UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark one)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended **October 2, 2010**

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	**39-0622040**
(State of incorporation)	*(I.R.S. Employer Identification No.)*
2801 80th Street, Kenosha, Wisconsin	**53143**
(Address of principal executive offices)	*(Zip code)*

(262) 656-5200

(Registrant s telephone number, including area code)

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 x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x 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 x   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 x

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 15, 2010
Common Stock, $1.00 par value	58,157,515 shares

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PART I. 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	
	October 2, 2010	October 3, 2009	October 2, 2010	October 3, 2009
Net sales	$ 653.1	$ 581.8	$ 1,922.3	$ 1,744.4
Cost of goods sold	(351.9)	(321.3)	(1,029.7)	(971.2)
Gross profit	301.2	260.5	892.6	773.2
Operating expenses	(222.4)	(206.5)	(663.1)	(611.2)
Operating earnings before financial services	78.8	54.0	229.5	162.0
Financial services revenue	17.2	6.0	40.8	51.6
Financial services expenses	(12.2)	(11.3)	(35.8)	(30.3)
Operating earnings (loss) from financial services	5.0	(5.3)	5.0	21.3
Operating earnings	83.8	48.7	234.5	183.3
Interest expense	(13.5)	(12.8)	(40.7)	(33.0)
Other income (expense) net	0.7	0.2	0.2	1.0
Earnings before income taxes and equity earnings	71.0	36.1	194.0	151.3
Income tax expense	(23.8)	(10.3)	(63.1)	(46.2)
Earnings before equity earnings	47.2	25.8	130.9	105.1
Equity earnings, net of tax	1.1	0.6	2.3	0.5
Net earnings	48.3	26.4	133.2	105.6
Net earnings attributable to noncontrolling interests	(1.8)	(1.0)	(4.6)	(8.0)
Net earnings attributable to Snap-on Incorporated	$ 46.5	$ 25.4	$ 128.6	$ 97.6
Net earnings per share attributable to Snap-on Incorporated:				
Basic	$ 0.80	$ 0.44	$ 2.22	$ 1.69
Diluted	0.80	0.44	2.20	1.69

Weighted-average shares outstanding:				
Basic	58.1	57.7	58.0	57.6
Effect of dilutive options	0.3	0.1	0.3	0.2
Diluted	58.4	57.8	58.3	57.8
Dividends declared per common share	$ 0.30	$ 0.30	$ 0.90	$ 0.90

See Notes to Condensed Consolidated Financial Statements

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SNAP-ON INCORPORATED

CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in millions, except share data)

(Unaudited)

	October 2, 2010	January 2, 2010
Assets		
Current assets		
Cash and cash equivalents	$ 359.9	$ 699.4
Trade and other accounts receivable net	435.0	414.4
Contract receivables net	45.4	32.9
Finance receivables net	195.5	122.3
Inventories net	324.8	274.7
Deferred income tax assets	78.8	69.5
Prepaid expenses and other assets	92.5	62.9
Total current assets	1,531.9	1,676.1
Property and equipment		
Land	20.8	22.9
Buildings and improvements	268.5	250.1
Machinery, equipment and computer software	620.1	621.7
	909.4	894.7
Accumulated depreciation and amortization	(580.1)	(546.9)
Property and equipment net	329.3	347.8
Deferred income tax assets	92.0	88.2
Long-term contract receivables net	102.9	70.7
Long-term finance receivables net	318.1	177.9
Goodwill	808.7	814.3
Other intangibles net	197.0	206.2
Other assets	77.9	66.2
Total assets	$ 3,457.8	$ 3,447.4

See Notes to Condensed Consolidated Financial Statements

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SNAP-ON INCORPORATED

CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in millions, except share data)

(Unaudited)

	October 2, 2010	January 2, 2010
Liabilities and shareholders equity		
Current liabilities		
Notes payable and current maturities of long-term debt	$ 218.3	$ 164.7
Accounts payable	127.8	119.8
Accrued benefits	42.8	48.7
Accrued compensation	78.9	64.8
Franchisee deposits	39.6	40.5
Other accrued liabilities	340.0	301.4
Total current liabilities	847.4	739.9
Long-term debt	712.3	902.1
Deferred income tax liabilities	85.7	97.8
Retiree health care benefits	57.9	60.7
Pension liabilities	274.8	255.9
Other long-term liabilities	82.8	85.4
Total liabilities	2,060.9	2,141.8
Shareholders equity		
Shareholders equity attributable to Snap-on Incorporated		
Preferred stock (authorized 15,000,000 shares of $1 par value; none outstanding)		
Common stock (authorized 250,000,000 shares of $1 par value; issued 67,292,670 and 67,265,454 shares)	67.3	67.3
Additional paid-in capital	166.5	154.4
Retained earnings	1,604.9	1,528.9
Accumulated other comprehensive loss	(71.7)	(68.4)
Treasury stock at cost (9,142,662 and 9,520,405 shares)	(385.7)	(392.2)
Total shareholders equity attributable to Snap-on Incorporated	1,381.3	1,290.0
Noncontrolling interests	15.6	15.6
Total shareholders equity	1,396.9	1,305.6
Total liabilities and shareholders equity	$ 3,457.8	$ 3,447.4

