Quarterly Financial Review

Third Quarter 2009

October 29, 2009

Cautionary Statement

- These slides should be read in conjunction with comments from a conference call held on October 29, 2009. The financial statement information included herein is unaudited.

- Statements made during the October 29, 2009, 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 3, 2009, and under "Management's Discussion and Analysis of Financial Condition and Results of Operations – Caution Regarding Forward-Looking Statements" in its fiscal 2009 Quarterly Reports on Form 10-Q, which are incorporated herein by reference. Snap-on disclaims any responsibility to update any forward-looking statement provided during the October 29, 2009, 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, President and Chief Executive Officer

October 29, 2009

Marty Ellen

Senior Vice President and Chief Financial Officer

October 29, 2009

Consolidated Results – 3rd Quarter

($ in millions, except per share data - unaudited)	2009		2008		Change
	$	%	$	%	
Net sales	$ 581.8		$ 697.8		(16.6)%
Gross profit	$ 260.5	44.8 %	$ 312.2	44.7 %	
Operating expenses	206.5	35.5 %	230.6	33.0 %	
Operating earnings before financial services	$ 54.0	9.3 %	$ 81.6	11.7 %	(33.8)%
Financial services revenue	$ 6.0		$ 18.0		
Financial services operating earnings (loss)	(5.3)		4.8		
Operating earnings	$ 48.7	8.3 %	$ 86.4	12.1 %	(43.6)%
Interest expense	$ 12.8		$ 6.8		
Net earnings	$ 25.4		$ 54.6		(53.5)%
Diluted EPS	$ 0.44		$ 0.94		(53.2)%

- Sales down 16.6%; organic sales (excluding $21.0 million of unfavorable currency) down 13.6%
- Gross margin of 44.8% compared to 44.7% a year ago
  - Improved diagnostics and software mix (up 90 basis points (bps))
  - Manufacturing capacity carrying costs, net of savings from Rapid Continuous Improvement (RCI), restructuring and other cost reduction initiatives (down 50 bps)
  - LIFO inventory reduction (up 110 bps)
  - Higher restructuring (down 70 bps)
  - Currency impact on cross-border product flows of $3.9 million (down 70 bps)
- Operating expenses decline of $24.1 million; RCI, restructuring and other cost savings initiatives contributed $18.7 million
- Operating earnings reduced by $37.7 million, primarily due to lower sales
  - Includes $5.8 million of unfavorable currency effects; year-to-date impact of $27.1 million
  - Includes $4.7 million of restructuring costs; $15.3 million year to date

Commercial & Industrial – 3rd Quarter

($ in millions - unaudited)	**2009**	**2008**	**Change**
Segment sales	$ 265.4	$ 338.1	(21.5)%
➢ Organic sales	(58.3)		(17.2)%
➢ Currency translation	(14.4)		(4.3)%
Gross profit	$ 81.3	$ 127.1	
% of sales	30.6 %	37.6 %	
Operating expenses	$ 70.4	$ 86.4	
% of sales	26.5 %	25.6 %	
Operating earnings	$ 10.9	$ 40.7	(73.2)%
% of sales	4.1 %	12.0 %	

- Organic sales down $58.3 million or 17.2%
  - Primarily due to the continued economic downturn that is particularly impacting European markets
- Gross profit margin declined to 30.6%
  - Primarily due to lower sales volumes and manufacturing capacity carrying costs, primarily in Europe
  - Under absorbed manufacturing costs from lower production levels and inventory reduction efforts; inventory reduction of $22 million in the quarter, excluding currency
  - Higher year-over-year restructuring costs of $3.5 million
  - Decline partially offset by $8.7 million of savings from RCI, restructuring and other cost reduction initiatives
- Operating expenses down 18.5%
  - Primarily due to RCI, restructuring and other cost reduction initiatives of $7.1 million
  - Lower volume-related and other expenses
  - Currency translation reduced expenses by $4.1 million
- Operating income down $29.8 million year over year, but increased $10.8 million sequentially

Snap-on Tools – 3rd Quarter

($ in millions - unaudited)	**2009**	**2008**	**Change**
Segment sales	$ 246.6	$ 269.5	(8.5)%
➢ Organic sales	(19.0)		(7.1)%
➢ Currency translation	(3.9)		(1.4)%
Gross profit	$ 110.4	$ 114.4	
% of sales	44.8 %	42.4 %	
Operating expenses	$ 79.8	$ 86.2	
% of sales	32.4 %	31.9 %	
Operating earnings	$ 30.6	$ 28.2	8.5 %
% of sales	12.4 %	10.5 %	

- Organic sales down $19.0 million, or 7.1%
  - U.S. sales down 8.1%; international sales down 3.1%
  - U.S. van count up slightly compared with second quarter 2009 and third quarter 2008
- Gross profit margin improves to 44.8% of sales compared to 42.4% last year
  - LIFO benefit of $3.5 million in 2009; LIFO expense of $2.9 million in 2008
  - Year-over-year material cost reductions of $6.0 million
  - Unfavorable currency transaction effects reduced gross margin by 200 bps year over year
- Operating expense decline includes $7.4 million of RCI and other savings
- Operating earnings of $30.6 million up 8.5% year over year; up 9.3% sequentially

