quarter of 1996 and 1995 were $12.7 million and $20.0 million, respectively. Income taxes paid for the nine months of 1996 and 1995 were $42.2 million and $62.1 million, respectively.

NOTE F - Restructuring

Restructuring charges for the nine months of 1996 amounted to $7 million. The charge includes approximately $6 million in gains from recent divestitures, offset by the charges for the reorganization of certain operations and the write-off of assets associated with the product segments that have been sold.

During the first nine months of 1996, the company made severance and other exit cost payments of $11 million under the previously disclosed restructuring program. At September 28, 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

The attached table, "Price/Volume Information" provides detail of the changes in net sales by business segment and geographic region. In addition, the attached tables, "Business Segment Information", provide clarification of reported operating results for the third quarter and nine month periods of 1996 and 1995, reconciling them with normalized "core" results. Core results exclude restructuring charges and restructuring-related transition costs associated with the company's announced "4x4" restructuring program. Restructuring-related transition costs represent consulting, plant and equipment relocation, duplicate facility costs and other operational expenses that in management's judgment are being incurred directly as a result of restructuring activity and will cease upon completion of the related 4x4 initiative. This supplemental "core" information forms the basis for some of the following commentary.

Consolidated net sales for the third quarter 1996 were $673 million, an increase of 3% over sales of $656 million in the prior year. Ongoing businesses experienced unit volume growth of 4% with particular strength in the engineered tools, consumer tools and hardware markets. Business and product line divestitures diminished sales by $13 million in the quarter. Unit volume gains were also realized in all geographic areas. Consolidated net sales for the nine month period were $1,985 million, up 2% from 1995 sales of $1,955 million. Year to date sales growth was dampened by the first quarter 1996, which experienced a 1% decrease from the prior year due to weak retail markets.

Gross margin improved in the third quarter to 33.4% of sales from 31.7% in the prior year and in the nine months to 33.0% from 32.0% for the prior year. Increased volume and the positive effects of "4x4", including strong contributions from the company's commodity purchasing teams, accounted for most of the improvement in gross margin, more than offsetting the restructuring-related transition costs incurred during the quarter. Core gross margin improved to 33.4% for the nine month period from 32.0% for the same period in the prior year.

Operating expenses were 22.6% of sales for both the third quarter of 1996 and 1995 and were 22.9% for the nine month period as compared with 22.7% in the prior year period. Both the quarter and the nine month period in 1996 reflected incrementally more restructuring-related transition costs than the prior year periods. On a core basis, S,G&A as a percent of sales for the quarter decreased to 22.0% from 22.2% in the prior year and for the nine-month period decreased to 22.2% from 22.6% in the prior year period. These improvements reflected the benefits of the restructuring initiatives implemented to date and other cost reduction efforts.

Total restructuring-related transition costs incurred were $7 million, or $.05 per share, for the third quarter, and $22 million, or $.16 per share, for the nine month period, compared with $3 million, or $.02 per share, for the same periods in the prior year. These costs in 1996 included the transition costs associated with moving and closing facilities and the consulting and duplicate facility costs related to the implementation of the company's Perfect Customer Service ("PCS") program. The PCS initiative involves the centralization of customer service and distribution for the company's consumer markets in North America.

Interest expense, net was significantly reduced from the prior year quarter and nine month period due to much lower average borrowings.

A net restructuring charge of $3 million was recorded in the third quarter, reflecting severance, lease termination and other costs associated with the reorganization of several smaller operations offset by gains from the divestiture of non-strategic business units. These divestitures included a tax-advantaged sale of a product segment which resulted in the $3 million restructuring charge having only a $.01 per share after-tax effect.

Core segment operating profit margin, exclusive of restructuring charges and restructuring-related transition costs, improved to 12.6% for the quarter from 10.1% in the prior year. Profitability improved due to volume and the benefits of the 4x4 restructuring initiatives.

In the Tools segment, unit volume sales for the quarter increased 4% over last year. Consumer tools were up 5% with strength in all geographic areas. Engineered tools increased 6%, reflecting strong sales volume of fastening tools and fasteners in North America and Canada. Industrial tools unit volume decreased 1%, reflecting continued low volume in the U.S. storage systems business. Core operating profits for the quarter increased to 13.4% of sales, from 10.8% in the prior year. This improvement resulted from increased volume, purchasing savings and other 4x4 restructuring initiatives, especially in the Fastening Systems division. These profitability improvements were also reflected in the margin improvement for the nine month period along with the absence of prior year manufacturing integration costs at the Mechanics Tools division; however, for the nine-month period, these improvements were somewhat offset by lower volumes and lower absorption of factory overhead due to an aggressive inventory reduction program in the first quarter of this year.

