

Release: IMMEDIATE

Snap-on Announces Second Quarter 2015 Results

Organic sales up 8.4%; Operating earnings before financial services of 17.7% of sales improves 100 basis points; Diluted EPS of \$2.03 increases 12.8%

KENOSHA, Wis. — July 23, 2015 — Snap-on Incorporated (NYSE: SNA), a leading global innovator, manufacturer and marketer of tools, equipment, diagnostics, repair information and systems solutions for professional users performing critical tasks, today announced operating results for the second quarter of 2015.

- Sales of \$851.8 million increased \$25.3 million, or 3.1%, from 2014 levels; excluding \$43.4 million of unfavorable foreign currency translation and \$2.8 million of acquisition-related sales, organic sales increased \$65.9 million or 8.4%.
- Operating earnings before financial services of \$150.8 million improved 100 basis points to 17.7% of sales as compared to \$138.1 million, or 16.7% of sales, last year.
- Financial services operating earnings of \$41.4 million increased \$6.6 million, or 19.0%, from 2014 levels; financial services revenues of \$58.7 million increased 13.5% from 2014 levels.
- Consolidated operating earnings of \$192.2 million improved to 21.1% of revenues (net sales plus financial services revenue) as compared to \$172.9 million, or 19.7% of revenues, last year.
- The second quarter effective income tax rate was 32.0% in 2015 and 32.9% in 2014.
- Net earnings of \$120.0 million, or \$2.03 per diluted share, compared to net earnings of \$106.1 million, or \$1.80 per diluted share, a year ago.

"We're encouraged by the ongoing progress reflected in our second quarter results, including 8.4% organic sales growth, a 17.7% operating margin before financial services, representing a 100 basis point improvement, and a 12.8% increase in diluted earnings per share," said Nick Pinchuk, Snap-on chairman and chief executive officer. "We believe these results once again validate Snap-on's ability to build upon our unique combination of capabilities in serving serious professionals and to successfully navigate our runways for coherent growth and operating improvement in multiple industries across varied geographies. Finally, this continued progress is only possible as a result of the tremendous dedication, effort and skill across the Snap-on team. In that regard, I thank our franchisees and associates worldwide for their contributions, commitment and support."

Segment Results

Commercial & Industrial Group segment sales of \$295.8 million in the quarter increased \$8.6 million, or 3.0%, from 2014 levels. Excluding \$21.2 million of unfavorable foreign currency translation, organic sales increased \$29.8 million, or 11.2%, reflecting sales gains across all of the segment's businesses.

Operating earnings of \$42.2 million in the period, including \$2.0 million of unfavorable foreign currency effects, increased \$4.0 million from 2014 levels, and the operating margin (operating earnings as a percentage of segment sales) of 14.3% improved 100 basis points from 13.3% a year ago.

Snap-on Tools Group segment sales of \$398.7 million in the quarter rose \$29.6 million, or 8.0%, from 2014 levels. Excluding \$10.6 million of unfavorable foreign currency translation, organic sales increased \$40.2 million, or 11.2%, reflecting similar sales increases in both the company's U.S. and international franchise operations.

Operating earnings of \$68.0 million in the period, including \$6.7 million of unfavorable foreign currency effects, increased \$7.5 million from 2014 levels, and the operating margin of 17.1% improved 70 basis points from 16.4% a year ago.

Repair Systems & Information Group segment sales of \$277.4 million in the quarter decreased \$1.1 million, or 0.4%, from 2014 levels. Excluding \$12.6 million of unfavorable foreign currency translation and \$2.8 million of acquisition-related sales, organic sales increased \$8.7 million, or 3.3%, reflecting higher sales of diagnostic and repair information products to independent repair shop owners and managers, increased sales to OEM dealerships, and higher sales of undercar equipment.

Operating earnings of \$67.7 million in the period, including \$3.3 million of unfavorable foreign currency effects, increased \$3.1 million from 2014 levels, and the operating margin of 24.4% improved 120 basis points from 23.2% a year ago.

Financial Services operating earnings of \$41.4 million on revenue of \$58.7 million in the quarter, compared to operating earnings of \$34.8 million on revenue of \$51.7 million a year ago.

Corporate expenses of \$27.1 million in the quarter increased \$1.9 million from \$25.2 million last year, primarily reflecting higher pension expense.

Outlook

Snap-on expects to make continued progress along its defined runways for coherent growth, including enhancing the franchise network, expanding in the vehicle repair garage, extending to critical industries and building in emerging markets. In pursuit of these initiatives, Snap-on continues to expect that capital expenditures in 2015 will be in a range of \$80 million to \$90 million. Snap-on also continues to expect that its full year 2015 effective income tax rate will be at or below its 2014 full year rate.