Diagnostics & Information – 3rd Quarter

($ in millions - unaudited)	**2009**	**2008**	**Change**
Segment sales	$ 132.0	$ 155.1	(14.9)%
➢ Organic sales	(19.5)		(12.6)%
➢ Currency translation	(3.6)		(2.3)%
Gross profit	$ 68.8	$ 70.6	
% of sales	52.1 %	45.5 %	
Operating expenses	$ 36.8	$ 43.4	
% of sales	27.9 %	28.0 %	
Operating earnings	$ 32.0	$ 27.2	17.6 %
% of sales	24.2 %	17.5 %	

- Organic sales down $19.5 million, or 12.6%; unfavorable currency translation of $3.6 million
  - Lower essential tool and facilitation program sales to OEM dealerships
  - Sales decline partially offset by higher sales of diagnostics and software products
- Gross profit margin of 52.1% up 660 basis points from 45.5% last year on improved sales mix
  - Increased sales mix of higher margin diagnostics and software products
  - Savings from RCI and other cost reduction initiatives of $2.3 million
- Operating expense decline of $6.6 million
  - Savings from RCI and other cost reduction initiatives of $4.2 million
  - Lower volume-related and other expenses
- Operating earnings up $4.8 million; operating margin of 24.2% up 670 basis points from 2008 levels

Financial Services – 3rd Quarter

($ in millions - unaudited)	**2009**	**2008**	**Change**
Segment revenues	$ 6.0	$ 18.0	(66.7)%
Operating earnings (loss)	$ (5.3)	$ 4.8	
Originations	$ 127.0	$ 124.2	2.2 %

- Terminated financial services joint venture agreement with CIT on July 16, 2009
- Snap-on is providing financing for 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)

Financial Services Portfolio Data

($ in millions - unaudited)	United States		International	
	Extended Credit	**Total**	**Extended Credit**	**Total**
Gross receivables outstanding	$ 111.8	$ 129.6	$ 78.6	$ 125.8
CIT receivables managed by SOC:				
June 2009	$ 603.5	$ 834.5		
September 2009	$ 507.3	$ 722.5		
Incremental cash requirements:				
Q4 2009	$ 104.0	$ 122.0		
Next 12 months *	327.0	400.0		
Net losses on portfolio (TTM)	$ 20.4	$ 24.5	$ 0.9	$ 1.6
60+ Delinquency:				
As of 9/30/09	2.2 %	1.7 %	0.8 %	0.7 %
As of 6/30/09	2.1 %	1.8 %	0.7 %	0.7 %
As of 3/31/09	2.4 %	1.9 %	0.9 %	0.8 %
As of 12/31/08	2.5 %	1.9 %	0.7 %	0.8 %

* Q4 2009 through Q3 2010

Cash Flow

($ in millions - unaudited)	3rd Quarter		Year to Date	
	2009	2008	2009	2008
Net cash provided by operating activities	$ 80.1	$ 21.8	$ 250.4	$ 172.6
Net cash due to:				
➢ Net earnings	26.4	55.0	105.6	183.1
➢ Depreciation and amortization	18.3	18.5	55.4	55.0
➢ Changes in deferred income taxes	(3.2)	6.9	15.0	23.3
➢ Changes in operating assets / liabilities	32.3	(62.3)	71.9	(94.9)
Capital expenditures	$ (14.7)	$ (15.0)	$ (48.3)	$ (48.3)
Free cash flow	$ (47.8)	$ 6.8	$ 88.9	$ 124.3
Free cash flow from Operations	$ 82.5	$ 3.9	$ 180.3	$ 110.4
Free cash flow from Financial Services	$(130.3)	$ 2.9	$ (91.4)	$ 13.9
Acquisitions of businesses	$ (8.1)	$ -	$ (8.1)	$ (13.8)
Increase (decrease) in cash	$ 184.6	$ (22.3)	$ 593.2	$ 25.3

- Changes in operating assets and liabilities principally as a result of increased emphasis on inventory reduction
- 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 operating activities less net change in finance receivables

Balance Sheet

($ in millions - unaudited)	**September 2009**	**December 2008**
Trade & Other Accounts Receivable	$ 397.9	$ 462.2
Days Sales Outstanding	59	58
Inventory	$ 286.2	$ 359.2
Inventory turns – Trailing Twelve Months	4.0	4.6
Inventory turns – Trailing Three Months	4.4	3.9
Cash	$ 709.0	$ 115.8
Debt – Operations	$ 977.6	$ 515.4
Debt – Financial Services	$ 91.8	$ –
Total debt	$1,069.4	$ 515.4
Net debt	$ 360.4	$ 399.6
Net debt to capital ratio	21.5 %	25.2 %
Pretax return on invested capital – TTM	16.9 %	22.0%

- Issued $300 million of fixed rate, unsecured notes in February 2009
- Issued $250 million of fixed rate, unsecured notes in August 2009