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**STANLEY FURNITURE ANNOUNCES PLANS TO  
REDUCE WORKFORCE AT ITS ROBBINSVILLE, N.C. FACILITY**

**STANLEYTOWN, VA, DEC. 12, 2006/PRNewswire** -- Stanley Furniture Company, Inc. (Nasdaq-NNM: STLY) today announced plans to reduce the workforce at its Robbinsville, N.C., facility.

The Robbinsville plant currently employs approximately 450 people. This action will result in a reduction of about 200 associates, including both management and hourly employees.

"The industry wide slowdown that has led to lower sales requires us to balance production and staffing levels throughout our four facilities," says Jeffrey R. Scheffer, Stanley Furniture chairman, president and chief executive officer. "We sincerely regret the impact on some of our Robbinsville associates. However, this difficult decision is necessary to better align our staffing levels and work schedules with current business conditions."

To ease the transition, Stanley Furniture will work closely with the N. C. Employment Security Commission to provide career counseling, skills assessment, job development, job search assistance and referrals. In addition, Stanley Furniture will apply for federal Trade Adjustment Assistance (TAA) under the Trade Act. If certified, associates may be eligible to receive extended income support through Trade Readjustment Allowances, training programs, job search allowances and/or relocation allowances.

Established in 1924, Stanley Furniture Company, Inc. is a leading manufacturer of wood furniture targeted at the upper-medium price range of the residential market. Manufacturing facilities are located in Stanleytown and Martinsville, Va., and Robbinsville and Lexington, N.C.

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