Quarterly Financial Review

Third Quarter 2011

October 20, 2011

Cautionary Statement

- These slides should be read in conjunction with comments from a conference call held on October 20, 2011. The financial statement information included herein is unaudited.

- Statements made during the October 20, 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 October 20, 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

October 20, 2011

Aldo Pagliari

Senior Vice President and Chief Financial Officer

October 20, 2011

Consolidated Results – 3rd Quarter

($ in millions, except per share data - unaudited)	2011		2010		Change
	$	**%**	**$**	**%**	
Net sales	$ 697.2		$ 653.1		6.8 %
Gross profit	$ 329.3	47.2 %	$ 301.2	46.1 %	
Operating expenses	235.0	33.7 %	222.4	34.0 %	
Operating earnings before financial services	$ 94.3	13.5 %	$ 78.8	12.1 %	19.7 %
Financial services revenue	$ 32.7		$ 17.2		
Financial services operating earnings	20.8		5.0		
Operating earnings	$ 115.1	15.8 %	$ 83.8	12.5 %	37.4 %
Interest expense	$ 15.1		$ 13.5		
Net earnings	$ 67.8		$ 46.5		45.8 %
Diluted EPS	$ 1.16		$ 0.80		45.0 %

- Sales up 6.8%; organic sales (excluding $19.6 million of favorable currency) up 3.6%
- Gross profit increased $28.1 million due to higher sales, $9.5 million of favorable currency, and continued savings from Rapid Continuous Improvement (“RCI”) and restructuring initiatives; as a percentage of sales, gross margin improved 110 basis points (bps) year over year
- Operating expenses up $12.6 million primarily due to increased volume-related and other expenses, $5.2 million of unfavorable currency effects, $3.1 million of expected higher pension expense and $2.6 million of performance-based incentive compensation
    - Third quarter 2011 benefited from $7.8 million of stock-based (mark-to-market) compensation adjustments as a result of a lower period-end Snap-on stock price
- Restructuring costs of $2.9 million in the quarter compared to $2.1 million last year
- Operating earnings increased $31.3 million, or 37.4%

Commercial & Industrial – 3rd Quarter

($ in millions - unaudited)	2011	2010	Change
Segment sales	$ 278.3	$ 261.0	6.6 %
➢ Organic sales	7.1		2.6 %
➢ Currency translation	10.2		4.0 %
Gross profit	$ 102.8	$ 96.2	
% of sales	36.9 %	36.8 %	
Operating expenses	$ 73.2	$ 65.6	
% of sales	26.3 %	25.1 %	
Operating earnings	$ 29.6	$ 30.6	(3.3)%
% of sales	10.6 %	11.7 %	

- Organic sales up $7.1 million
  - Higher sales to a wide range of customers in emerging markets and critical industries were partially offset by expected lower sales to the military and ongoing weakness across Southern Europe
- Gross profit up $6.6 million
  - Increase due to higher sales, $2.9 million of favorable currency effects and $1.2 million of lower restructuring costs
- Operating expenses up $7.6 million
  - Higher volume-related expenses, $2.7 million of unfavorable currency effects and $1.8 million of higher restructuring costs
- Operating earnings down $1.0 million, or 3.3%, largely due to overall higher restructuring costs

Snap-on Tools – 3rd Quarter

($ in millions - unaudited)	**2011**	**2010**	**Change**
Segment sales	$ 279.6	$ 258.7	8.1 %
➢ Organic sales	15.9		6.0 %
➢ Currency translation	5.0		2.1 %
Gross profit	$ 125.2	$ 107.7	
% of sales	44.8 %	41.6 %	
Operating expenses	$ 89.6	$ 79.5	
% of sales	32.1 %	30.7 %	
Operating earnings	$ 35.6	$ 28.2	26.2 %
% of sales	12.7 %	10.9 %	

- Organic sales up $15.9 million, or 6.0%, primarily due to continued higher sales in the United States
- Gross profit of $125.2 million, or 44.8% of sales, improved 320 basis points from 41.6% in 2010
  - Contributions from higher sales, favorable manufacturing utilization and $4.8 million of favorable currency effects
- Operating expenses increased $10.1 million
  - Higher volume-related and other expenses, including higher costs from increased participation at the annual Snap-on Franchisee conference, and $1.1 million of unfavorable currency effects
- Operating earnings of $35.6 million up $7.4 million, or 26.2%; as a percentage of sales, improved 180 bps year over year to 12.7%

Repair Systems & Information – 3rd Quarter

($ in millions - unaudited)	**2011**	**2010**	**Change**
Segment sales	$ 222.6	$ 207.4	7.3 %
➢ Organic sales	10.0		4.7 %
➢ Currency translation	5.2		2.6 %
Gross profit	$ 101.3	$ 97.3	
% of sales	45.5 %	46.9 %	
Operating expenses	$ 57.6	$ 55.6	
% of sales	25.9 %	26.8 %	
Operating earnings	$ 43.7	$ 41.7	4.8 %
% of sales	19.6 %	20.1 %	

