Quarterly Financial Review

Second Quarter 2011

July 21, 2011

Cautionary Statement

- These slides should be read in conjunction with comments from a conference call held on July 21, 2011. The financial statement information included herein is unaudited.

- Statements made during the July 21, 2011 conference call and/or information included in this presentation may contain statements, including earnings projections, that are forward-looking in nature and, accordingly, are subject to risks and uncertainties regarding Snap-on's expected results; actual results may differ materially from those described or contemplated in these forward-looking statements. Factors that may cause actual results to differ materially from those contained in the forward-looking statements are detailed in the corresponding press release and Form 8-K and in Snap-on's recent 1934 Act SEC filings, which are incorporated herein by reference. Snap-on disclaims any responsibility to update any forward-looking statement provided during the July 21, 2011 conference call and/or included in this presentation, except as required by law.

- These slides and the corresponding press release and Form 8-K contain certain non-GAAP financial measures; management believes that these non-GAAP financial measures provide a more meaningful year-over-year comparison of Snap-on's 2011 operating performance. A reconciliation of these non-GAAP financial measures to the most comparable GAAP financial measures is provided on slide 14.

Snap-on Incorporated

Who We Are

OUR MISSION

The most valued productivity solutions in the world

BELIEFS

We deeply believe in:

- Non-negotiable Product and Workplace Safety
- Uncompromising Quality
- Passionate Customer Care
- Fearless Innovation
- Rapid Continuous Improvement

VALUES

Our behaviors define our success:

- We demonstrate Integrity.
- We tell the Truth.
- We respect the Individual.
- We promote Teamwork.
- We Listen.

VISION

To be acknowledged as the:

- Brands of Choice
- Employer of Choice
- Franchisor of Choice
- Business Partner of Choice
- Investment of Choice

Nick Pinchuk

Chairman and Chief Executive Officer

July 21, 2011

Aldo Pagliari

Senior Vice President and Chief Financial Officer

July 21, 2011

Consolidated Results – 2nd Quarter

($ in millions, except per share data - unaudited)	2011		2010		Change
	$	%	$	%	
Net sales	$ 726.7		$ 647.6		12.2 %
Gross profit	$ 342.2	47.1 %	$ 303.8	46.9 %	
Operating expenses	243.4	33.5 %	224.8	34.7 %	
Operating earnings before financial services	$ 98.8	13.6 %	$ 79.0	12.2 %	25.1 %
Financial services revenue	$ 30.3		$ 13.9		
Financial services operating earnings before arbitration settlement	17.5		1.7		
Financial Services operating earnings	35.5		1.7		
Operating earnings excluding arbitration settlement	$ 116.3	15.4 %	$ 80.7	12.2 %	44.1 %
Operating earnings	134.3	17.7 %	80.7	12.2 %	66.4 %
Interest expense	$ 16.3		$ 13.2		
Net earnings	$ 78.0		$ 45.3		72.2 %
Diluted EPS	$ 1.33		$ 0.78		70.5 %
Diluted EPS excluding arbitration settlement	$ 1.14		$ 0.78		46.2 %

- Sales up 12.2%; organic sales (excluding $30.0 million of favorable currency) up 7.2%
- Gross profit increased $38.4 million due to higher sales, $11.1 million of favorable currency, savings from Rapid Continuous Improvement ("RCI") and restructuring initiatives, and $1.9 million of lower restructuring costs
- Operating expenses as a percent of sales improved 120 basis points (bps) to 33.5% from 34.7% last year
- Financial services operating earnings includes a previously disclosed $18.0 million pretax arbitration settlement gain
- Operating earnings excluding arbitration settlement increased $35.6 million, or 44.1%, year over year; as a percentage of sales, improved 320 bps from 2010 levels

Commercial & Industrial – 2nd Quarter

($ in millions - unaudited)	**2011**	**2010**	**Change**
Segment sales	$ 279.7	$ 258.7	8.1 %
➢ Organic sales	5.2		1.9 %
➢ Currency translation	15.8		6.2 %
Gross profit	$ 102.4	$ 92.6	
% of sales	36.6 %	35.8 %	
Operating expenses	$ 73.2	$ 67.1	
% of sales	26.2 %	25.9 %	
Operating earnings	$ 29.2	$ 25.5	14.5 %
% of sales	10.4 %	9.9 %	