Conference Call and Webcast on July 23, 2015, at 9:00 a.m. Central Time

A discussion of this release will be webcast on Thursday, July 23, 2015, at 9:00 a.m. Central Time, and a replay will be available for at least 10 days following the call. To access the webcast, visit http://www.snapon.com/sna and click on the link to the webcast. The slide presentation accompanying the call can be accessed under the Downloads tab in the webcast viewer, as well as on the Snap-on website under the tabs Investor Information/Investor Events/Company Presentations.

About Snap-on

Snap-on Incorporated is a leading global innovator, manufacturer and marketer of tools, equipment, diagnostics, repair information and systems solutions for professional users performing critical tasks. Products and services include hand and power tools, tool storage, diagnostics software, information and management systems, shop equipment and other solutions for vehicle dealerships and repair centers, as well as for customers in industries, including aviation and aerospace, agriculture, construction,

government and military, mining, natural resources, power generation and technical education. Snap-on also derives income from various financing programs to facilitate the sales of its products. Products and services are sold through the company's franchisee, company-direct, distributor and internet channels. Founded in 1920, Snap-on is a \$3.3 billion, S&P 500 company headquartered in Kenosha, Wisconsin.

Forward-looking Statements

Statements in this news release that are not historical facts, including statements that (i) are in the future tense; (ii) include the words "expects," "anticipates," "intends," "approximates," 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. Snap-on cautions the reader that this news release may contain statements, including earnings projections, that are forward-looking in nature and were developed by management in good faith and, accordingly, are subject to risks and uncertainties regarding Snap-on's expected results that could cause (and in some cases have caused) actual results to differ materially from those described or contemplated in any forward-looking statement. 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, 2015, which are incorporated herein by reference. Snap-on disclaims any responsibility to update any forward-looking statement provided in this news release, except as required by law.

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For additional information, please visit www.snapon.com or contact:

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Condensed Consolidated Statements of Earnings

(Amounts in millions, except per share data) (unaudited)

July 4, June 28, July 4, June 28,	e 28,
	14
	614.0
	834.9)
Gross profit 419.0 400.4 829.1	779.1
	519.3)
Operating earnings before financial services150.8138.1288.7	259.8
Financial services revenue 58.7 51.7 116.1	101.9
Financial services expenses (17.3) (16.9)	(32.7)
Operating earnings from financial services 41.4 34.8 81.7	69.2
Operating earnings 192.2 172.9 370.4	329.0
Interest expense (12.9) (12.7) (25.9)	(26.4)
Other income (expense) – net (0.7) (1.4)	0.2
Earnings before income taxes and equity earnings 178.6 160.5 343.1	302.8
Income tax expense (56.2) (51.9) (108.0)	(96.2)
Earnings before equity earnings 122.4 108.6 235.1	206.6
Equity earnings, net of tax 0.6 0.2 1.1	0.4
Net earnings 123.0 108.8 236.2	207.0
Net earnings attributable to noncontrolling interests (3.0) (2.7)	(5.0)
Net earnings attributable to Snap-on Inc. \$ 120.0 \$ 106.1 \$ 230.5 \$	202.0
Net earnings per share attributable to Snap-on Inc.: Basic \$ 2.07 \$ 1.83 \$ 3.97 \$ 0.97 Diluted 2.03 1.80 3.90	3.48 3.42
Weighted-average shares outstanding:	
Basic 58.1 58.1 58.1	58.1
Effect of dilutive securities	0.9
Diluted <u>59.1</u> <u>59.0</u> <u>59.1</u>	59.0

Supplemental Segment Information (Amounts in millions) (unaudited)

	Three Months Ended				Six Months Ended			
	July 4,		June 28,		July 4,		June 28,	
		2015 201		2014		2015		2014
Net sales:								
Commercial & Industrial Group	\$	295.8	\$	287.2	\$	593.3	\$	577.8
Snap-on Tools Group		398.7		369.1		776.9		712.7
Repair Systems & Information Group		277.4		278.5		549.7		541.2
Segment net sales		971.9		934.8		1,919.9		1,831.7
Intersegment eliminations		(120.1)		(108.3)		(240.3)		(217.7)
Total net sales	\$	851.8	\$	826.5	\$	1,679.6	\$	1,614.0
Financial Services revenue		58.7		51.7		116.1		101.9
Total revenues	\$	910.5	\$	878.2	\$	1,795.7	\$	1,715.9
Operating earnings:								
Commercial & Industrial Group	\$	42.2	\$	38.2	\$	86.2	\$	77.3
Snap-on Tools Group		68.0		60.5		127.8		109.7
Repair Systems & Information Group		67.7		64.6		131.6		122.7
Financial Services		41.4		34.8		81.7		69.2
Segment operating earnings		219.3		198.1		427.3		378.9
Corporate		(27.1)		(25.2)		(56.9)		(49.9)
Operating earnings	\$	192.2	\$	172.9	\$	370.4	\$	329.0
Interest expense		(12.9)		(12.7)		(25.9)		(26.4)
Other income (expense) – net		(0.7)		0.3		`(1.4)		0.2
Earnings before income taxes						<u>, , , , , , , , , , , , , , , , , , , </u>		
and equity earnings	\$	178.6	\$	160.5	\$	343.1	\$	302.8