See Notes to Condensed Consolidated Financial Statements

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SNAP-ON INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY

(Amounts in millions, except per share data)

(Unaudited)

The following summarizes the changes in total shareholders equity for the nine month period ending October 2, 2010:

	Shareholders equity attributable to Snap-on Incorporated						
(Amounts in millions, except per share data)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Noncontrolling Interests	Total Shareholders Equity
Balance at January 2, 2010	$ 67.3	$ 154.4	$ 1,528.9	$ (68.4)	$ (392.2)	$ 15.6	$ 1,305.6
Net earnings for the nine months ended October 2, 2010 (excludes $0.3 million of net loss attributable to a redeemable noncontrolling interest)			128.6			4.9	133.5
Foreign currency translation				(3.3)			(3.3)
Cash dividends $0.90 per share			(52.6)				(52.6)
Dividend reinvestment plan and other		1.1				(4.9)	(3.8)
Stock compensation plans		15.9			6.5		22.4
Tax benefit from certain stock options		0.8					0.8
Acquisition of noncontrolling interest		(5.7)					(5.7)
Balance at October 2, 2010	$ 67.3	$ 166.5	$ 1,604.9	$ (71.7)	$ (385.7)	$ 15.6	$ 1,396.9

The following summarizes the changes in total shareholders equity for the nine month period ending October 3, 2009:

	Shareholders equity attributable to Snap-on Incorporated						
(Amounts in millions, except per share data)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Noncontrolling Interests	Total Shareholders Equity
Balance at January 3, 2009	$ 67.2	$ 155.5	$ 1,463.7	$ (106.5)	$ (393.4)	$ 18.0	$ 1,204.5
Net earnings for the nine months ended October 3, 2009 (excludes $0.8 million of net loss attributable to a redeemable noncontrolling interest)			97.6			8.8	106.4
Foreign currency translation				77.1			77.1
Change in cash flow hedges				2.3		1.2	3.5

Cash dividends $0.90 per share			(51.8)				(51.8)
Dividend reinvestment plan and other		1.0				(4.4)	(3.4)
Purchase of CIT s ownership interest in SOC						(8.1)	(8.1)
Stock compensation plans	0.1	1.9			1.0		3.0
Tax deficiency from certain stock options		(0.7)					(0.7)
Balance at October 3, 2009	$ 67.3	$ 157.7	$ 1,509.5	$ (27.1)	$ (392.4)	$ 15.5	$ 1,330.5

See Notes to Condensed Consolidated Financial Statements

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SNAP-ON INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in millions)

(Unaudited)

	Three Months Ended		Nine Months Ended	
(Amounts in millions)	October 2, 2010	October 3, 2009	October 2, 2010	October 3, 2009
Comprehensive income				
Net earnings	$ 48.3	$ 26.4	$ 133.2	$ 105.6
Other comprehensive income (loss):				
Foreign currency translation	98.8	41.4	(3.3)	77.1
Change in fair value of cash flow hedges, net of tax		0.3		3.5
Total comprehensive income	$ 147.1	$ 68.1	$ 129.9	$ 186.2
Comprehensive income attributable to non-redeemable noncontrolling interest	(1.8)	(1.4)	(4.9)	(10.0)
Comprehensive loss attributable to redeemable noncontrolling interest		0.3	0.3	0.8
Comprehensive income attributable to Snap-on Incorporated	$ 145.3	$ 67.0	$ 125.3	$ 177.0

See Notes to Condensed Consolidated Financial Statements

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SNAP-ON INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(Amounts in millions)

(Unaudited)

	Nine Months Ended
	October 2, 2010

time, it is not possible to predict the outcome of the Chapter 11 filings or their effect on the business of the Mirant Debtors or outstanding legal proceedings.

n addition, the Company is subject to the proceedings described below in *California Receivables, FERC Show Cause Proceeding Relating to Trading Practices, FER*

J to his initial decision indicated that the amounts identified by the initial decision as being owed to Mirant and other sellers by the PX failed to reflect an adjustment

or any tariff provision applicable to its transactions in California. The Company stated that the purported evidence presented by the California Parties did not support t

antly the $110 million and increase the resulting net amount owed to Mirant, although the s time to quantify further the impact of the May 12, 2004 orders.

r the sales of electricity potentially subject to refund should include sales made to the DWR.

order issued June 25, 2003, the FERC ruled that no refunds were owed and terminated the proceeding. On November 10, 2003, the FERC denied requests for rehearin

