Quarterly Financial Review

Fourth Quarter 2012

February 7, 2013

Cautionary Statement

- These slides should be read in conjunction with comments from a conference call held on February 7, 2013. The financial statement information included herein is unaudited.

- Statements made during the February 7, 2013 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 February 7, 2013 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 full year, non-GAAP financial measures; management believes that these non-GAAP financial measures provide a more meaningful comparison of Snap-on's year-over-year operating performance. A reconciliation of the full year, non-GAAP financial measures to the most comparable GAAP financial measures is included as part of this presentation.

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 7, 2013

Aldo Pagliari

Senior Vice President and Chief Financial Officer

February 7, 2013

Consolidated Results – 4th Quarter

($ in millions, except per share data - unaudited)	2012		2011		Change
	$	%	$	%	
Net sales	$ 753.2		$ 736.6		2.3 %
➢ Organic sales	18.5				2.5 %
➢ Currency translation	(1.9)				(0.2)%
Gross profit	$ 352.0	46.7 %	$ 335.8	45.6 %	
Operating expenses	240.6	31.9 %	232.0	31.5 %	
Operating earnings before financial services	$ 111.4	14.8 %	$ 103.8	14.1 %	7.3 %
Financial services revenue	$ 42.9		$ 35.5		20.8 %
Financial services operating earnings	29.3		22.1		32.6 %
Operating earnings	$ 140.7	17.7 %	$ 125.9	16.3 %	11.8 %
Net earnings	$ 84.6		$ 74.3		13.9 %
Diluted EPS	$ 1.43		$ 1.27		12.6 %

- Organic sales (excluding $1.9 million of unfavorable currency) up 2.5%
- Gross margin of 46.7% improved 110 basis points (bps) primarily reflecting savings from ongoing Rapid Continuous Improvement (“RCI”) initiatives and lower restructuring costs
- Operating expenses up $8.6 million primarily due to higher volume-related and other expenses
- Operating earnings before financial services increased $7.6 million and operating margin improved 70 bps to 14.8%
- Financial services operating earnings of $29.3 million up $7.2 million, or 32.6%, reflecting ongoing portfolio growth
- Operating earnings increased $14.8 million and operating margin improved 140 bps to 17.7%

Commercial & Industrial – 4th Quarter

($ in millions - unaudited)	**2012**	**2011**	**Change**
Segment sales	$ 275.6	$ 295.4	(6.7)%
➢ Organic sales	(18.1)		(6.2)%
➢ Currency translation	(1.7)		(0.5)%
Gross profit	$ 105.0	$ 106.4	
% of sales	38.1 %	36.0 %	
Operating expenses	$ 73.1	$ 73.4	
% of sales	26.5 %	24.8 %	
Operating earnings	$ 31.9	$ 33.0	(3.3)%
% of sales	11.6 %	11.2 %	

- Organic sales down $18.1 million or 6.2%
  - Lower sales to the military and in the segment's European-based hand tools business, partially offset by sales gains in other critical industries and the emerging markets of Asia
- Gross margin improved 210 bps to 38.1% primarily due to lower restructuring costs and savings from ongoing RCI initiatives
- Operating expense margin of 26.5% increased 170 bps from 2011 levels primarily as a result of the lower sales
- Operating earnings of $31.9 million decreased 3.3%; operating margin of 11.6% improved 40 bps

Snap-on Tools – 4th Quarter

($ in millions - unaudited)	**2012**	**2011**	**Change**
Segment sales	$ 321.6	$ 292.8	9.8 %
➢ Organic sales	27.4		9.3 %
➢ Currency translation	1.4		0.5 %
Gross profit	$ 135.8	$ 123.9	
% of sales	42.2 %	42.3 %	
Operating expenses	$ 90.2	$ 84.3	
% of sales	28.0 %	28.8 %	
Operating earnings	$ 45.6	$ 39.6	15.2 %
% of sales	14.2 %	13.5 %	

