Quarterly Financial Review

Fourth Quarter 2010

February 3, 2011

Cautionary Statement

- These slides should be read in conjunction with comments from a conference call held on February 3, 2011. The financial statement information included herein is unaudited.

- Statements made during the February 3, 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. Statements made that (i) are in the future tense; (ii) include the words "expects," "anticipates," "intends," "approximates," "plans," "targets," "estimates," "believes," 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 January 2, 2010, which are incorporated herein by reference. Snap-on disclaims any responsibility to update any forward-looking statement provided during the February 3, 2011 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

February 3, 2011

Aldo Pagliari

Senior Vice President and Chief Financial Officer

February 3, 2011

Consolidated Results – 4th Quarter

($ in millions, except per share data - unaudited)	2010 $	2010 %	2009 $	2009 %	Change
Net sales	$ 696.9		$ 618.1		12.7 %
Gross profit	$ 318.5	45.7 %	$ 284.4	46.0 %	
Operating expenses	231.0	33.1 %	213.2	34.5 %	
Operating earnings before financial services	$ 87.5	12.6 %	$ 71.2	11.5 %	22.9 %
Financial services revenue	$ 21.5		$ 6.7		
Financial services operating earnings (loss)	9.4		(3.8)		
Operating earnings	$ 96.9	13.5 %	$ 67.4	10.8 %	43.8 %
Interest expense	$ 14.1		$ 14.7		
Net earnings	$ 57.9		$ 36.6		58.2 %
Diluted EPS	$ 0.99		$ 0.63		57.1 %

- Sales up 12.7%; organic sales (excluding $4.5 million of unfavorable currency) up 13.6%
- Gross profit increased $34.1 million
  - Higher sales, contributions from favorable manufacturing utilization, $3.6 million of savings from ongoing efficiency and productivity (collectively “Rapid Continuous Improvement” or “RCI”) initiatives and benefits from restructuring
  - Partially offset by $6.5 million of lower year-over-year LIFO-related inventory valuation benefits
- Operating expenses increased $17.8 million; improved 140 basis points (bps) year over year
  - Higher volume-related and other expenses; $4.1 million of higher pension, $3.8 million of higher performance-based incentive compensation expense and $1.7 million of higher stock-based (mark-to-market) expense
  - Partially offset by $4.9 million of lower bad debt expense, $2.5 million of benefits from ongoing RCI and restructuring initiatives, and $1.6 million of favorable currency effects
- Financial services operating earnings up $13.2 million year over year, reflecting growth in on-book finance portfolio
- Operating earnings increased $29.5 million year over year; as a percentage of sales, improved 270 bps from 2009 levels

Commercial & Industrial – 4th Quarter

($ in millions - unaudited)	2010	2009	Change
Segment sales	$ 281.5	$ 245.9	14.5 %
➢ Organic sales	37.5		15.4 %
➢ Currency translation	(1.9)		(0.9)%
Gross profit	$ 108.0	$ 84.1	
% of sales	38.4 %	34.2 %	
Operating expenses	$ 72.6	$ 67.3	
% of sales	25.8 %	27.4 %	
Operating earnings	$ 35.4	$ 16.8	110.7 %
% of sales	12.6 %	6.8 %	

- Organic sales up $37.5 million or 15.4%
  - Continued higher sales across all operating units, including those businesses serving customers in critical industries and emerging markets
- Gross profit up $23.9 million from 2009; gross margin improves 420 bps to 38.4%
  - Increase due to higher sales, $4.8 million of lower restructuring costs and $3.1 million of savings from ongoing RCI and restructuring initiatives
  - 2010 gross profit also benefited from improved manufacturing utilization, primarily in Europe, as a result of increased production levels
- Operating expenses up $5.3 million
  - Higher volume-related and other expenses
- Operating earnings up $18.6 million
  - As a percentage of sales, operating earnings improved 580 bps to 12.6% as compared to 6.8% last year

Snap-on Tools – 4th Quarter

($ in millions - unaudited)	**2010**	**2009**	**Change**
Segment sales	$ 268.2	$ 237.0	13.2 %
➢ Organic sales	30.5		12.8 %
➢ Currency translation	0.7		0.4 %
Gross profit	$ 107.2	$ 107.4	
% of sales	40.0 %	45.3 %	
Operating expenses	$ 81.4	$ 74.3	
% of sales	30.4 %	31.3 %	
Operating earnings (as reported)	$ 25.8	$ 33.1	(22.1)%
% of sales	9.6 %	14.0 %	
LIFO-related inventory valuation benefit	$ (0.2)	$ (6.7)	
Restructuring and restructuring-related expenses	4.6	0.1	
Operating earnings – as adjusted	$ 30.2	$ 26.5	14.0 %
% of sales	11.3 %	11.2 %	

- Organic sales up $30.5 million or 12.8%, including a 15.2% increase in U.S. sales
- Gross profit of $107.2 million or 40.0% of sales
  - Contributions from higher sales were more than offset by $6.5 million of lower LIFO-related inventory benefits and $4.6 million of higher restructuring costs
- Operating expenses increased $7.1 million primarily due to higher volume-related and other expenses
- Operating earnings of $25.8 million; adjusted for LIFO and restructuring impacts, operating margin was 11.3% in 2010 and 11.2% in 2009