Condensed Consolidated Balance Sheets

(Amounts in millions) (unaudited)

Assets \$ 124.6 \$ 132.9 Cash and cash equivalents \$ 558.0 \$ 550.8 Finance receivables – net \$ 421.7 \$ 402.4 Contract receivables – net 69.1 7 47.5 Inventories – net 499.2 475.5 Deferred income tax assets 96.7 101.0 Prepaid expenses and other assets 128.6 121.5 Total current assets 1,897.9 1,858.6 Property and equipment – net 411.2 404.5 Deferred income tax assets 88.2 93.2 Long-term finance receivables – net 708.8 650.5 Long-term finance receivables – net 757.8 810.7 Other intangibles – net 198.0 203.3 Other assets 45.9 47.3 Total assets 45.9 47.3 Total assets 56.6 4.390.7 \$ 4310.1 Liabilities and Equity \$ 61.0 \$ 66.6 Accounts payable \$ 61.0 \$ 66.6 Accounts payable \$ 61.0 \$ 69.2		July 4, 2015	January 3, 2015		
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Retiree health care benefits 40.3 42.5 Pension liabilities 184.6 217.9 Other long-term liabilities 88.0 83.8 Total liabilities 2,074.5 2,084.8 Equity Shareholders' equity attributable to Snap-on Inc. 67.4 67.4 Common stock 67.4 67.4 67.4 Additional paid-in capital 285.5 254.7 254.7 Retained earnings 2,805.5 2,637.2 Accumulated other comprehensive loss (302.0) (248.2) Treasury stock at cost (557.9) (503.3) Total shareholders' equity attributable to Snap-on Inc. 2,298.5 2,207.8 Noncontrolling interests 17.7 17.5 Total equity 2,316.2 2,225.3		861.4	862.7		
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Other long-term liabilities 88.0 83.8 Total liabilities 2,074.5 2,084.8 Equity Shareholders' equity attributable to Snap-on Inc. Common stock 67.4 67.4 Additional paid-in capital 285.5 254.7 Retained earnings 2,805.5 2,637.2 Accumulated other comprehensive loss (302.0) (248.2) Treasury stock at cost (557.9) (503.3) Total shareholders' equity attributable to Snap-on Inc. 2,298.5 2,207.8 Noncontrolling interests 17.7 17.5 Total equity 2,316.2 2,225.3	Retiree health care benefits				
Equity 2,074.5 2,084.8 Shareholders' equity attributable to Snap-on Inc. Common stock 67.4 67.4 Additional paid-in capital 285.5 254.7 Retained earnings 2,805.5 2,637.2 Accumulated other comprehensive loss (302.0) (248.2) Treasury stock at cost (557.9) (503.3) Total shareholders' equity attributable to Snap-on Inc. 2,298.5 2,207.8 Noncontrolling interests 17.7 17.5 Total equity 2,316.2 2,225.3					
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Shareholders' equity attributable to Snap-on Inc. Common stock 67.4 67.4 Additional paid-in capital 285.5 254.7 Retained earnings 2,805.5 2,637.2 Accumulated other comprehensive loss (302.0) (248.2) Treasury stock at cost (557.9) (503.3) Total shareholders' equity attributable to Snap-on Inc. 2,298.5 2,207.8 Noncontrolling interests 17.7 17.5 Total equity 2,316.2 2,225.3	Total liabilities	2,074.5	2,084.8		
Shareholders' equity attributable to Snap-on Inc. Common stock 67.4 67.4 Additional paid-in capital 285.5 254.7 Retained earnings 2,805.5 2,637.2 Accumulated other comprehensive loss (302.0) (248.2) Treasury stock at cost (557.9) (503.3) Total shareholders' equity attributable to Snap-on Inc. 2,298.5 2,207.8 Noncontrolling interests 17.7 17.5 Total equity 2,316.2 2,225.3	Equity				
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Retained earnings 2,805.5 2,637.2 Accumulated other comprehensive loss (302.0) (248.2) Treasury stock at cost (557.9) (503.3) Total shareholders' equity attributable to Snap-on Inc. 2,298.5 2,207.8 Noncontrolling interests 17.7 17.5 Total equity 2,316.2 2,225.3		67.4	67.4		
Retained earnings 2,805.5 2,637.2 Accumulated other comprehensive loss (302.0) (248.2) Treasury stock at cost (557.9) (503.3) Total shareholders' equity attributable to Snap-on Inc. 2,298.5 2,207.8 Noncontrolling interests 17.7 17.5 Total equity 2,316.2 2,225.3	Additional paid-in capital	285.5	254.7		
Accumulated other comprehensive loss (302.0) (248.2) Treasury stock at cost (557.9) (503.3) Total shareholders' equity attributable to Snap-on Inc. 2,298.5 2,207.8 Noncontrolling interests 17.7 17.5 Total equity 2,316.2 2,225.3			2,637.2		
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Total shareholders' equity attributable to Snap-on Inc. 2,298.5 2,207.8 Noncontrolling interests 17.7 17.5 Total equity 2,316.2 2,225.3	·	` ,			
Noncontrolling interests 17.7 17.5 Total equity 2,316.2 2,225.3					
Total equity 2,316.2 2,225.3		,			
	· · · · · · · · · · · · · · · · · · ·	2,316.2	2,225.3		