- Organic sales up $10.0 million, or 4.7%, reflecting continued higher sales to repair shop owners and managers
- Gross profit increased $4.0 million
  - Higher sales and $1.8 million of favorable currency effects
  - Gross margin decline of 140 bps due to a shift in sales mix that included higher essential tool and facilitation program sales to OEM dealerships
- Operating expenses up $2.0 million; improved 90 bps from 2010 levels
  - Higher volume-related expenses and $1.4 million of unfavorable currency effects
  - Partially offset by savings from ongoing RCI initiatives
- Operating earnings of $43.7 million up $2.0 million, or 4.8%

Financial Services – 3rd Quarter

($ in millions - unaudited)	**2011**	**2010**
Segment revenue	$ 32.7	$ 17.2
Operating earnings	$ 20.8	$ 5.0
Originations	$ 152.6	$ 142.4

- Operating earnings up $15.8 million year over year primarily due to continued growth of the on-book finance portfolio
- Sequentially, operating earnings of $20.8 million in the quarter improved $3.3 million (excluding the arbitration settlement gain) over second quarter 2011 levels
- Originations increased 7.2% 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	$ 608.8	$ 750.6	$ 92.4	$ 145.0
CIT receivables managed by SOC:				
September 2011	$ 58.7	$ 144.9		
December 2010	$ 134.8	$ 259.8		
Anticipated portfolio increase:				
Full year 2011	$ 130.0	$ 180.0		
On-book & managed portfolio net losses (TTM)	$ 15.6	$ 17.7	$ 1.0	$ 1.4
60+ Delinquency:				
As of 9/30/11	1.4 %	1.1 %	0.7 %	0.8 %
As of 6/30/11	1.3 %	1.0 %	0.7 %	0.6 %
As of 3/31/11	1.4 %	1.1 %	0.7 %	0.7 %
As of 12/31/10	1.6 %	1.2 %	0.5 %	0.4 %

- TTM – Trailing twelve months

Cash Flow

($ in millions - unaudited)	3rd Quarter		Year to Date	
	2011	2010	2011	2010
Net cash provided (used) by operating activities	**$ 42.0**	**$ 10.2**	**$ 56.2**	**$ 76.1**
Net cash due to:				
➢ Net earnings	69.8	48.3	207.7	133.2
➢ Depreciation and amortization	18.8	18.0	55.4	54.5
➢ Changes in deferred income taxes	(4.8)	(7.7)	(9.2)	(24.7)
➢ Changes in working investment	(35.5)	(35.2)	(98.5)	(80.8)
➢ Changes in all other operating activities	(6.3)	(13.2)	(99.2)	(6.1)
Net increase in finance receivables	$ (35.9)	$ (65.4)	$ (126.8)	$ (203.4)
Capital expenditures	$ (13.3)	$ (10.5)	$ (46.6)	$ (22.8)
Free cash flow	$ (7.2)	$ (65.7)	$ (117.2)	$ (150.1)
Free cash flow from Operations	**$ 35.0**	**$ 13.7**	**$ 119.6**	**$ 65.3**
Free cash flow from Financial Services	**$ (42.2)**	**$ (79.4)**	**$ (236.8)**	**$ (215.4)**
Decrease in cash *	$ (232.5)	$ (70.9)	$ (386.5)	$ (339.5)

- 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

* Third quarter and year-to-date 2011 includes repayment of $200 million of long-term notes upon maturity; Year-to-date 2010 includes repayment of $150 million of long-term notes upon maturity

Balance Sheet

($ in millions - unaudited)	**October 1, 2011**	**January 1, 2011**
Trade & Other Accounts Receivable - net	$ 449.6	$ 443.3
Days Sales Outstanding	58	61
Finance Receivables - net	$ 678.3	$ 561.0
Contract Receivables - net	$ 206.1	$ 164.9
Inventory - net	$ 399.7	$ 329.4
Inventory turns - TTM	4.1	4.7
Cash	$ 185.7	$ 572.2
Debt - Operations	$ 303.5	$ 634.8
Debt - Financial Services	$ 678.4	$ 536.0
Total debt	$ 981.9	$ 1,170.8
Net debt	$ 796.2	$ 598.6
Net debt to capital ratio	33.8 %	30.1 %

- Increased inventory levels primarily to support higher customer demand and seasonal builds, mitigate potential supply chain disruption and improve customer service levels
- The October 1, 2011 Balance Sheet reflects the August repayment of $200 million of long-term notes upon maturity