Quarterly Financial Review

First Quarter 2008

April 22, 2008

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- These slides should be read in conjunction with comments from a conference call held on April 22, 2008. The financial statement information included herein is unaudited.

- Statements made during the April 22, 2008, 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. Statements made that (i) are in the future tense; (ii) include the words "expects," "plans," "targets," "estimates," "believes," "anticipates," or similar words that reference Snap-on or its management; (iii) are specifically identified as forward-looking; or (iv) describe Snap-on's or management's future outlook, plans, estimates, objectives or goals, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The company's actual results may differ materially from those described or contemplated in the forward-looking statements. Factors that may cause the company's actual results to differ materially from those contained in the forward-looking statements include those found in the company's reports filed with the Securities and Exchange Commission, including the information under the "Safe Harbor" and "Risk Factors" headings in its Annual Report on Form 10-K for the fiscal year ended December 29, 2007, which are incorporated herein by reference. Snap-on disclaims any responsibility to update any forward-looking statement provided during the April 22, 2008, conference call and/or included in this presentation, except as required by law.

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

President and Chief Executive Officer

April 22, 2008

Operating Performance

- **Operating earnings up 36%, or $25 million**
  - » EPS from continuing operations of $0.97; compares to $0.64 last year
  - » Financial Services up $9 million
  - » Execution of strategic initiatives providing growth opportunities and profitability improvement despite turbulent environment

Operating Performance

- **Continued progress in executing strategic initiatives**
  - » North American hand and power tools sales strong on continued demand and product innovation
  - » 44% of first quarter sales outside of the United States
  - » 17% organic sales growth in Worldwide industrial business
    - Aviation, natural resources, and power generation
  - » Emerging-market growth
    - Completed acquisition of Wanda Snap-on; provides extensive capacity for Asia-based, high quality hot-forged hand tools
    - Adding tool storage manufacturing capability in Kunshan, China

Operating Performance

- **Innovation**
  - » Area of focus for all businesses; continuing at a rapid pace
  - » Advancements in metallurgy, ergonomics, technology and processes
  - » Stimulating demand, capturing share
  - » MG725 pneumatic impact wrench
  - » Frost and Sullivan survey (North America)
    - Snap-on power tools are the top choice of automotive technicians
    - Over 40% of technicians prefer the Snap-on brand

Operating Performance

- **Commercial & Industrial**
  - » Organic sales growth 3.4%
  - » Worldwide industrial and Asia/Pacific growth partially offset by lower sales of BAHCO™ product in southern Europe
  - » Segment earnings increased 36%
    - Primarily increased volume and cost reduction; partially offset by higher investment spending in emerging-growth markets and lower-cost regions

Operating Performance

- **Snap-on Tools**
  - Difficult sales comparison vs. 1st quarter 2007 van fill for mid-tier line
  - U.S. van count down 1.4% year over year, but up slightly over fourth-quarter 2007 levels
  - Economic headwinds in U.S. challenging sales of large-ticket items
  - Making progress in company van and other initiatives to fill open routes
  - Franchisee terminations and costs are down; complete and on-time deliveries continue to improve
  - Reduced regional sales offices from 13 to nine

- **Diagnostics and Information**
  - OEM sales down $19.5 million due to timing of programs
  - Sales of software and information-based products up 5%

Operating Performance

- **Rapid Continuous Improvement (RCI)**
  - » RCI increasing our manufacturing flexibility
  - » Providing offset to headwinds of rising commodity prices and cost inflation

- **Solid margin expansion**
  - » Operating margin of 12.5% up 290 basis points
  - » Operating margin up 190 basis points without Financial Services