Condensed Consolidated Statements of Cash Flows

(Amounts in millions) (unaudited)

Operating activities: June 28, 2015 2016 Operating activities: \$ 123.0 \$ 108.8 Adjustments to reconcile net earnings to net cash provided (used) by operating activities: \$ 123.0 \$ 108.8 Adjustments to reconcile net earnings to net cash provided (used) by operating activities: \$ 14.4 \$ 13.6 Depreciation \$ 14.4 \$ 13.6 \$ 6.2 \$ 6.1 Amordization of other intangibles \$ 6.2 \$ 6.1 \$ 7.3 \$ 7.2	Operating activities: 2015 2014 Net earnings \$ 123.0 \$ 108.8 Adjustments to reconcile net earnings to net cash provided (used) by operating activities: \$ 123.0 \$ 108.8 Depreciation of percental participation of other intangibles 6.2 6.1 Amortization of other intangibles 7.3 7.2 Provision for losses on finance receivables 3.0 3.2 Stock-based compensation expenses 11.6 10.1 Excess tax benefits from stock-based compensation (3.0) (2.7 Deferred income tax benefits 0.3 0.2 Changes in operating assets and liabilities, net of effects of acquisition: (6.6) (6.6) Increase in irrade and other accounts receivable (6.6) (6.0) Increase in inventories (11.4) (15.6 Increase in prepaid and other assets (11.4) (15.6 Increase in prepaid and other liabilities 38.4 14.6 Net cash provided by operating activities (21.7) (22.7 Additions to finance receivables (21.7) (22.7 Collections of finance receivables		Three Mor	ths Ended	
Operating activities: Net earnings \$ 123.0 \$ 108.8 Adjustments to reconcile net earnings to net cash provided (used) by operating activities: 14.4 13.6 Depreciation 14.4 13.6 Amortization of other intangibles 6.2 6.1 Provision for losses on innance receivables 3.0 3.2 Stock-based compensation expense 11.6 10.1 Excess tax benefits from stock-based compensation (3.0) (2.7) Deferred income tax benefit (7.6) (9.6) Loss on sale of assets 0.3 0.2 Changes in operating assets and liabilities, net of effects of acquisition: Increase in intade and other accounts receivable (6.6) (5.0) Increase in inventories (11.8) (9.9) Increase in inventories (11.8) (9.9) Increase in accounts apyable (1.14) (15.6) Increase in inventories (11.4) (15.6) Increase in prepaid and other assets (11.4) (15.6) Increase in prepaid and other liabilities 3.4 14.6 Net cash provided by operating	Operating activities: \$ 123.0 \$ 108.8 Adjustments to reconcile net earnings to net cash provided (used) by operating activities: 14.4 13.6 Depreciation 14.4 13.6 Amortization of other intangibles 6.2 6.1 Provision for losses on finance receivables 7.2 7.2 Provision for losses on non-finance receivables 3.0 3.2 Stock-based compensation expense 11.6 10.1 Excess tax benefits from stock-based compensation (3.0) (2.7 Deferred income tax benefit from stock-based compensation (3.0) (2.7 Loss on sale of assets 0.3 0.8 Loss on sale of assets (3.0) (2.7 Loss on sale of assets (6.4) (8.0 Increase in operating assets and liabilities, net of effects of acquisition: (6.4) (8.0 Increase in propal and other assets (11.4) (15.6 Increase in prepaid and other assets (11.4) (15.6 Increase in prepaid and other assets (21.7 (22.7 Increase in prepaid and other assets (21.7 (22.7<		July 4,	June 28,	
Net earnings \$ 108.8 Adjustments to reconcile net earnings to net cash provided (used) by operating activities: 14.4 Depreciation 14.4 13.6 Amortization of other intangibles 6.2 6.1 Provision for losses on finance receivables 7.3 7.2 Provision for losses on non-finance receivables 3.0 3.2 Stock-based compensation expense 11.6 10.1 Excess tax benefits from stock-based compensation (3.0) (2.7) Deferred income tax benefit (7.6) (9.6) Loss on sale of assets 0.3 0.2 Changes in operating assets and liabilities, net of effects of acquisition: (6.6) (5.0) Increase in trade and other accounts receivable (6.6) (5.0) Increase in inventories (11.8) (9.9) Increase in accounts payable 2.9 11.4 Increase in accounts payable increase in accounts payable accounts payable increase in accounts payable increase in accounts payable increase in accounts payable increase in accounts payable increase increase gate from short-term borrowings (21.2) (20.9) Collections of finance