The Hardware segment experienced 4% unit growth in the third quarter, with exceptionally strong demand in the U.S. consumer markets. Core operating profits increased to 12.6% of sales, from 6.4% in the prior year. This improvement results from increased volume, production levels which favorably absorbed factory overhead costs and the positive effects of purchasing and other 4x4 restructuring initiatives.

The Specialty Hardware segment experienced 7% unit growth, with continued strong U.S. home center demand for door products. Core operating profits declined to 8.7% of sales, from 9.5% in the prior year. A 3% price decline in this segment, attributable to a competitive pricing environment in the U.S. commercial market for automated door products, offset the effects of increased volume and improvement from 4x4 restructuring initiatives.

Liquidity and Sources of Capital

Cash flow from operations for the nine month period of $188 million was significantly higher than operating cash flow of $76 million in the prior year period. The increase was due to higher profitability as well as aggressive reductions in working capital. Of the $112 million additional cash generated, approximately half was contributed from lower net working capital.

The company utilized the additional operating cash flow generated along with the proceeds from divestitures in the period to pay down debt. The company's total debt to total capital ratio was reduced to 32.6% as of September 28, 1996.

As of September 28, 1996, the reserve balance for the restructuring initiatives previously announced was $13 million. Severance and other exit cost cash payments made during the nine month period aggregated $11 million.

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 adverse effect on liquidity. Capital expenditures for the year will probably be less than $100 million.

Forward-Looking Statements

The plant closings, product and business divestitures , and other programs associated with the company's 4x4 restructuring program are progressing as planned. The process of divesting of non-strategic product segments is expected to be completed by the end of the current year. Initiatives currently being pursued as a part of the company's restructuring program will result in future restructuring charges and restructuring-related transition costs as these various initiatives are implemented. Due to the complexity of these initiatives and their various stages of planning, the company is currently unable to accurately predict the associated future charges and costs; however, the company anticipates that potential restructuring charges will be material and may approximate the amounts recorded previously. 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 costs recognized to-date as more initiatives associated with 4x4 are announced and implemented.

The company's operating results for the third quarter demonstrate that the 4x4 restructuring program to-date has resulted in a lower cost structure as was intended. The company is more sharply focused on achieving the full potential of all its businesses. Improved cost structures and efficient production capabilities are critical to the achievement of the profitable growth goals of the company.

Certain risks and uncertainties, however, are inherent in the achievement of the two 4x4 goals: restructuring cost and asset bases and growing sales. The company's ability to successfully implement all of its restructuring initiatives, including the relocation of multiple manufacturing operations and the consolidation of North American consumer order management and distribution, is dependent on such factors as the ability of its employees with the help of outside consultants to develop and execute comprehensive plans to provide for smooth transitions, the successful recruitment and training of new employees, the existence and resolution of any labor issues related to closing facilities, the need to respond to significant changes in product demand during the transition and unforeseen events. In addition, the company's ability to sustain the profitability improvements that have been attributable to the restructuring initiatives is dependent on the extent of pricing pressure within the company's markets, the continued consolidation of customers in consumer channels, increasing global competition, changes in trade, monetary and fiscal policies and laws, inflation and currency exchange fluctuations, as well as recessionary or expansive trends in the economies of the world in which the company operates.

In order to achieve the $4 billion of net sales targeted by the company's 4x4 program, the company must be able to identify, successfully negotiate and consumate acquisition, joint venture or strategic alliance agreements that will

generate significant levels of added revenue. In addition, internal growth will be dependent on the acceptance of the company's products within new or developing markets and the continued development of new products.

Earlier this year, the company's Chief Executive Officer , Richard H. Ayers announced his intention to retire. The Board of Directors is actively pursuing the recruitment of a candidate with the complementary skills to achieve the company's objectives. Such a change in management presents risks that the transition will adversely affect the company's operations, although Mr. Ayers has indicated his commitment to ensuring a seamless change in leadership and has indicated that his retirement timing will accommodate the transition needs.

