

## NEWS RELEASE

**FOR IMMEDIATE RELEASE:  
November 3, 2010**

**Stanley Furniture Company, Inc.  
Investor Contact: Douglas I. Payne  
(276) 627-2157**

### **STANLEY FURNITURE ANNOUNCES TERMS FOR RIGHTS OFFERING TO STOCKHOLDERS**

STANLEYTOWN, Virginia, November 3, 2010 – Stanley Furniture Company, Inc. (Nasdaq-NGS:STLY) announced today that it has set the terms for its previously announced rights offering.

Under the terms of the rights offering, Stanley Furniture will distribute, at no charge, to the holders of its common stock as of 5:00 p.m., New York time, on November 15, 2010, one transferable subscription right for each share of Stanley Furniture common stock then owned. Each subscription right will entitle the holder to purchase .322226 shares of common stock at a purchase price of \$3.00 per share. Assuming the rights offering is fully subscribed, Stanley Furniture currently expects the gross proceeds of the offering to be approximately \$10 million.

The rights offering also includes an over-subscription privilege, which entitles a holder who exercises all of its basic subscription privilege in full the right to purchase additional shares of common stock that remain unsubscribed at the expiration of the rights offering, subject to the availability and pro rata allocation of shares among persons exercising this over-subscription right. If there are not enough unsubscribed shares to honor all requests from the over-subscription privilege, Stanley Furniture may, at its discretion, elect to issue up to approximately 666,600 over-allotment shares to honor requests from the over-subscription privilege. If the over-allotment shares are issued maximum gross proceeds in the offering would be approximately \$12 million.

Stanley Furniture also announced that the mailing of offering materials to stockholders is expected to begin on November 17, 2010 and that the subscription period will expire at 5:00 p.m., New York time, on December 8, 2010.

The shares issued in connection with the rights offering will be listed on the Nasdaq Global Select Market, and the rights are expected to trade on the Nasdaq Global Select Market until the day before the expiration of the subscription period.

Stanley Furniture reserves the right to modify, extend, postpone or cancel the rights offering at any time prior to the closing of the sale of the shares in the offering.

*A registration statement relating to these securities has been filed with the SEC but has not yet become effective. The securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This announcement shall not constitute an offer to sell, or the solicitation of an offer to buy the rights or the underlying shares, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state. When available, copies of the prospectus relating to these securities may be obtained by contacting the information agent, Morrow & Co., LLC, 470 West Avenue, 3<sup>rd</sup> Floor, Stamford, CT 06902, at (203) 658-9400 for banks and brokers, or (800) 267-0201 for stockholders (toll-free).*

## **About Stanley Furniture Company, Inc.**

Established in 1924, Stanley Furniture Company, Inc. is a leading designer and manufacturer of wood furniture targeted at the premium price range of the residential market. Its common stock is traded on the Nasdaq stock market under the symbol STLY.

## **Forward Looking Statements**

Certain statements made in this news release are not based on historical facts, but are forward-looking statements. These statements can be identified by the use of forward-looking terminology such as "believes," "estimates," "expects," "may," "will," "should," or "anticipates," or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy. These statements reflect our reasonable judgment with respect to future events and are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such risks and uncertainties include the possibility that the effectiveness of the registration statement relating to the rights offering may be delayed, the application to list the rights on the Nasdaq Global Select Market may not be approved or that the rights offering may be cancelled. In addition, risks and uncertainties related to our business include our success in transitioning certain Young America products to our domestic manufacturing facilities, our success in transitioning our adult product line to offshore vendors, costs relating to the transitioning of the Stanleytown facility to a warehouse and distribution center, the cyclical nature of the furniture industry, lower sales due to worsening of current economic conditions, business failures or loss of large customers, competition in the furniture industry including competition from lower-cost foreign manufacturers, disruptions in offshore sourcing including those arising from supply or distribution disruptions or those arising from changes in political, economic and social conditions, as well as laws and regulations, in countries from which we source products, international trade policies of the United States and countries from which we source products, prepayment of our long-term debt in the event we are not able to renegotiate financial covenants that become effective in the third quarter of 2011, the inability to obtain sufficient quantities of quality raw materials in a timely manner, the inability to raise prices in response to inflation and increasing costs, failure to anticipate or respond to changes in consumer tastes and fashions in a timely manner, environmental, health, safety compliance costs, extended business interruption at manufacturing facilities and changes in credit market conditions. Any forward-looking statement speaks only as of the date of this press release and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new developments or otherwise.

#####