- Organic sales up $5.2 million
  - Higher sales to a wide range of customers in emerging markets and critical industries were largely offset by lower sales to the military, ongoing weakness across Southern Europe and the impact from the natural disasters in Japan
- Gross profit up $9.8 million from 2010; gross margin improves 80 bps to 36.6%
  - Increase due to higher sales and lower restructuring costs, $4.2 million of favorable currency effects, and $2.8 million of savings from ongoing RCI initiatives
- Operating expenses up $6.1 million
  - $4.6 million of unfavorable currency effects, higher volume-related expenses, and higher restructuring costs
- Operating earnings up $3.7 million, or 14.5%
  - As a percentage of sales, operating earnings improved 50 bps to 10.4% as compared to 9.9% last year

Snap-on Tools – 2nd Quarter

($ in millions - unaudited)	**2011**	**2010**	**Change**
Segment sales	$ 299.0	$ 264.5	13.0 %
➢ Organic sales	27.1		10.0 %
➢ Currency translation	7.4		3.0 %
Gross profit	$ 132.4	$ 115.5	
% of sales	44.3 %	43.7 %	
Operating expenses	$ 86.2	$ 82.5	
% of sales	28.8 %	31.2 %	
Operating earnings	$ 46.2	$ 33.0	40.0 %
% of sales	15.5 %	12.5 %	

- Organic sales up $27.1 million, or 10.0%, largely due to continued higher sales in the United States
- Gross profit of $132.4 million or 44.3% of sales
  - Contributions from higher sales and $3.9 million of favorable currency effects
  - Partially offset by $0.7 million of higher restructuring costs related to the previously announced consolidation of Snap-on's North American tool storage operations
- Operating expenses increased $3.7 million
  - Primarily due to higher volume-related and other expenses and $1.6 million of unfavorable currency effects
  - Partially offset by $1.5 million of lower bad debt expense
- Operating earnings of $46.2 million up $13.2 million, or 40.0%; as a percentage of sales, improved 300 bps year over year to 15.5%

Repair Systems & Information – 2nd Quarter

($ in millions - unaudited)	2011	2010	Change
Segment sales	$ 234.5	$ 205.9	13.9 %
➢ Organic sales	20.7		9.7 %
➢ Currency translation	7.9		4.2 %
Gross profit	$ 107.4	$ 95.7	
% of sales	45.8 %	46.5 %	
Operating expenses	$ 58.4	$ 55.7	
% of sales	24.9 %	27.1 %	
Operating earnings	$ 49.0	$ 40.0	22.5 %
% of sales	20.9 %	19.4 %	

- Organic sales up $20.7 million or 9.7%, reflecting continued higher sales to repair shop owners and managers
- Gross profit increased $11.7 million
  - Higher sales and $3.0 million of favorable currency effects
  - Gross margin decline of 70 bps reflects higher relative growth in sales of undercar equipment and essential tool and facilitation program activity
- Operating expenses up $2.7 million; improved 220 bps from 2010 levels
  - Higher volume-related expenses and $2.1 million of unfavorable currency effects
- Operating earnings of $49.0 million up $9.0 million, or 22.5%; as a percentage of sales up 150 bps year over year to 20.9%

Financial Services – 2nd Quarter

($ in millions - unaudited)	**2011**	**2010**
Segment revenue	$ 30.3	$ 13.9
Operating earnings before arbitration settlement	$ 17.5	$ 1.7
Arbitration settlement	18.0	-
Operating Earnings	35.5	1.7
Originations	$ 153.1	$ 136.7

- Operating earnings before arbitration settlement up $15.8 million year over year; improved sequentially by $5.0 million from first-quarter 2011 levels primarily due to continued growth of the on-book finance portfolio
- Originations increased 12.0% year over year

Financial Services Portfolio Data

($ in millions - unaudited)	Snap-on Credit (United States) Extended Credit	Snap-on Credit (United States) Total	International Finance Subsidiaries Extended Credit	International Finance Subsidiaries Total
Gross on-book finance portfolio	$ 575.7	$ 697.3	$ 96.3	$ 147.6
CIT receivables managed by SOC:				
June 2011	$ 78.4	$ 177.7		
December 2010	$ 104.4	$ 216.2		
Anticipated portfolio increase:				
Full year 2011	$ 120.0	$ 150.0		
On-book & managed portfolio net losses (TTM)	$ 16.3	$ 18.8	$ 1.0	$ 1.7
60+ Delinquency:				
As of 6/30/11	1.3 %	1.0 %	0.7 %	0.6 %
As of 3/31/11	1.4 %	1.1 %	0.4 %	0.7 %
As of 12/31/10	1.6 %	1.2 %	0.5 %	0.4 %
As of 9/30/10	1.5 %	1.4 %	0.7 %	0.6 %

