Quarterly Financial Review

Second Quarter 2010

July 23, 2010

Cautionary Statement

- These slides should be read in conjunction with comments from a conference call held on July 23, 2010. The financial statement information included herein is unaudited.

- Statements made during the July 23, 2010 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 July 23, 2010 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

July 23, 2010

Aldo Pagliari

Senior Vice President and Chief Financial Officer

July 23, 2010

Consolidated Results – 2nd Quarter

($ in millions, except per share data - unaudited)	2010		2009		Change
	$	%	$	%	
Net sales	$ 647.6		$ 590.0		9.8 %
Gross profit	$ 303.8	46.9 %	$ 254.0	43.1 %	
Operating expenses	224.8	34.7 %	200.3	34.0 %	
Operating earnings before financial services	$ 79.0	12.2 %	$ 53.7	9.1 %	47.1 %
Financial services revenue	$ 13.9		$ 25.6		
Financial services operating earnings	1.7		16.6		
Operating earnings	$ 80.7	12.2 %	$ 70.3	11.4 %	14.8 %
Interest expense	$ 13.2		$ 11.6		
Net earnings	$ 45.3		$ 37.4		21.1 %
Diluted EPS	$ 0.78		$ 0.65		20.0 %

- Sales up 9.8%; organic sales (excluding $0.9 million of favorable currency) up 9.6%
- Gross profit increased $49.8 million
  - Higher sales, $6.8 million of savings from ongoing efficiency and productivity (collectively “Rapid Continuous Improvement” or “RCI”) initiatives and benefits from restructuring, $5.1 million of favorable currency effects and $3.1 million of lower restructuring costs
  - Favorable manufacturing utilization as a result of increasing production levels; excess capacity costs incurred in 2009
- Operating expenses increased $24.5 million
  - Higher volume-related expenses, $14.9 million of higher performance-based incentive compensation expense and increased participation in stock purchase programs and $3.1 million of higher pension expense
  - Partially offset by RCI, restructuring and other cost reduction savings of $2.5 million and lower restructuring costs of $2.5 million
- Operating earnings increased $10.4 million year over year despite $14.9 million of lower financial services income

Commercial & Industrial – 2nd Quarter

($ in millions - unaudited)	**2010**	**2009**	**Change**
Segment sales	$ 258.7	$ 212.1	22.0 %
➢ Organic sales	47.5		22.5 %
➢ Currency translation	(0.9)		(0.5)%
Gross profit	$ 92.6	$ 65.4	
% of sales	35.8 %	30.8 %	
Operating expenses	$ 67.1	$ 63.1	
% of sales	25.9 %	29.7 %	
Operating earnings	$ 25.5	$ 2.3	
% of sales	9.9 %	1.1 %	

- Organic sales up $47.5 million or 22.5%
  - Higher sales across all operating units, particularly those businesses serving critical industries and emerging markets

- Gross profit up $27.2 million from 2009
  - Increase due to higher sales, $5.2 million of savings from ongoing RCI and restructuring initiatives and $1.8 million of lower restructuring costs
  - 2010 gross profit benefited from improved manufacturing utilization, primarily in Europe, as a result of increasing production levels

- Operating expenses up $4.0 million
  - Higher volume-related and other expenses
  - Partially offset by lower restructuring costs and benefits from ongoing restructuring initiatives

- Operating income up $23.2 million

Snap-on Tools – 2nd Quarter

($ in millions - unaudited)	**2010**	**2009**	**Change**
Segment sales	$ 264.5	$ 242.6	9.0 %
➢ Organic sales	19.1		7.8 %
➢ Currency translation	2.8		1.2 %
Gross profit	$ 115.5	$ 101.1	
% of sales	43.7 %	41.7 %	
Operating expenses	$ 82.5	$ 75.6	
% of sales	31.2 %	31.2 %	
Operating earnings	$ 33.0	$ 25.5	29.4 %
% of sales	12.5 %	10.5 %	

- Organic sales up $19.1 million or 7.8%, including a 9.3% increase in U.S. sales
- Gross profit increased $14.4 million
  - Includes contributions from higher sales, improved manufacturing utilization and $4.9 million of favorable currency effects
- Operating expenses increased $6.9 million
  - Higher volume-related and other expenses, including $1.3 million of increased stock-based expense related to the franchisee stock purchase plan
- Operating earnings of $33.0 million up 29.4% year over year
  - As a percentage of sales, operating earnings improved 200 basis points (bps) to 12.5% from 10.5% last year