receivables (21.7)	Net earnings \$ 123.0 \$ 108.8 Adjustments to reconcile net earnings to net cash provided (used) by operating activities: 14.4 13.6 Depreciation 14.4 13.6 Amortization of other intangibles 6.2 6.1 Provision for losses on finance receivables 3.0 3.2 Stock-based compensation expense 11.6 10.1 Excess tax benefits from stock-based compensation (3.0) 0.2 Deferred income tax benefit (7.6) (9.6 Loss on sale of assets 0.3 0.2 Changes in operating assets and liabilities, net of effects of acquisition: Increase in trade and other accounts receivable (6.6) (5.0 Increase in repaid and other assets (11.8) (9.9 Increase in inventories (11.8) (9.9 Increase in accoruals and other liabilities 3.0 12.4 Increase in accoruals and other liabilities 3.0 12.4 Increase in prepaid and other assets (11.8) (9.9 Increase in prepaid and other acceptables (2.7 (2.7 Call Increase in prepaid and other acceptables	Operating activities:	-		
Depreciation	Depreciation	Net earnings	\$ 123.0	\$ 108.8	
Depreciation	Depreciation	Adjustments to reconcile net earnings to net cash provided (used) by			
Amortization of other intangibles 6.2 6.1 Provision for losses on finance receivables 7.3 7.2 Provision for losses on non-finance receivables 3.0 3.2 Stock-based compensation expense 11.6 10.1 Excess tax benefits from stock-based compensation (3.0) (2.7) Deferred income tax benefit (7.6) (9.6) Loss on sale of assets 0.3 0.2 Changes in operating assets and liabilities, net of effects of acquisition: Increase in trade and other accounts receivable (6.6) (5.0) Increase in incontract receivables (6.4) (8.0) (8.0) Increase in inventories (11.8) (9.9) Increase in prepaid and other assets (11.4) (15.6) Increase in prepaid and other assets (11.1) (15.6) Increase in accruals and other liabilities 38.4 14.6 Net cash provided by operating activities 2.9 11.4 (15.6) Increase in accruals and other liabilities (217.2) (200.9) Collections of finance receivables (217.2) (200.9) Collections of	Amortization of other intangibles	·			
Provision for losses on finance receivables 7.3 7.2 Provision for losses on non-finance receivables 3.0 3.2 Stock-based compensation expense 11.6 10.1 Excess tax benefits from stock-based compensation (7.6) (9.6) Loss on sale of assets 0.3 0.2 Changes in operating assets and liabilities, net of effects of acquisition: (6.6) (5.0) Increase in trade and other accounts receivable (6.4) (8.0) Increase in inventories (11.8) (9.9) Increase in inventories (11.8) (9.9) Increase in prepaid and other assets (11.4) (15.6) Increase in accounts payable 2.9 11.4 Increase in accounts payable 2.9<	Provision for losses on finance receivables 7.3 7.2 Provision for losses on non-finance receivables 3.0 3.2 Stock-based compensation expense 11.6 10.1 Excess tax benefits from stock-based compensation (3.0) (2.7 Deferred income tax benefit (7.6) (9.6 Loss on sale of assets 0.3 0.22 Changes in operating assets and liabilities, net of effects of acquisition: Increase in contract receivables (6.6) (5.0 Increase in contract receivables (6.4) (8.0 Increase in inventories (11.8) (9.9 Increase in accounts payable 2.9 11.4 Increase in prepaid and other assets (11.4) 16.5 Increase in prepaid and other assets (11.6) 38.4 14.6 Net cash provided by operating activities (217.2) (200.9 <td></td> <td></td> <td></td>				
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Changes in operating assets and liabilities, net of effects of acquisition: (6.6) (5.0) Increase in trade and other accounts receivable (6.4) (8.0) Increase in inventories (11.8) (9.9) Increase in prepaid and other assets (11.4) (15.6) Increase in accounts payable 2.9 11.4 Increase in accruals and other liabilities 38.4 14.6 Net cash provided by operating activities 160.3 124.4 Investing activities: 2.9 11.4 Additions to finance receivables (217.2) (200.9) Collections of finance receivables 159.1 142.9 Capital expenditures (27.7) (22.7) Acquisition of business - (41.6) Disposal of property and equipment 0.4 0.3 Other - 2.3 Net cash used by investing activities (85.4) (119.7) Financing activities: (85.4) (119.7) Proceeds from short-term borrowings 1.6 - Repayment of short-term borrowings (1.6)	Changes in operating assets and liabilities, net of effects of acquisition: Increase in trade and other accounts receivable		, ,	, ,	