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ff under which the FERC would have an allowed claim in Mirant Americas Energy Marketing's bankruptcy proceeding for $3.67 million in settlement of the allegatio

mately judge the Company's bidding practices are unclear. Depending on the standards applied by the FERC and if Mirant entities are found by the FERC to have vio he annual fixed revenue requirement. In July 2000, Mirant sought review by the FERC of the ALJ decision, and a decision is pending at the FERC.

ect to compromise in the accompanying consolidated balance sheets as of June 30, 2004 and December 31, 2003, respectively. If resolution of the proceeding results i ng the litigation and administratively closed the action.

d added as defendants T. Rowe Price Trust Company and certain additional current and former officers of the Company. The consolidated action is stayed as to Mira

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d an order staying this action also with respect to the individual defendants to avoid the suit impeding the ability of the Mirant Debtors to reorganize or having a negat

trict of Georgia. This action is stayed as to Mirant Americas Generation by the filing of its Chapter 11 proceeding. On November 19, 2003, the Bankruptcy Court ente

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The Company has continued to receive additional requests for information from the CFTC, and it intends to continue to cooperate fully with the CFTC. In a submissio with the Bankruptcy Court to reject the Back-to-Back Agreement. The Mirant Debtors forecast that it would cost the Mirant Debtors in excess of $300 million during

such administrative petitions filed with the FERC. On September 25, 2003, the Bankruptcy Court converted the TRO to a preliminary injunction. On October 9, 2003

District Court, the Court of Appeals ruled that the injunctive relief granted by the Bankruptcy Court exceeded its authority under the Bankruptcy Code. While the Co

Panda PPA or delegating its duties under the Panda PPA to a third party without Panda's prior written consent. On June 10, 2003, the Maryland Court of Appeals, Ma

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tion technology to reduce sulfur dioxide emissions, and a baghouse. The cost of the emission controls prescribed by the consent decree could exceed $100 million ove ral government for the period subsequent to its acquisition of the plants, the cost of which may be material.

s addressed by the Tax Determination Motion or should abstain from addressing those issues so that they can be addressed by the state courts in which the Tax Certio

be disallowed or determined to be zero. On February 11, 2004, the County of Rockland, New York, filed a motion with the Bankruptcy Court requesting that it order

34

by the Virginia Department of Environmental Quality on September 10, 2003 and the EPA on January 22, 2004. Any such suit, however, would require further appro

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e treatment of the resulting indebtedness would be addressed in a plan of reorganization of Mirant Mid-Atlantic. The impact of any of these events would be reflected

automatic stay of the bankruptcy proceedings prevents the lessors from imposing an increased rent schedule on Mirant Mid-Atlantic for such amounts. If Mirant Mid

	2003
$	
$	
$	
$	
$	
$	
$	

18.4
59.8
12.5
90.7

Financial Data by Segment
(In Millions)

1,126
136
2
1,264
768
496
251
77
53
1
382
114
11
125
73
13
7
32
11,655

40

2,158
270
20
2,448
1,501
947
498
157
55
(15)
695
252
(16)
236
130
32
12
62
11,655

41

1,128
127
(7)
1,248
816
432
338
89
2,076
(25)
2,478
(2,046)
(125)
(2,171)
11
13
(2,195)
12,273

42

2,451
256
39
2,746
1,794
952
587
176
2,088
(26)
2,825
(1,873)
(247)
(2,120)
32
28
(2,180)
12,273
43

45

2,197
39
2,236
1,656
580
377
104
2,075
(25)
2,531
(1,951)

	Six mon
	17%
	33
	15
	13
	40
	4
	(22)

46

49

	Six Months Ended June 30,
239	
270	
509	
137	
372	
141	
61	
1	
203	
169	

50

	Six Months Ended June 30,
	(29)
	11
	2
	(16)

51

	Six Months Ended June 30,
	(66)
	13
	5
	32
	(16)
	130
	32
	12

of liquidity for Mirant Americas Energy Marketing are its existing cash balances, intercompany borrowings, repayments by Mirant Corporation of an existing interc

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g facility, Mirant Americas Energy Capital investments and the Tanguisson power plant in Guam.

er 1, 2004. On July 27, 2004, the ISO New England did not approve Mirant Kendall's application to deactivate Jet #1 stating that such deactivation would have a sign

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eration of these disclosure controls and procedures were effective in timely alerting the Company's management to material information relating to the Company (inc

the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time

PART II

3, the Mirant Debtors filed a motion with the Bankruptcy Court to reject the Back-to-Back Agreement. The Mirant Debtors forecast that it would cost the Mirant Deb

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e merits of the Mirant Debtor's motion to reject the Back-to-Back Agreement but remanded the proceeding to the District Court for further action on that motion. The did not admit to any liability, and the consent decree does not impose any penalty on Mirant New York for alleged past violations. The District Court approved and e

ons underlying the notices of violation issued by the Virginia Department of Environmental Quality on September 10, 2003 and the EPA on January 22, 2004. Any su

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SIGNATURES