Repair Systems & Information – 2nd Quarter

($ in millions - unaudited)	**2010**	**2009**	**Change**
Segment sales	$ 205.9	$ 198.0	4.0 %
➢ Organic sales	9.3		4.7 %
➢ Currency translation	(1.4)		(0.7)%
Gross profit	$ 95.7	$ 87.5	
% of sales	46.5 %	44.2 %	
Operating expenses	$ 55.7	$ 54.6	
% of sales	27.1 %	27.6 %	
Operating earnings	$ 40.0	$ 32.9	21.6 %
% of sales	19.4 %	16.6 %	

- Organic sales up $9.3 million or 4.7%
  - Higher sales of equipment and increased essential tool and facilitation program sales
  - Sales increase partially offset by anticipated lower electronic parts catalog sales in North America

- Gross profit increased $8.2 million; increased 230 bps from last year
  - Higher sales, $1.6 million of benefits from RCI and restructuring initiatives and $1.1 million of lower restructuring costs

- Operating expenses as a percent of sales improved 50 bps from 2009 levels

- Operating earnings margin of 19.4% improved 280 bps from 2009 levels

Financial Services – 2nd Quarter

($ in millions - unaudited)	**2010**	**2009**
Segment revenues	$ 13.9	$ 25.6
Operating earnings	$ 1.7	$ 16.6
Originations	$ 136.7	$ 134.1

- Terminated financial services joint venture agreement with CIT on July 16, 2009
- Snap-on is providing financing for substantially all of the new contracts originated by Snap-on Credit (SOC)
- SOC records interest yield on new portfolio as Financial Services Revenue over the contract life; previously, contract originations sold to CIT resulted in gains on sale (reported as Financial Services Revenue)
- Operating earnings of $1.7 million in the quarter improved sequentially by $3.4 million relative to the first quarter of 2010

Financial Services Portfolio Data

($ in millions - unaudited)	Snap-on Credit (United States)		International Finance Subsidiaries	
	Extended Credit	Total	Extended Credit	Total
Gross portfolio outstanding	$ 383.7	$ 451.0	$ 81.6	$ 125.9
CIT receivables managed by SOC:				
June 2010	$ 227.5	$ 384.1		
December 2009	$ 397.7	$ 590.3		
Anticipated portfolio increase:				
Full year 2010	$ 260.0	$ 300.0		
Net losses on portfolio (TTM)	$ 20.8	$ 25.2	$ 1.3	$ 2.3
60+ Delinquency:				
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 %
As of 12/31/09	2.4 %	1.9 %	0.8 %	0.6 %
As of 9/30/09	2.2 %	1.7 %	0.8 %	0.7 %

Cash Flow

($ in millions - unaudited)	2nd Quarter		Year to Date	
	2010	2009	2010	2009
Net cash provided by operating activities	**$ 55.5**	**$ 155.6**	**$ 65.9**	**$ 170.3**
Net cash due to:				
➢ Net earnings	46.9	42.0	84.9	79.2
➢ Depreciation and amortization	18.3	19.0	36.5	37.1
➢ Changes in deferred income taxes	(12.8)	3.6	(17.0)	18.2
➢ Changes in working investment	(1.7)	69.4	(33.7)	100.0
➢ Changes in all other operating activities	4.8	21.6	(4.8)	(64.2)
Net increase in finance receivables	$ (72.8)	$ -	$ (138.0)	$ -
Capital expenditures	$ (6.6)	$ (19.5)	$ (12.3)	$ (33.6)
Free cash flow	$ (23.9)	$ 136.1	$ (84.4)	$ 136.7
Free cash flow from Operations	**$ 62.1**	**$ 116.8**	**$ 51.6**	**$ 110.3**
Free cash flow from Financial Services	**$ (86.0)**	**$ 19.3**	**$ (136.0)**	**$ 26.4**
Increase (decrease) in cash	$ (41.5)	$ 123.7	$ (268.6)	$ 408.6

- Changes in working investments – Net changes in 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

Balance Sheet

($ in millions - unaudited)	**June 2010**	**December 2009**
Trade & Other Accounts Receivable - net	$ 407.5	$ 414.4
Days Sales Outstanding	59	63
Inventory - net	$ 296.5	$ 274.7
Inventory turns – Trailing Twelve Months	4.4	4.1
Cash	$ 430.8	$ 699.4
Debt – Operations	$ 492.8	$ 839.5
Debt – Financial Services	$ 430.6	$ 227.3
Total debt	$ 923.4	$1,066.8
Net debt	$ 492.6	$ 367.4
Net debt to capital ratio	28.3 %	22.2 %
Net debt to capital ratio - adjusted	32.5 %	25.8 %

- Issued $250 million of fixed rate, unsecured notes in August 2009 and $300 million of fixed rate, unsecured notes in February 2009
- 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 June 2010 and $81.5 million at December 2009