• TTM – Trailing twelve months

Cash Flow

($ in millions - unaudited)	2nd Quarter		Year to Date	
	2011	2010	2011	2010
Net cash provided (used) by operating activities	**$ (13.7)**	**$ 55.5**	**$ 14.2**	**$ 65.9**
Net cash due to:				
➢ Net earnings	79.9	46.9	137.9	84.9
➢ Depreciation and amortization	18.3	18.3	36.6	36.5
➢ Changes in deferred income taxes	(8.0)	(12.8)	(4.4)	(17.0)
➢ Changes in working investment	(17.9)	(7.3)	(63.0)	(45.6)
➢ Changes in all other operating activities	(86.0)	10.4	(92.9)	7.1
Net increase in finance receivables	$ (49.5)	$ (72.8)	$ (90.9)	$ (138.0)
Capital expenditures	$ (14.7)	$ (6.6)	$ (33.3)	$ (12.3)
Free cash flow	$ (77.9)	$ (23.9)	$ (110.0)	$ (84.4)
Free cash flow from Operations	**$ 81.7**	**$ 62.1**	**$ 84.6**	**$ 51.6**
Free cash flow from Financial Services	**$ (159.6)**	**$ (86.0)**	**$ (194.6)**	**$ (136.0)**
Decrease in cash	$ (99.1)	$ (41.5)	$ (154.0)	$ (268.6)

- Changes in working investments – Net changes in trade and other accounts receivable, inventory and accounts payable
- Free cash flow – Net cash provided by operating activities less net change in finance receivables and capital expenditures
- Free cash flow from operations – Net cash provided by operating activities, exclusive of financial services, less capital expenditures
- Free cash flow from financial services – Net cash provided by financial services operating activities less net change in finance receivables and less capital expenditures

Balance Sheet

($ in millions - unaudited)	**July 2, 2011**	**January 1, 2011**
Trade & Other Accounts Receivable - net	$ 452.2	$ 443.3
Days Sales Outstanding	59	61
Finance Receivables - net	$ 648.9	$ 561.0
Contract Receivables - net	$ 188.6	$ 164.9
Inventory - net	$ 392.2	$ 329.4
Inventory turns - TTM	4.3	4.7
Cash	$ 418.2	$ 572.2
Debt - Operations	$ 522.3	$ 634.8
Debt - Financial Services	$ 648.2	$ 536.0
Total debt	$ 1,170.5	$ 1,170.8
Net debt	$ 752.3	$ 598.6
Net debt to capital ratio	32.4 %	30.1 %

- Increased inventory levels primarily to support higher customer demand and mitigate supply chain disruption
  - Currency translation contributed $12.9 million of the $62.8 million increase

Non-GAAP Financial Measures – 2nd Quarter

($ in millions, except per share data - unaudited)	2011		2010		Change
	$	% of Total revenues	$	% of Total revenues	
Net sales	$ 726.7		$ 647.6		12.2 %
Financial services revenue	30.3		13.9		
Total revenues	$ 757.0		$ 661.5		14.4 %
Operating earnings					
As reported	$ 134.3	17.7 %	$ 80.7	12.2 %	66.4 %
Less: Arbitration settlement gain	(18.0)				
Excluding arbitration settlement gain	$ 116.3	15.4 %	$ 80.7	12.2 %	44.1 %
Arbitration settlement gain					
As reported	$ 18.0				
Income tax expense	(6.9)				
Arbitration settlement gain, net of tax	$ 11.1				
Diluted EPS – Arbitration settlement gain	$ 0.19				
Net earnings attributable to Snap-on Inc.					
As reported	$ 78.0	10.3 %	$ 45.3	6.8 %	72.2 %
Less: Arbitration settlement gain, net of tax	(11.1)				
Excluding arbitration settlement gain	$ 66.9	8.8 %	$ 45.3	6.8 %	47.7 %
Diluted EPS					
As reported	$ 1.33		$ 0.78		70.5 %
Less: Diluted EPS - Arbitration settlement gain	(0.19)				
Excluding arbitration settlement gain	$ 1.14		$ 0.78		46.2 %