

SNAP-ON Inc  
Form 10-Q  
October 23, 2008

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q**

(Mark one)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **September 27, 2008**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission File Number 1-7724**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State of incorporation)

**39-0622040**  
(I.R.S. Employer Identification No.)

**2801 80<sup>th</sup> Street, Kenosha, Wisconsin**  
(Address of principal executive offices)

**53143**  
(Zip code)

**(262) 656-5200**

(Registrant's telephone number, including area code)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:

Class	Outstanding at October 17, 2008
Common Stock, \$1.00 par value	57,438,885 shares

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## PART 1. FINANCIAL INFORMATION

## Item 1: Financial Statements

## SNAP-ON INCORPORATED

## CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(Amounts in millions, except per share data)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	Sept. 27, 2008	Sept. 29, 2007	Sept. 27, 2008	Sept. 29, 2007
Net sales	\$ 697.8	\$ 680.7	\$ 2,185.5	\$ 2,098.3
Cost of goods sold	(385.6)	(379.8)	(1,200.9)	(1,165.1)
Gross profit	312.2	300.9	984.6	933.2
Financial services revenue	18.0	15.8	61.7	44.0
Financial services expenses	(13.2)	(10.2)	(33.3)	(29.6)
Operating income from financial services	4.8	5.6	28.4	14.4
Operating expenses	(230.6)	(234.1)	(721.7)	(719.1)
Operating earnings	86.4	72.4	291.3	228.5
Interest expense	(6.8)	(11.6)	(25.1)	(34.6)
Other income (expense) net	1.0	2.6	3.3	5.9
Earnings before income taxes, equity earnings and minority interests	80.6	63.4	269.5	199.8
Income tax expense	(26.8)	(21.6)	(89.6)	(66.2)
Earnings before equity earnings and minority interests	53.8	41.8	179.9	133.6
Equity earnings, net of tax and minority interests	0.8	(0.7)	(1.8)	(1.7)
Net earnings from continuing operations	54.6	41.1	178.1	131.9
Discontinued operations, net of tax				(8.0)
Net earnings	\$ 54.6	\$ 41.1	\$ 178.1	\$ 123.9
Basic earnings per common share:				
Earnings from continuing operations	\$ 0.95	\$ 0.71	\$ 3.10	\$ 2.28
Loss from discontinued operations				