Quarterly Financial Review

Third Quarter 2012

October 18, 2012

Cautionary Statement

- These slides should be read in conjunction with comments from a conference call held on October 18, 2012. The financial statement information included herein is unaudited.

- Statements made during the October 18, 2012 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 October 18, 2012 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

Chairman and Chief Executive Officer

October 18, 2012

Aldo Pagliari

Senior Vice President and Chief Financial Officer

October 18, 2012

Consolidated Results – 3rd Quarter

($ in millions, except per share data - unaudited)	2012		2011		Change
	$	%	$	%	
Net sales ➢ Organic sales ➢ Currency translation	$ 711.6 31.0 (16.6)		$ 697.2		2.1 % 4.6 % (2.5)%
Gross profit Operating expenses	$ 340.4 244.2	47.8 % 34.3 %	$ 329.3 235.0	47.2 % 33.7 %	
Operating earnings before financial services	$ 96.2	13.5 %	$ 94.3	13.5 %	2.0 %
Financial services revenue Financial services operating earnings	$ 40.5 27.9		$ 32.7 20.8		
Operating earnings	$ 124.1	16.5 %	$ 115.1	15.8 %	7.8 %
Net earnings Diluted EPS	$ 74.1 $ 1.26		$ 67.8 $ 1.16		9.3 % 8.6 %

- Organic sales (excluding $16.6 million of unfavorable currency) up 4.6%
- Gross margin of 47.8% improved 60 basis points (bps) primarily reflecting savings from ongoing Rapid Continuous Improvement (“RCI”) initiatives
- Operating expense margin increased 60 bps to 34.3%, primarily due to $12.2 million, or 170 bps, of higher mark-to-market expense
- Financial services operating earnings up $7.1 million reflecting ongoing portfolio growth
- Operating earnings increased $9.0 million and operating margin improved 70 bps to 16.5%

Commercial & Industrial – 3rd Quarter

($ in millions - unaudited)	**2012**	**2011**	**Change**
Segment sales	$ 280.4	$ 278.3	0.8 %
➢ Organic sales	10.9		4.0 %
➢ Currency translation	(8.8)		(3.2)%
Gross profit	$ 103.7	$ 102.8	
% of sales	37.0 %	36.9 %	
Operating expenses	$ 70.3	$ 73.2	
% of sales	25.1 %	26.3 %	
Operating earnings	$ 33.4	$ 29.6	12.8 %
% of sales	11.9 %	10.6 %	

- Organic sales up $10.9 million or 4.0%
    - Sales increases in the businesses serving customers in critical industries and in the emerging markets of Asia, coupled with higher sales of power tools. These increases were partially offset by lower organic sales in the segment's European-based hand tools business, particularly in southern Europe
- Gross profit of $103.7 million increased $0.9 million and gross margin improved 10 bps to 37.0%
- Operating expenses improved 120 bps to 25.1%, primarily due to benefits from sales volume leverage
- Operating earnings of $33.4 million increased 12.8%; operating margin of 11.9% improved 130 bps

Snap-on Tools – 3rd Quarter

($ in millions - unaudited)	**2012**	**2011**	**Change**
Segment sales	$ 308.8	$ 279.6	10.4 %
➢ Organic sales	30.8		11.1 %
➢ Currency translation	(1.6)		(0.7)%
Gross profit	$ 131.3	$ 125.2	
% of sales	42.5 %	44.8 %	
Operating expenses	$ 91.1	$ 89.6	
% of sales	29.5 %	32.1 %	
Operating earnings	$ 40.2	$ 35.6	12.9 %
% of sales	13.0 %	12.7 %	

- Organic sales up $30.8 million, or 11.1%, reflecting increases across both the U.S. and international franchise operations
- Gross profit of $131.3 million up $6.1 million from 2011; gross margin of 42.5% compares to 44.8% last year
  - Increased promotional programs associated with the sales gains, including expanded participation at the August 2012 annual Snap-on Franchisee Conference
- Operating expense margin improved 260 bps to 29.5%, primarily due to benefits from sales volume leverage
- Operating earnings of $40.2 million up $4.6 million or 12.9%; operating margin of 13.0% up 30 bps

Repair Systems & Information – 3rd Quarter

($ in millions - unaudited)	**2012**	**2011**	**Change**
Segment sales	$ 222.0	$ 222.6	(0.3)%
➢ Organic sales	5.9		2.7 %
➢ Currency translation	(6.5)		(3.0)%
Gross profit	$ 105.4	$ 101.3	
% of sales	47.5 %	45.5 %	
Operating expenses	$ 55.9	$ 57.6	
% of sales	25.2 %	25.9 %	
Operating earnings	$ 49.5	$ 43.7	13.3 %
% of sales	22.3 %	19.6 %	