Repair Systems & Information – 4th Quarter

($ in millions - unaudited)	**2010**	**2009**	**Change**
Segment sales	$ 231.8	$ 201.8	14.9 %
➢ Organic sales	33.3		16.8 %
➢ Currency translation	(3.3)		(1.9)%
Gross profit	$ 103.3	$ 92.9	
% of sales	44.6 %	46.0 %	
Operating expenses	$ 57.6	$ 57.9	
% of sales	24.9 %	28.7 %	
Operating earnings	$ 45.7	$ 35.0	30.6 %
% of sales	19.7 %	17.3 %	

- Organic sales up $33.3 million or 16.8%
  - Higher worldwide sales of equipment, diagnostics and Mitchell1 information products
  - Increased activity with automotive original equipment manufacturer ("OEM") dealerships
- Gross profit increased $10.4 million
  - Higher sales and favorable manufacturing utilization as a result of increased production levels
  - Gross margin of 44.6% declined 140 bps from 2009 levels primarily due to a shift in sales mix that included higher sales of lower-margin essential tool and facilitation program sales to OEM dealerships
- Operating expenses down $0.3 million; improved 380 bps from 2009 levels
  - Higher volume-related, product development and other expenses were more than offset by $3.6 million of lower bad debt expense, $2.2 million of savings from RCI and restructuring initiatives and $1.1 million of favorable currency
- Operating earnings margin of 19.7% improved 240 bps from 2009 levels

Financial Services – 4th Quarter

($ in millions - unaudited)	**2010**	**2009**
Segment revenue	$ 21.5	$ 6.7
Operating earnings (loss)	$ 9.4	$ (3.8)
Originations	$ 141.9	$ 132.0

- Operating earnings up $13.2 million year over year; improved sequentially by $4.4 million from third-quarter 2010 levels primarily due to continued growth in on-balance-sheet portfolio
- Originations increased 7.5% year over year
- New contracts originated by Snap-on Credit (SOC) are being financed by intersegment borrowings from Snap-on Inc. and cash generated from operations

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	$ 491.1	$ 592.0	$ 91.4	$ 141.3
CIT receivables managed by SOC:				
December 2010	$ 134.8	$ 259.8		
December 2009	$ 397.7	$ 590.3		
Anticipated net portfolio increase:				
Full year 2011	$ 100.0	$ 120.0		
On-book & managed portfolio net losses (TTM)	$ 19.4	$ 22.8	$ 1.3	$ 1.8
60+ Delinquency:				
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 %
As of 6/30/10	1.6 %	1.4 %	0.7 %	0.6 %
As of 3/31/10	2.0 %	1.6 %	0.8 %	0.7 %

- TTM – Trailing twelve months

Cash Flow

($ in millions - unaudited)	4th Quarter 2010	4th Quarter 2009	Full Year 2010	Full Year 2009
Net cash provided by operating activities	**$ 64.3**	**$ 96.7**	**$ 140.4**	**$ 347.1**
Net cash due to:				
➢ Net earnings	59.8	38.1	193.0	143.7
➢ Depreciation and amortization	18.2	19.2	72.7	74.6
➢ Changes in deferred income taxes	6.7	(10.2)	(18.0)	4.8
➢ Changes in working investment	(4.8)	1.9	(85.5)	143.7
➢ Changes in all other operating activities	(15.6)	47.7	(21.8)	(19.7)
Net increase in finance receivables	$ (49.0)	$ (70.3)	$ (252.4)	$ (183.5)
Capital expenditures	$ (28.3)	$ (16.1)	$ (51.1)	$ (64.4)
Free cash flow	$ (13.0)	$ 10.3	$ (163.1)	$ 99.2
Free cash flow from Operations	**$ 25.8**	**$ 110.0**	**$ 91.1**	**$ 290.3**
Free cash flow from Financial Services	**$ (38.8)**	**$ (99.7)**	**$ (254.2)**	**$ (191.1)**
Increase (decrease) in cash	$ 212.3	$ (9.6)	$ (127.2)	$ 583.6

- 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)	December 2010	December 2009
Trade & Other Accounts Receivable - net	$ 443.3	$ 414.4
Days Sales Outstanding	61	63
Finance Receivables - net	$ 561.0	$ 300.2
Contract Receivables - net	$ 164.9	$ 103.6
Inventory - net	$ 329.4	$ 274.7
Inventory turns - TTM	4.7	4.1
Cash	$ 572.2	$ 699.4
Debt - Operations	$ 634.8	$ 839.5
Debt - Financial Services	$ 536.0	$ 227.3
Total debt	$ 1,170.8	$1,066.8
Net debt	$ 598.6	$ 367.4
Net debt to capital ratio	30.1 %	22.2 %
Net debt to capital ratio - adjusted	33.7 %	25.8 %

- Issued $250 million of 4.25% long-term notes on December 14, 2010
- Repaid $150 million of long-term notes upon maturity on January 12, 2010
- “Net debt to capital ratio – adjusted” excludes funds withheld from CIT of $107.8 million at December 2010 and $81.5 million at December 2009