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PRICE/VOLUME INFORMATION
(Unaudited, Millions of Dollars)

NET SALES

	Third Quarter 1996	Price	Unit Volume	ACQ/ DVT	Currency	1995
INDUSTRY SEGMENTS						
Tools						
Consumer	$ 187.5	-	5%	(2)%	-	$ 181.9
Industrial	132.9	3%	(1)%	(1)%	-	131.4
Engineered	173.3	-	6%	(4)%	-	170.9
Total Tools	493.7	1%	4%	(3)%	-	484.2
Hardware	84.3	-	4%	-	-	81.1
Specialty Hardware	94.9	(3)%	7%	1%	-	90.4
Consolidated	$ 672.9	1%	4%	(2)%	-	$ 655.7
GEOGRAPHIC AREAS						
United States	$ 478.3	-	4%	(3)%	-	$ 472.6
Europe	105.1	1%	5%	1%	(2)%	100.3
Other Areas	89.5	1%	8%	-	(1)%	82.8
Consolidated	$ 672.9	1%	4%	(2)%	-	$ 655.7

	Year to Date 1996	Price	Unit Volume	ACQ/ DVT	Currency	1995
INDUSTRY SEGMENTS						
Tools						
Consumer	$ 535.9	1%	-	(1)%	(1)%	$ 538.7
Industrial	415.8	2%	(2)%	-	-	415.5
Engineered	514.6	-	5%	(4)%	-	510.3
Total Tools	1,466.3	1%	2%	(2)%	(1)%	1,464.5
Hardware	255.4	1%	2%	-	-	247.5
Specialty Hardware	263.7	(1)%	9%	1%	-	242.5
Consolidated	$ 1,985.4	1%	2%	(1)%	-	$ 1,954.5
GEOGRAPHIC AREAS						
United States	$ 1,421.0	1%	3%	(2)%	-	$ 1,393.2
Europe	314.2	1%	1%	1%	(2)%	312.6
Other Areas	250.2	1%	-	-	-	248.7
Consolidated	$ 1,985.4	1%	2%	(1)%	-	$ 1,954.5

See notes to consolidated financial statements.

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

OPERATING PROFIT

Third Quarter 1996

	Reported	Restrg Chgs	Related Transition Costs	Core	Core Profit Margin
INDUSTRY SEGMENTS					
Tools	$ 56.7	$ 3.7	$ 5.8	$ 66.2	13.4%
Hardware	9.6	-	1.0	10.6	12.6%
Specialty Hardware	7.8	-	0.5	8.3	8.7%
Total	74.1	3.7	7.3	85.1	12.6%
Net corporate expenses	(8.7)	(0.6)	0.1	(9.2)	
Interest expense	(6.4)	-	-	(6.4)	
Earnings before income taxes	$ 59.0	$ 3.1	$ 7.4	$ 69.5	

GEOGRAPHIC AREAS					
United States	$ 59.3	$ 1.6	$ 5.5	$ 66.4	13.9%
Europe	10.2	1.8	0.4	12.4	11.8%
Other Areas	4.6	0.3	1.4	6.3	7.0%
Total	$ 74.1	$ 3.7	$ 7.3	$ 85.1	12.6%

Third Quarter 1995

	Reported	Restrg Chgs	Related Transition Costs	Core	Core Profit Margin
INDUSTRY SEGMENTS					
Tools	$ 20.7	$ 30.6	$ 0.9	$ 52.2	10.8%
Hardware	(0.9)	5.8	0.3	5.2	6.4%
Specialty Hardware	7.7	0.6	0.3	8.6	9.5%
Total	27.5	37.0	1.5	66.0	10.1%
Net corporate expenses	(11.8)	4.5	1.1	(6.2)	
Interest expense	(8.8)	-	-	(8.8)	
Earnings before income taxes	$ 6.9	$ 41.5	$ 2.6	$ 51.0	
GEOGRAPHIC AREAS					
United States	$ 19.1	$ 30.2	$ 1.5	$ 50.8	10.7%
Europe	3.3	6.8	-	10.1	10.1%
Other Areas	5.1	-	-	5.1	6.2%
Total	$ 27.5	$ 37.0	$ 1.5	$ 66.0	10.1%

See notes to consolidated financial statements.

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

OPERATING PROFIT

Year to Date 1996

	Reported	Restrg Chgs	Related Transition Costs	Core	Core Profit Margin
INDUSTRY SEGMENTS					
Tools	$ 167.4	$ 4.4	$ 16.3	$ 188.1	12.8%
Hardware	31.9	-	3.2	35.1	13.7%
Specialty Hardware	16.8	-	1.5	18.3	6.9%
Total	216.1	4.4	21.0	241.5	12.2%
Net corporate expenses	(31.6)	2.5	1.4	(27.7)	
Interest expense	(21.0)	-	-	(21.0)	
Earnings before income taxes	$ 163.5	$ 6.9	$ 22.4	$ 192.8	
GEOGRAPHIC AREAS					
United States	$ 168.1	$ 1.7	$ 17.4	$ 187.2	13.2%
Europe	31.1	1.8	1.4	34.3	10.9%
Other Areas	16.9	0.9	2.2	20.0	8.0%
Total	$ 216.1	$ 4.4	$ 21.0	$ 241.5	12.2%