Increase in trade and other accounts receivable (6.6) (5.0) Increase in contract receivables (6.4) (8.0) Increase in inventories (11.8) (9.9) Increase in prepaid and other assets (11.4) (15.6) Increase in accounts payable 2.9 11.4 Increase in accruals and other liabilities 38.4 14.6 Net cash provided by operating activities 160.3 124.4 Investing activities: (217.2) (200.9) Collections of finance receivables (217.2) (200.9) Collections of finance receivables (27.7) (22.7) Capital expenditures (27.7) (22.7) Acquisition of business - (41.6) Disposal of property and equipment 0.4 0.3 Other - 2.3 Net cash used by investing activities (85.4) (119.7) Financing activities: Proceeds from short-term borrowings 1.6 - Repayment of short-term borrowings (1.6) - Net increase (decrease) in other short-term borrowings (1.6) - Net increase (decrease) in other short-term borrowings (1.6) 29.8 Purchases of treasury stock (37.2) (40.4) Cash dividends paid (30.8) (25.6) Proceeds from stock purchase and option plans 22.0 19.3 Excess tax benefits from stock-based compensation 3.0 2.7 Other (4.3) (2.9) Net cash used by financing activities (64.9) (17.1) Effect of exchange rate changes on cash and cash equivalents 0.2 0.4 Increase (decrease) in cash and cash equivalents 10.2 (12.0)	Increase in trade and other accounts receivable (6.6) (5.0) Increase in contract receivables (6.4) (8.0) Increase in inventories (11.8) (9.9) Increase in prepaid and other assets (11.4) (15.6) Increase in accounts payable 2.9 11.4 Increase in accounts payable 2.9 11.4 Increase in accruals and other liabilities 38.4 14.6 Net cash provided by operating activities 160.3 124.4 Investing activities:		0.3	0.2	
Increase in contract receivables (6.4) (8.0) Increase in inventories (11.8) (9.9) Increase in prepaid and other assets (11.4) (15.6) Increase in accounts payable 2.9 11.4 Increase in accruals and other liabilities 38.4 14.6 Net cash provided by operating activities 160.3 124.4 Investing activities:	Increase in contract receivables (6.4) (8.0) Increase in inventories (11.8) (9.9) Increase in prepaid and other assets (11.4) (15.6) Increase in accounts payable 2.9 11.4 Increase in accruals and other liabilities 38.4 14.6 Net cash provided by operating activities (217.2) (200.9 Collections of finance receivables (217.2) (200.9 Collections of finance receivables (27.7) (22.7 Acquisition of business (85.4) (119.7 Proceeds from short-term borrowings (1.6) - (2.3 Repayment of short-term borrowings (1.6) - (2.3 Repayment of short-term borrowings (1.6) - (2.3 Proceeds from short-term borrowings (1.6) - (2.3 Purchases of treasury stock (37.2) (40.4 Cash dividends paid (30.8) (25.6 Proceeds from stock purchase and option plans (2.0 19.3 Excess tax benefits from stock-based compensation (30.8) (25.6 Proceeds from stock purchase and option plans (2.0 19.3 Excess tax benefits from stock-based compensation (30.8) (2.5 Net cash used by financing activities (64.9) (17.1 Effect of exchange rate changes on cash and cash equivalents (2.2 0.4 Increase (decrease) in cash and cash equivalents (2.2 0.4 Increase (decrease) in cash and cash equivalents (3.2 0.4 Increase (decrease) in cash and cash equivalents (3.2 0.4 Increase (decrease) in cash and cash equivalents (3.2 0.4 Increase (decrease) in cash and cash equivalents (3.2 0.4 Increase (decrease) in cash and cash eq		(0,0)	(5.0)	
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	Cash and cash equivalents at end of period \$ 124.6 \$ 115.8 Supplemental cash flow disclosures: Cash paid for interest \$ (1.7) \$ (1.6)	case (assisass) in saon and saon squiraisins	10.2	(12.0)	
Cach and each equivalents at and of pariod © 1246 © 1150	Supplemental cash flow disclosures: Cash paid for interest \$ (1.7) \$ (1.6)				
	Cash paid for interest \$ (1.7) \$ (1.6)		φ 124.0	φ 110.6	
	·		<u> </u>		
	NI. (1 (·	. ,	, ,	
	Net cash paid for income taxes (45.7) (71.2)	Net cash paid for income taxes	(45.7)	(71.2)	