- Organic sales up $27.4 million, or 9.3%, reflecting increases across both the U.S. and international franchise operations
- Gross profit of $135.8 million up $11.9 million from 2011; gross margin of 42.2% compares to 42.3% last year
- Operating expenses increased $5.9 million primarily due to higher volume-related and other expenses; operating expense margin of 28.0% improved 80 bps, primarily due to benefits from sales volume leverage
- Operating earnings of $45.6 million up $6.0 million or 15.2%; operating margin of 14.2% up 70 bps

Repair Systems & Information – 4th Quarter

($ in millions - unaudited)	**2012**	**2011**	**Change**
Segment sales	$ 241.6	$ 236.5	2.2 %
➢ Organic sales	6.7		2.9 %
➢ Currency translation	(1.6)		(0.7)%
Gross profit	$ 111.2	$ 105.5	
% of sales	46.0 %	44.6 %	
Operating expenses	$ 55.8	$ 56.3	
% of sales	23.1 %	23.8 %	
Operating earnings	$ 55.4	$ 49.2	12.6 %
% of sales	22.9 %	20.8 %	

- Organic sales up $6.7 million or 2.9%
  - Increased sales of diagnostics and repair information products to repair shop owners and managers and higher sales to OEM dealerships
- Gross profit increased $5.7 million and gross margin of 46.0% improved 140 bps primarily due to savings from ongoing RCI initiatives and lower restructuring costs
- Operating expense margin improved 70 bps, to 23.1%, primarily due to benefits from sales volume leverage and contributions from RCI initiatives
- Operating earnings of $55.4 million increased $6.2 million, or 12.6%, and operating margin of 22.9% improved 210 bps from 20.8% last year

Financial Services – 4th Quarter

($ in millions - unaudited)	**2012**	**2011**
Segment revenue	$ 42.9	$ 35.5
Operating earnings	$ 29.3	$ 22.1
Originations	$ 165.6	$ 154.8

- Operating earnings up $7.2 million, or 32.6%, primarily due to continued growth of the on-book finance portfolio
- Originations increased 7.0% 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	$ 731.1	$ 912.7	$ 113.2	$ 171.6
CIT receivables managed by SOC:				
December 2012	$ 11.5	$ 53.8		
December 2011	$ 43.5	$ 119.5		
On-book and managed portfolio net losses (TTM)	$ 15.6	$ 16.6	$ 1.2	$ 1.7
60+ Delinquency:				
As of 12/31/12	1.5 %	1.2 %	0.6 %	0.8 %
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 %

- Gross on-book finance portfolio of $1,084.3 million compares to $934.7 million as of 2011 year end
- Anticipated total gross on-book portfolio increase in 2013 of $80 - 90 million
- TTM – Trailing twelve months

Cash Flow

($ in millions - unaudited)	4th Quarter 2012	4th Quarter 2011	Full Year 2012	Full Year 2011
Net cash provided by operating activities	**$ 102.9**	**$ 72.3**	**$ 329.3**	**$ 128.5**
Net cash provided (used) due to:				
➢ Net earnings	86.7	76.1	314.6	283.8
➢ Depreciation and amortization	19.5	19.2	76.7	74.6
➢ Changes in deferred income taxes	25.7	14.3	29.3	5.1
➢ Changes in working investment	(17.7)	(20.7)	(40.2)	(119.2)
➢ Changes in all other operating activities	(11.3)	(16.6)	(51.1)	(115.8)
Net increase in finance receivables	$ (26.9)	$ (35.4)	$ (124.1)	$ (162.2)
Capital expenditures	$ (19.9)	$ (14.6)	$ (79.4)	$ (61.2)
Free cash flow	$ 56.1	$ 22.3	$ 125.8	$ (94.9)
Free cash flow from Operations	**$ 60.3**	**$ 58.3**	**$ 214.1**	**$ 177.9**
Free cash flow from Financial Services	**$ (4.2)**	**$ (36.0)**	**$ (88.3)**	**$ (272.8)**
Increase (decrease) in cash	$ 38.4	$ (0.1)	$ 28.9	$ (386.6)