Year to Date 1995

	Reported	Restrg Chgs	Related Transition Costs	Core	Core Profit Margin
INDUSTRY SEGMENTS					
Tools	$ 131.6	$ 30.6	$ 0.9	$ 163.1	11.1%
Hardware	15.3	5.8	0.3	21.4	8.6%
Specialty Hardware	13.8	0.6	0.3	14.7	6.1%

Total	160.7	37.0	1.5	199.2	10.2%
Net corporate expenses	(29.7)	4.5	1.1	(24.1)	
Interest expense	(27.0)	-	-	(27.0)	
Earnings before income taxes	$ 104.0	$ 41.5	$ 2.6	$ 148.1	
GEOGRAPHIC AREAS					
United States	$ 116.3	$ 30.2	$ 1.5	$ 148.0	10.6%
Europe	27.4	6.8	-	34.2	10.9%
Other Areas	17.0	-	-	17.0	6.8%
Total	$ 160.7	$ 37.0	$ 1.5	$ 199.2	10.2%

See notes to consolidated financial statements.

PART II - OTHER INFORMATION

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

(a) Exhibits

(1) See Exhibit Index on page 15

(b) Reports on Form 8-K.

(1) Registrant filed a Current Report on Form 8-K, dated July 17, 1996, in respect of the Registrant's press release announcing second quarter results.

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: November 12, 1996 By: Richard Huck

Richard Huck
Vice President, Finance
and Chief Financial Officer

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

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

EXHIBIT INDEX

(11) Statement re computation of earnings per share

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

(27) Financial Data Schedule

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

	THIRD QUARTER ENDED SEPT 28 1996	THIRD QUARTER ENDED SEPT 30 1995	NINE MONTHS ENDED SEPT 28 1996	NINE MONTHS ENDED SEPT 30 1995
Earnings per common share:				
Weighted average shares outstanding	88,847	88,579	88,832	88,718
Net earnings (loss)	$37,677	($1,713)	$99,867	$58,473
Per share amounts	$0.42	($0.02)	$1.12	$0.66
PRIMARY:				
Weighted average shares outstanding	88,847	88,579	88,832	88,718
Dilutive common stock equivalents - based on the treasury stock method using average market price	1,296	1,052	1,327	988
	90,143	89,631	90,159	89,706
Per share amounts	$0.42	($0.02)	$1.11	$0.65
FULLY DILUTED:				
Weighted average shares outstanding	88,847	88,579	88,832	88,718
Dilutive common stock equivalents - based on the treasury stock method using the quarter end market price if higher than average market price	1,296	1,176	1,348	1,030
	90,143	89,755	90,180	89,748
Per share amounts	$0.42	($0.02)	$1.11	$0.65

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 prior periods have been restated to give retroactive effect to the two-for-one stock split declared on April 17, 1996.

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

	THIRD QUARTER 1996	THIRD QUARTER 1995	NINE MONTHS 1996	NINE MONTHS 1995
Earnings before income taxes	$59.0	$6.9	$163.5	$104.0
Add:				
Portion of rents representative of interest factor	3.3	3.2	10.0	9.8
Interest expense	6.3	8.5	20.6	26.5
Amortization on expense on long-term debt	0.1	0.1	0.2	0.2
Amortization of capitalized interest			0.2	0.2
Income as adjusted	$68.7	$18.7	$194.5	$140.7
Fixed charges:				
Interest expense	$6.3	$8.5	$20.6	$26.5
Amortization on expense on long-term debt	0.1	0.1	0.2	0.2
Capitalized Interest	0.1		0.2	
Portion of rents representative of interest factor	3.3	3.2	10.0	9.8
Fixed charges	$9.8	$11.8	$31.0	$36.5
Ratio of earnings to fixed charges	7.01	1.58	6.27	3.85

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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.

1,000

9-MOS
DEC-28-1996
SEP-28-1996
85,000
0
473,800
0
342,400
941,000
1,158,300
632,200
1,689,600
397,300
350,600
0
0
230,900
556,800
1,689,600
1,985,400
1,985,400
1,330,700
1,330,700
0
0
17,100
163,500
63,600
99,900
0
0
0
99,900
1.12
0

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