Quarterly Financial Review

Fourth Quarter 2011

February 2, 2012

Cautionary Statement

- These slides should be read in conjunction with comments from a conference call held on February 2, 2012. The financial statement information included herein is unaudited.

- Statements made during the February 2, 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 February 2, 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

February 2, 2012

Aldo Pagliari

Senior Vice President and Chief Financial Officer

February 2, 2012

Consolidated Results – 4th Quarter

($ in millions, except per share data - unaudited)	2011		2010		
	$	**%**	**$**	**%**	**Change**
Net sales	$ 736.6		$ 696.9		5.7 %
Gross profit	$ 335.8	45.6 %	$ 318.5	45.7 %	
Operating expenses	232.0	31.5 %	231.0	33.1 %	
Operating earnings before financial services	$ 103.8	14.1 %	$ 87.5	12.6 %	18.6 %
Financial services revenue	$ 35.5		$ 21.5		
Financial services operating earnings	22.1		9.4		
Operating earnings	$ 125.9	16.3 %	$ 96.9	13.5 %	29.9 %
Net earnings	$ 74.3		$ 57.9		28.3 %
Diluted EPS	$ 1.27		$ 0.99		28.3 %

- Sales up 5.7%; organic sales (excluding $1.5 million of unfavorable currency) up 5.9%
- Gross profit increased $17.3 million and, as a percentage of sales, was comparable with 2010 levels
- Operating expenses, as a percentage of sales, improved 160 basis points (bps) from 33.1% in 2010 to 31.5%
    - Benefits from sales volume leverage, savings from Rapid Continuous Improvement (“RCI”) initiatives, lower bad debt expense and lower year-over-year stock-based (mark-to-market) compensation expense
    - Improvements partially offset by higher performance-based compensation expense and $2.6 million of expected higher pension expense
- Restructuring costs of $4.4 million in the quarter compared to $5.8 million last year
- Operating earnings before financial services up $16.3 million, or 18.6%, and, as a percentage of sales, improved 150 bps to 14.1%
- Financial services operating earnings up $12.7 million due to continued growth of the on-book finance portfolio
- Operating earnings increased $29.0 million; operating margin improved 280 bps to 16.3% from 13.5% last year

Commercial & Industrial – 4th Quarter

($ in millions - unaudited)	2011	2010	Change
Segment sales	$ 295.4	$ 281.5	4.9 %
➢ Organic sales	13.7		4.9 %
➢ Currency translation	0.2		0.0 %
Gross profit	$ 106.4	$ 108.0	
% of sales	36.0 %	38.4 %	
Operating expenses	$ 73.4	$ 72.6	
% of sales	24.8 %	25.8 %	
Operating earnings	$ 33.0	$ 35.4	(6.8)%
% of sales	11.2 %	12.6 %	

- Organic sales up $13.7 million, or 4.9%
  - Higher sales to a wide range of customers in emerging markets and in critical industries were partially offset by weakness in Europe, particularly in the southern regions
- Gross profit of $106.4 million decreased $1.6 million from 2010 levels
  - $2.9 million of higher restructuring costs
  - Benefits from higher sales and savings from RCI initiatives were partially offset by margin pressure in Europe
- Operating expenses up $0.8 million; improved 100 bps to 24.8%, primarily due to savings from RCI initiatives and benefits from sales volume leverage
- Operating earnings of $33.0 million included $2.7 million of higher year-over-year restructuring costs

Snap-on Tools – 4th Quarter

($ in millions - unaudited)	**2011**	**2010**	**Change**
Segment sales	$ 292.8	$ 268.2	9.2 %
➢ Organic sales	24.9		9.3 %
➢ Currency translation	(0.3)		(0.1)%
Gross profit	$ 123.9	$ 107.2	
% of sales	42.3 %	40.0 %	
Operating expenses	$ 84.3	$ 81.4	
% of sales	28.8 %	30.4 %	
Operating earnings	$ 39.6	$ 25.8	53.5 %
% of sales	13.5 %	9.6 %	

- Organic sales up $24.9 million, or 9.3%, primarily due to continued higher sales in the United States
- Gross profit of $123.9 million, or 42.3% of sales, improved 230 basis points from 40.0% in 2010
  - Improvement includes $4.3 million of lower restructuring costs, benefits from favorable currency effects and continued savings from RCI initiatives
- Operating expenses as a percentage of sales improved 160 bps to 28.8%, primarily due to benefits from sales volume leverage
- Operating earnings of $39.6 million up $13.8 million, or 53.5%; operating margin of 13.5% improved 390 bps from 9.6% last year