Marty Ellen

Senior Vice President and Chief Financial Officer

April 22, 2008

Consolidated Results – 1st Quarter

($ in millions, except per share data - unaudited)	2008		2007		Change
	$	%	$	%	
Net sales	$ 721.6		$ 705.7		2.3 %
Gross profit	$ 325.9	45.2 %	$ 309.9	43.9 %	5.2 %
Operating expenses	245.5	34.0 %	244.9	34.7 %	0.2 %
Financial services revenue	25.4		13.4		89.6 %
Financial services operating earnings	12.8		3.7		245.9 %
Operating earnings	93.2	12.5 %	68.7	9.6 %	35.7 %
Interest expense	9.5		11.3		(15.9)%
Net earnings from continuing operations	56.6		38.0		48.9 %
Diluted EPS, continuing operations	$ 0.97		$ 0.64		51.6 %
Net earnings	56.6		39.0		45.1 %
Diluted EPS	$ 0.97		$ 0.66		47.0 %

- Sales – Total growth 2.3%;currency translation 4.7% ($33.2 million)
  - $19.5 million of lower OEM sales due to the timing of essential tool and facilitation programs

- Gross profit improved 130 basis points from 43.9% in 2007 to 45.2% in 2008
  - More favorable sales mix (80 basis points); lower restructuring costs (50 basis points)
  - Rapid Continuous Improvement (RCI) initiatives offset cost inflation

- Operating expenses improved 70 basis points to 34% of net sales
  - Increase includes $8.6 million of currency translation and $2.4 million of increased spending to further expand the company’s presence in emerging growth markets and lower-cost regions
  - Increase offset by $6.3 million of savings from RCI initiatives and $4.6 million of lower franchisee termination costs

Commercial & Industrial – 1st Quarter

($ in millions - unaudited)	**2008**	**2007**	**Change**
Segment sales	$ 356.7	$ 321.8	10.8 %
➢ Organic sales	10.9		3.4 %
➢ Currency translation	24.0		7.4 %
Gross profit	$ 132.9	$ 113.6	17.0 %
% of sales	37.3 %	35.3 %	
Operating expenses	$ 94.7	$ 85.5	10.8 %
% of sales	26.6 %	26.6 %	
Operating earnings	$ 38.2	$ 28.1	35.9 %
% of sales	10.7 %	8.7 %	

- Sales increased $34.9 million or 10.8%; increased 3.4% excluding currency
  - Higher sales of tools to industrial customers, continued strong growth in emerging markets, and increased sales of power tools; partially offset by lower sales of professional tools in southern Europe
- Gross profit margin improved 200 basis points
  - Benefits from higher sales and improved mix
  - 180 basis point improvement from lower restructuring and contributions from RCI, partially offset by higher material costs
- Operating expenses increased $9.2 million year over year; expense to sales ratio of 26.6% in both years
  - Includes $5.9 million of currency translation, $2.4 million of increased growth spending, higher volume-related and other expenses of $2.4 million
  - Expense increase partially offset by savings from RCI and cost reduction initiatives of $1.8 million

Snap-on Tools – 1st Quarter

($ in millions - unaudited)	**2008**	**2007**	**Change**
Segment sales	$ 289.3	$ 288.5	0.3 %
➢ Organic sales	(6.7)		(2.3)%
➢ Currency translation	7.5		2.6 %
Gross profit	$ 125.3	$ 125.2	0.1 %
% of sales	43.3 %	43.4 %	
Operating expenses	$ 90.9	$ 95.9	(5.2)%
% of sales	31.4 %	33.2 %	
Operating earnings	$ 34.4	$ 29.3	17.4 %
% of sales	11.9 %	10.2 %	

- Sales up $0.8 million or 0.3%
  - Increased organic sales in Japan and the United Kingdom contributed 0.5%
  - Lower sales to North American franchisees; sales to U.S. franchisees declined 3.1%
    - U.S. van count down 1.4% year over year; up slightly from fourth-quarter 2007 levels
    - Lapping year-ago van fill for mid-tier product line introduction
    - Lower demand for big-ticket tool storage and equipment; mostly offset by purchases of hand tools

- Gross profit relatively flat compared to last year
  - Benefits from lower LIFO-related inventory costs were offset by less favorable sales mix
  - Cost improvements from RCI more than offset $1.7 million of higher manufacturing costs

- Operating expenses improved 180 basis points from 33.2% to 31.4%
  - Principally due to lower franchisee termination costs of $4.6 million

