



**OFFICE OF
STATE TREASURER
DENISE L. NAPIER**

NEWS

FOR IMMEDIATE RELEASE

Tuesday, July 30, 2002

NAPIER CALLS FOR SPECIAL MEETING OF STANLEY WORKS BOARD TO RECONSIDER BERMUDA REINCORPORATION

Connecticut Treasurer Denise L. Nappier is urging The Stanley Works Board of Directors to convene a special meeting to reconsider efforts to re-incorporate in Bermuda.

In a letter to Board members Wednesday, Nappier said the company "has been unable to demonstrate conclusively that shareholder rights...will remain unaffected and uncompromised" and called on the Board, as representatives of the company's shareholders, to "protect its name and preserve long-term shareholder value."

"In the pursuit of short-term gain, this company may well be in the process of creating longer-term harm," Nappier wrote. "Despite many months of advocacy, I believe that Stanley Works has failed to make the case for reincorporation."

The Connecticut Retirement Plans and Trust Funds own 16,600 shares of The Stanley Works.

A copy of the letter is attached.

The letter was sent to Board members Eileen S. Kraus, Derek V. Smith, John G. Breen, Emmanuel A. Kampouris, Kathryn D. Wriston, John D. Opie, Robert G. Britz, Stillman B. Brown, and John M. Trani.

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***TEXT OF LETTER FROM TREASURER NAPPIER TO
MEMBERS OF THE STANLEY WORKS BOARD OF DIRECTORS***

I write to formally request that you convene a special meeting of The Stanley Works Board of Directors so that the Board may reconsider efforts to reincorporate in Bermuda. I make this extraordinary request both as a shareholder and as the State Treasurer of Connecticut.

My reasons are simple and clear.

First, Stanley Works has been unable to demonstrate conclusively that shareholder rights, now protected under United States and Connecticut corporation law, will remain unaffected and uncompromised should it legally relocate to Bermuda. To the contrary, there is ample evidence to suggest that shareholder rights would be substantially compromised.

Second, the company's argument that it is at a competitive disadvantage because of the additional taxes it must pay as a U.S. corporate citizen is on the verge of being negated by the U.S. Congress. As you are well aware, both political parties are pressing forward with legislation aimed at ending the tax advantage that the company is seeking.

Finally, the insistence by The Stanley Works in pursuing this reincorporation, despite growing public, investor and governmental concerns, is costing this company – our company – untold amounts in lost good will here and abroad.

Despite many months of advocacy, I believe that Stanley Works has failed to make the case for reincorporation. Intervening events, including the effort to establish higher listing standards on matters of corporate governance for companies trading through U.S. stock exchanges, have further undercut any argument in favor of this reincorporation. In the pursuit of short-term gain, this company may well be in the process of creating longer-term harm.

Therefore, as an investor in The Stanley Works, I am compelled to call on the Board of Directors to reconsider once again and without delay the increasing risk of continuing to pursue the current course. I urge the members of the Board, as representatives of the shareholders, to act now to ensure that this proud American company will continue its legacy of providing precision manufactured tools and hardware to consumers around the world. It is time for The Stanley Works to do the right thing to protect its name and preserve long-term shareholder value.

Your prompt consideration of this request would be appreciated.

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