

STANLEY WORKS
Form 8-K
November 07, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 2, 2005

THE STANLEY WORKS

(Exact name of Registrant as specified in its charter)

Connecticut
(State of incorporation)

1-5244
(Commission File No.)

06-0548860
(IRS Employer Identification No.)

1000 Stanley Drive

New Britain, Connecticut 06053

(Address of principal executive offices)

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Registrant's telephone number: (860) 225-5111

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

See disclosure contained in Item 2.03 below, which is incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

On November 2, 2005, The Stanley Works (the Registrant) entered into a 364-Day Credit Agreement (the Credit Agreement) with each of the initial lenders named therein, Citibank, N.A., as Administrative Agent, Citigroup Global Markets Inc., as Lead Arranger and Book Runner, and UBS Securities LLC and William Street Credit Corporation, as Co-Syndication Agents, to obtain extensions of credit and commitments aggregating \$450 million (the Credit Facility).

The Credit Facility consists of a \$450 million revolving credit loan. Borrowings under the Credit Facility bear interest at a floating rate or rates equal to, at the option of the Registrant, the Eurodollar rate or the prime rate, plus a margin specified in the Credit Agreement for Eurodollar rate advances.

The Registrant must repay all advances by the earlier of (i) November 1, 2006 or (ii) the date of termination in whole, at the election of the Registrant, of the commitments by the lenders under the Credit Facility, pursuant to the terms of the Credit Agreement. The Registrant may be required to prepay any borrowings under the Credit Facility upon a change of control and will be required to prepay certain of such borrowings, and the commitments under the Credit Agreement will be reduced, upon the issuance of certain debt or equity by the Registrant or any of its subsidiaries.

None of the proceeds from the Credit Facility were drawn down at closing.

The Credit Agreement contains covenants that include, among other things:

a limitation on creating liens on certain property of the Registrant and its subsidiaries;

a restriction on mergers, consolidations and sales of substantially all of the assets of the Registrant or its subsidiaries;

maintenance of specified financial ratios; and

a restriction on entering into certain sale-leaseback transactions.

The Credit Facility contains customary events of default. If an event of default occurs and is continuing, the Registrant might be required to repay all amounts outstanding under the Credit Facility.

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Many of the investment banking firms that are a party to the Credit Agreement or their affiliates have in the past performed, and may in the future from time to time perform, investment banking, financial advisory, lending and/or commercial banking services for the Registrant and certain of its subsidiaries and affiliates, for which service they have in the past received, and may in the future receive, customary compensation and reimbursement of expenses.

Item 9.01 Financial Statements and Exhibits

(a) Not applicable

(b) Not applicable

(c) Exhibits

10.1 364-Day Credit Agreement, dated as of November 2, 2005, among The Stanley Works, the initial lenders names therein, Citibank, N.A., as Administrative Agent, Citigroup Global Markets Inc., as Lead Arranger and Book Runner, and UBS Securities LLC and William Street Credit Corporation, as Co-Syndication Agents

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 hereunto duly authorized.

Dated: November 7, 2005

The Stanley Works

By: /s/ BRUCE H. BEATT

Bruce H. Beatt

Vice President, General Counsel and Secretary