Condensed Consolidated Statements of Cash Flows

(Amounts in millions) (unaudited)

	Six Mont	hs Ended
	July 4,	June 28,
	2015	2014
Operating activities:		
Net earnings	\$ 236.2	\$ 207.0
Adjustments to reconcile net earnings to net cash provided (used) by		
operating activities:		
Depreciation	28.2	27.0
Amortization of other intangibles	12.4	12.3
Provision for losses on finance receivables	14.4	13.4
Provision for losses on non-finance receivables	7.9	6.6
Stock-based compensation expense	23.1	18.7
Excess tax benefits from stock-based compensation	(14.0)	(9.6)
Deferred income tax provision (benefit)	3.1	(2.8)
Loss on sale of assets	0.3	0.2
Changes in operating assets and liabilities, net of effects of acquisition:	4	4
Increase in trade and other accounts receivable	(26.8)	(36.0)
Increase in contract receivables	(9.7)	(13.9)
Increase in inventories	(35.8)	(28.4)
Increase in prepaid and other assets	(38.4)	(35.3)
Increase in accounts payable	27.8	18.4
Increase in accruals and other liabilities	9.7	35.1
Net cash provided by operating activities	238.4	212.7
Investing activities.		
Investing activities:	(440.0)	(270.0)
Additions to finance receivables	(416.0)	(370.6)
Collections of finance receivables	319.3	282.3
Capital expenditures	(45.8)	(41.0)
Acquisition of business	-	(41.6)
Disposal of property and equipment	0.4	0.5
Other	(2.8)	(0.2)
Net cash used by investing activities	(144.9)	(170.6)
Financing activities:		
Repayment of long-term debt	-	(100.0)
Proceeds from short-term borrowings	1.6	,
Repayment of short-term borrowings	(1.6)	-
Net increase in other short-term borrowings	5.2	33.8
Purchases of treasury stock	(86.9)	(62.5)
Cash dividends paid	(61.7)	(51.2)
Proceeds from stock purchase and option plans	36.5	32.1
Excess tax benefits from stock-based compensation	14.0	9.6
Other	(7.3)	(6.0)
Net cash used by financing activities	(100.2)	(144.2)
Effect of exchange rate changes on cash and cash equivalents	(1.6)	0.3
Decrease in cash and cash equivalents	(8.3)	(101.8)
Cash and cash equivalents at beginning of year	132.9	217.6
Cash and cash equivalents at beginning or year	\$ 124.6	\$ 115.8
and and additional at one of portion	Ψ 12 1.0	<u> </u>
Supplemental cash flow disclosures:		
Cash paid for interest	\$ (25.4)	\$ (27.8)
Net cash paid for income taxes	(66.4)	(87.9)
	(55.1)	(37.0)

Supplemental Consolidating Data - Condensed Statements of Earnings (Amounts in millions) (unaudited)