Diagnostics & Information – 1st Quarter

($ in millions - unaudited)	**2008**	**2007**	**Change**
Segment sales	$ 155.0	$ 163.8	(5.4)%
➢Organic sales	(11.5)		(7.0)%
➢Currency translation	2.7		1.6 %
Gross profit	$ 67.7	$ 71.1	(4.8)%
% of sales	43.7 %	43.4 %	
Operating expenses	$ 47.3	$ 50.5	(6.3)%
% of sales	30.5 %	30.8 %	
Operating earnings	$ 20.4	$ 20.6	(1.0)%
% of sales	13.2 %	12.6 %	

- Sales down $8.8 million or 5.4%
  - Lower OEM sales of $19.5 million due principally to the timing of programs
  - Reductions partially offset by higher sales of diagnostics and information products

- Gross profit down $3.4 million; improved 30 basis points from 2007
  - Reduction in gross profit dollars due to lower sales and $1.2 million of higher restructuring costs
  - Improvement in gross margin rate from favorable sales mix of higher margin, value-added software products

- Operating expenses down $3.2 million
  - Savings from efficiency and productivity initiatives of $4.5 million
  - Partially offset by unfavorable currency translation of $0.9 million and higher restructuring costs of $0.3 million

Financial Services – 1st Quarter

($ in millions - unaudited)	**2008**	**2007**	**Change**
Segment revenues	$ 25.4	$ 13.4	89.6 %
Operating earnings	$ 12.8	$ 3.7	245.9 %
Originations	$139.7	$132.4	5.5 %

- Operating earnings improvement due to U.S. credit business
- Lower market interest rates – discount rate on extended credit (EC) contracts down 290 basis points

Balance Sheet

($ in millions - unaudited)	**March 2008**	**December 2007**	**Change**
Accounts Receivable	$ 620.3	$ 586.9	5.7 %
Days Sales Outstanding	76	73	
Inventory	$ 351.7	$ 322.4	9.1 %
Inventory turns	4.6	4.9	
Debt	$ 523.2	$ 517.9	1.0 %
Cash	$ 114.3	$ 93.0	22.9 %
Net debt	$ 408.9	$ 424.9	(3.8)%
Net debt to total capital ratio	22.8 %	24.9 %	

- Accounts receivable up $33.4 million, includes $16.2 million from currency translation
  - DSO increase due to a shift in business sales mix to a higher concentration of sales and accounts receivable outside the United States
- Inventory up $29.3 million from 2007 year end; includes $14.0 million from currency translation
  - Includes higher inventories in Worldwide industrial and Asia/Pacific businesses to support continued sales growth

Cash Flow

($ in millions - unaudited)	1st Quarter 2008	1st Quarter 2007
Net cash provided by operating activities	$ 74.4	$ 27.0
Net cash due to:		
➢ Net earnings	56.6	39.0
➢ Depreciation and amortization	17.7	16.5
➢ Changes in deferred income taxes	15.3	(3.2)
➢ Changes in operating assets and liabilities	(15.9)	(26.9)
Capital expenditures	$ (15.4)	$ (13.3)
Free cash flow	$ 59.0	$ 13.7
Acquisition of business	$ (13.4)	$ 0.0
Increase (decrease) in debt, net	$ (2.0)	$ 13.0
Shareholder distributions, net	$ (27.1)	$ (33.3)
Increase (decrease) in cash	$ 21.3	$ (2.1)

- Free cash flow – Net cash provided by operating activities less capital expenditures
- Capital expenditures in 2008 of $15.4 million; up $2.1 million from 2007
- Acquisition of 60% interest in Chinese hand tool manufacturer in 2008 of $13.4 million
- Shareholder distributions, net
  - Repurchased 410,000 shares in the quarter for $20.8 million
  - Cash dividends paid of $17.5 million in the quarter

2008 Outlook

- »Continue investments in global growth initiatives
- »Continue implementing strategic and RCI initiatives to further enable growth and profitability
- »Expect 2008 restructuring costs to be in the range of $15 million - $20 million
- »Expect capital expenditures of $55 million - $60 million
- »Effective income tax rate in 2008 to approximate 33.4%

Anticipate year-over-year operating and earnings improvements