- Organic sales up $5.9 million or 2.7%
    - Increased sales of diagnostics and repair information products and worldwide sales of equipment products, partially offset by lower sales to OEM dealerships, particularly in Europe
- Gross profit increased $4.1 million and gross margin of 47.5% improved 200 bps
    - More favorable sales mix that included higher sales of diagnostics and repair information products and savings from ongoing RCI initiatives
- Operating expense margin improved 70 bps primarily due to sales volume leverage and contributions from RCI initiatives
- Operating earnings of $49.5 million increased $5.8 million, or 13.3%, and operating margin of 22.3% improved 270 bps from 19.6% last year

Financial Services – 3rd Quarter

($ in millions - unaudited)	**2012**	**2011**
Segment revenue	$ 40.5	$ 32.7
Operating earnings	$ 27.9	$ 20.8
Originations	$ 179.6	$ 152.6

- Operating earnings up $7.1 million primarily due to continued growth of the on-book finance portfolio
- Originations increased 17.7% year over year

Financial Services Portfolio Data

($ in millions - unaudited)	Snap-on Credit (United States)		International Finance Subsidiaries	
	Extended Credit	Total	Extended Credit	Total
Gross on-book finance portfolio	$ 714.0	$ 893.4	$ 108.9	$ 168.8
CIT receivables managed by SOC:				
September 2012	$ 16.0	$ 65.7		
December 2011	$ 43.5	$ 119.5		
Anticipated portfolio increase:				
Full year 2012	$ 95.0	$ 125.0		
On-book and managed portfolio net losses (TTM)	$ 15.0	$ 15.5	$ 1.2	$ 1.7
60+ Delinquency:				
As of 9/30/12	1.4 %	1.1 %	0.8 %	0.9 %
As of 6/30/12	1.2 %	1.0 %	0.8 %	0.8 %
As of 3/31/12	1.2 %	1.0 %	0.8 %	0.8 %
As of 12/31/11	1.4 %	1.2 %	0.7 %	0.7 %

Gross on-book finance portfolio of $1,062.2 million compares to $934.7 million as of 2011 year end.

• TTM – Trailing twelve months

Cash Flow

($ in millions - unaudited)	3rd Quarter		September YTD	
	2012	2011	2012	2011
Net cash provided by operating activities	**$ 69.7**	**$ 42.0**	**$ 226.4**	**$ 56.2**
Net cash provided (used) due to:				
➢ Net earnings	76.4	69.8	227.9	207.7
➢ Depreciation and amortization	19.0	18.8	57.2	55.4
➢ Changes in deferred income taxes	1.0	(4.8)	3.6	(9.2)
➢ Changes in working investment	(20.3)	(35.5)	(22.5)	(98.5)
➢ Changes in all other operating activities	(6.4)	(6.3)	(39.8)	(99.2)
Net increase in finance receivables	$ (28.0)	$ (35.9)	$ (97.2)	$ (126.8)
Capital expenditures	$ (19.7)	$ (13.3)	$ (59.5)	$ (46.6)
Free cash flow	$ 22.0	$ (7.2)	$ 69.7	$ (117.2)
Free cash flow from Operations	**$ 50.7**	**$ 35.0**	**$ 153.8**	**$ 119.6**
Free cash flow from Financial Services	**$ (28.7)**	**$ (42.2)**	**$ (84.1)**	**$ (236.8)**
Increase (decrease) in cash	$ 2.5	$ (232.5)	$ (9.5)	$ (386.5)

- Changes in working investment – 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)	September 29, 2012	December 31, 2011
Trade & Other Accounts Receivable - net	$ 476.9	$ 463.5
Days Sales Outstanding	59	58
Finance Receivables - net	$ 796.3	$ 709.0
Contract Receivables - net	$ 254.8	$ 214.8
Inventory - net	$ 417.5	$ 386.4
Inventory turns - TTM	3.8	4.2
Cash	$ 176.1	$ 185.6
Debt - Operations	$ 174.0	$ 273.8
Debt - Financial Services	$ 815.9	$ 710.3
Total debt	$ 989.9	$ 984.1
Net debt	$ 813.8	$ 798.5
Net debt to capital ratio	31.9 %	34.3 %

- Increased levels of finance and contract receivables reflect the continued growth of the company's on-book finance portfolio
- Increased inventory levels to support continued higher customer demand, largely in the United States