- 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
- In August 2011, Snap-on repaid $200 million of debt upon maturity with available cash

Balance Sheet (at year end)

($ in millions - unaudited)	**2012**	**2011**
Trade & Other Accounts Receivable - net	$ 497.9	$ 463.5
Days Sales Outstanding	61	58
Finance Receivables - net	$ 817.7	$ 709.0
Contract Receivables - net	$ 257.1	$ 214.8
Inventory - net	$ 404.2	$ 386.4
Inventory turns - TTM	3.9	4.2
Cash	$ 214.5	$ 185.6
Debt - Operations	$ 148.4	$ 273.8
Debt - Financial Services	$ 827.2	$ 710.3
Total debt	$ 975.6	$ 984.1
Net debt	$ 761.1	$ 798.5
Net debt to capital ratio	29.7 %	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

Appendix

Consolidated Results – Full Year

($ in millions, except per share data - unaudited)	2012		2011		Change
	$	%	$	%	
Net sales	$ 2,937.9		$ 2,854.2		2.9 %
➢ Organic sales	129.7				4.6 %
➢ Currency translation	(46.0)				(1.7)%
Gross profit	$ 1,390.0	47.3 %	$ 1,337.9	46.9 %	
Operating expenses	980.3	33.4 %	953.7	33.4 %	
Operating earnings before financial services	$ 409.7	13.9 %	$ 384.2	13.5 %	6.6 %
Financial services revenue	$ 161.3		$ 124.3		
Financial services operating earnings before arbitration settlement	106.7		72.9		
Financial services operating earnings	106.7		90.9		
Operating earnings excluding arbitration settlement	$ 516.4	16.7 %	$ 457.1	15.3 %	13.0 %
Operating earnings	516.4	16.7 %	475.1	16.0 %	8.7 %
Net earnings excluding arbitration settlement	$ 306.1		$ 265.2		15.4 %
Net earnings	306.1		276.3		10.8 %
Diluted EPS excluding arbitration settlement	$ 5.20		$ 4.52		15.0 %
Diluted EPS	5.20		4.71		10.4 %

- Organic sales (excluding $46.0 million of unfavorable currency) up 4.6%
- Gross margin of 47.3% improved 40 bps primarily reflecting savings from ongoing RCI initiatives partially offset by higher restructuring costs
- Operating expenses up $26.6 million primarily due to higher mark-to-market and other expenses
- Financial services operating earnings before arbitration settlement up $33.8 million, reflecting ongoing portfolio growth
- Operating earnings excluding arbitration settlement increased $59.3 million and operating margin improved 140 bps to 16.7%

Non-GAAP Financial Measures – Full Year

($ in millions, except per share data - unaudited)	2012 $	2012 % of Total Revenues	2011 $	2011 % of Total Revenues	Change
Net sales	$ 2,937.9		$ 2,854.2		2.9 %
Financial services revenue	161.3		124.3		
Total revenues	$ 3,099.2		$ 2,978.5		4.1 %
Operating earnings:					
As reported	$ 516.4	16.7 %	$ 475.1	16.0 %	8.7 %
Less: Arbitration settlement gain			(18.0)		
Excluding arbitration settlement gain	$ 516.4	16.7 %	$ 457.1	15.3 %	13.0 %
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:					
As reported	$ 306.1	9.9 %	$ 276.3	9.3 %	10.8 %
Less: Arbitration settlement gain, net of tax			(11.1)		
Excluding arbitration settlement gain	$ 306.1	9.9 %	$ 265.2	8.9 %	15.4 %
Diluted EPS:					
As reported	$ 5.20		$ 4.71		10.4 %
Less: Diluted EPS - Arbitration settlement gain			(0.19)		
Excluding arbitration settlement gain	$ 5.20		$ 4.52		15.0 %