Repair Systems & Information – 4th Quarter

($ in millions - unaudited)	**2011**	**2010**	**Change**
Segment sales	$ 236.5	$ 231.8	2.0 %
➢ Organic sales	5.6		2.4 %
➢ Currency translation	(0.9)		(0.4)%
Gross profit	$ 105.5	$ 103.3	
% of sales	44.6 %	44.6 %	
Operating expenses	$ 56.3	$ 57.6	
% of sales	23.8 %	24.9 %	
Operating earnings	$ 49.2	$ 45.7	7.7 %
% of sales	20.8 %	19.7 %	

- Organic sales up $5.6 million, or 2.4%
  - Reflects higher essential tool and facilitation program sales to OEM dealerships, and increased sales of diagnostics and Mitchell 1 software products to repair shop owners and managers
- Gross profit increased $2.2 million; gross margin of 44.6% in both periods
- Operating expenses as a percentage of sales improved 110 bps from 2010 levels, primarily due to benefits from sales volume leverage, savings from RCI initiatives and lower restructuring costs
- Operating earnings of $49.2 million increased $3.5 million, or 7.7%
  - Operating margin of 20.8% improved 110 basis points from 19.7% last year

Financial Services – 4th Quarter

($ in millions - unaudited)	**2011**	**2010**
Segment revenue	$ 35.5	$ 21.5
Operating earnings	$ 22.1	$ 9.4
Originations	$ 154.8	$ 141.9

- Operating earnings up $12.7 million year over year primarily due to continued growth of the on-book finance portfolio
- Originations increased 9.1% 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	$ 636.0	$ 786.1	$ 97.2	$ 148.6
CIT receivables managed by SOC:				
December 2011	$ 43.5	$ 119.5		
December 2010	$ 134.8	$ 259.8		
Anticipated portfolio increase:				
Full year 2012	$ 95.0	$ 125.0		
On-book & managed portfolio net losses (TTM)	$ 14.7	$ 15.9	$ 1.1	$ 1.5
60+ Delinquency:				
As of 12/31/11	1.4 %	1.2 %	0.7 %	0.7 %
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 %

• TTM – Trailing twelve months

Cash Flow

($ in millions - unaudited)	4th Quarter		Full Year	
	2011	2010	2011	2010
Net cash provided (used) by operating activities	**$ 72.3**	**$ 64.3**	**$ 128.5**	**$ 140.4**
Net cash due to:				
➢ Net earnings	76.1	59.8	283.8	193.0
➢ Depreciation and amortization	19.2	18.2	74.6	72.7
➢ Changes in deferred income taxes	14.3	6.7	5.1	(18.0)
➢ Changes in working investment	(20.7)	(4.8)	(119.2)	(85.5)
➢ Changes in all other operating activities	(16.6)	(15.6)	(115.8)	(21.8)
Net increase in finance receivables	$ (35.4)	$ (49.0)	$ (162.2)	$ (252.4)
Capital expenditures	$ (14.6)	$ (28.3)	$ (61.2)	$ (51.1)
Free cash flow	$ 22.3	$ (13.0)	$ (94.9)	$ (163.1)
Free cash flow from Operations	**$ 58.3**	**$ 25.8**	**$ 177.9**	**$ 91.1**
Free cash flow from Financial Services	**$ (36.0)**	**$ (38.8)**	**$ (272.8)**	**$ (254.2)**
Increase/(decrease) in cash *	$ (0.1)	$ 212.3	$ (386.6)	$ (127.2)

- 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

* Full year 2011 includes repayment of $200 million of long-term notes; full year 2010 includes proceeds of $247.7 million of long-term notes and repayment of $150 million of long-term notes

Balance Sheet

($ in millions - unaudited)	December 31, 2011	January 1, 2011
Trade & Other Accounts Receivable - net	$ 463.5	$ 443.3
Days Sales Outstanding	58	61
Finance Receivables - net	$ 709.0	$ 561.0
Contract Receivables - net	$ 214.8	$ 164.9
Inventory - net	$ 386.4	$ 329.4
Inventory turns - TTM	4.2	4.7
Cash	$ 185.6	$ 572.2
Debt - Operations	$ 273.8	$ 634.8
Debt - Financial Services	$ 710.3	$ 536.0
Total debt	$ 984.1	$ 1,170.8
Net debt	$ 798.5	$ 598.6
Net debt to capital ratio	34.3 %	30.1 %

- Increased levels of finance and contract receivables reflect the year-over-year growth in the company's on-book finance portfolio
- Increased inventory levels primarily to support higher customer demand, mitigate potential supply chain disruption and improve customer service levels