	•	ations* nths Ended	Financial Three Mon	
	July 4, 2015	June 28, 2014	July 4, 2015	June 28, 2014
Net sales	\$ 851.8	\$ 826.5	\$ -	\$ -
Cost of goods sold	(432.8)	(426.1)		
Gross profit	419.0	400.4	-	-
Operating expenses	(268.2)	(262.3)		
Operating earnings before financial services	150.8	138.1	-	-
Financial services revenue	-	-	58.7	51.7
Financial services expenses		<u> </u>	(17.3)	(16.9)
Operating earnings from financial services	-	-	41.4	34.8
Operating earnings	150.8	138.1	41.4	34.8
Interest expense	(12.8)	(12.5)	(0.1)	(0.2)
Intersegment interest income (expense) – net	15.7	13.9	(15.7)	(13.9)
Other income (expense) – net	(0.7)	0.3		
Earnings before income taxes and equity earnings	153.0	139.8	25.6	20.7
Income tax expense	(46.8)	(44.3)	(9.4)	(7.6)
Earnings before equity earnings	106.2	95.5	16.2	13.1
Financial services – net earnings				
attributable to Snap-on Inc.	16.2	13.1	-	-
Equity earnings, net of tax	0.6	0.2	<u> </u>	
Net earnings	123.0	108.8	16.2	13.1
Net earnings attributable to noncontrolling interests	(3.0)	(2.7)		
Net earnings attributable to Snap-on Inc.	\$ 120.0	\$ 106.1	\$ 16.2	\$ 13.1

^{*} Snap-on Inc. with Financial Services on the equity method.
Transactions between the Operations and Financial Services businesses were eliminated to arrive at the consolidated financial statements.

Supplemental Consolidating Data - Condensed Statements of Earnings (Amounts in millions) (unaudited)

	•	ations* hs Ended	Financial Six Montl	
	July 4, 2015	June 28, 2014	July 4, 2015	June 28, 2014
Net sales	\$ 1,679.6	\$ 1,614.0	\$ -	\$ -
Cost of goods sold	(850.5)	(834.9)		
Gross profit	829.1	779.1	-	-
Operating expenses	(540.4)	(519.3)		
Operating earnings before financial services	288.7	259.8	-	-
Financial services revenue	-	-	116.1	101.9
Financial services expenses	<u> </u>		(34.4)	(32.7)
Operating earnings from financial services	-	-	81.7	69.2
Operating earnings	288.7	259.8	81.7	69.2
Interest expense	(25.7)	(26.0)	(0.2)	(0.4)
Intersegment interest income (expense) – net	30.7	27.3	(30.7)	(27.3)
Other income (expense) – net	(1.4)	0.2		
Earnings before income taxes and equity earnings	292.3	261.3	50.8	41.5
Income tax expense	(89.3)	(81.0)	(18.7)	(15.2)
Earnings before equity earnings	203.0	180.3	32.1	26.3
Financial services – net earnings				
attributable to Snap-on Inc.	32.1	26.3	-	-
Equity earnings, net of tax	1.1	0.4		
Net earnings	236.2	207.0	32.1	26.3
Net earnings attributable to noncontrolling interests	(5.7)	(5.0)		
Net earnings attributable to Snap-on Inc.	\$ 230.5	\$ 202.0	\$ 32.1	\$ 26.3

^{*} Snap-on Inc. with Financial Services on the equity method.
Transactions between the Operations and Financial Services businesses were eliminated to arrive at the consolidated financial statements.

Supplemental Consolidating Data - Condensed Balance Sheets (Amounts in millions) (unaudited)

	Operations*		•		ces			
		July 4, 2015	Ja	nuary 3, 2015		July 4, 2015		nuary 3, 2015
Assets								
Cash and cash equivalents	\$	124.4	\$	132.8	\$	0.2	\$	0.1
Intersegment receivables	•	19.2	•	16.0	*	-	•	-
Trade and other accounts receivable – net		557.7		550.5		0.3		0.3
Finance receivables – net		-		-		421.7		402.4
Contract receivables – net		7.6		7.6		61.5		66.9
Inventories – net		499.2		475.5		-		-
Deferred income tax assets		80.0		85.4		16.7		15.6
Prepaid expenses and other assets		133.1		125.5		1.6		0.9
Total current assets		1,421.2		1,393.3	-	502.0		486.2
Property and equipment – net		410.3		403.4		0.9		1.1
Investment in Financial Services		228.4		218.9		-		-
Deferred income tax assets		87.9		92.9		0.3		0.3
Intersegment long-term notes receivable		281.0		232.1		-		-
Long-term finance receivables – net		-		-		708.8		650.5
Long-term contract receivables – net		13.3		12.8		239.6		229.2
Goodwill		787.8		810.7		-		-
Other intangibles – net		198.0		203.3		-		-
Other assets		50.7		50.9		1.0		1.0
Total assets	\$	3,478.6	\$	3,418.3	\$	1,452.6	\$	1,368.3
Liabilities and Equity								
Notes payable	\$	61.0	\$	56.6	\$	-	\$	-
Accounts payable		166.0		144.7		0.1		0.3
Intersegment payables		-		-		19.2		16.0
Accrued benefits		45.1		53.8		-		-
Accrued compensation		74.2		95.2		2.4		4.0
Franchisee deposits		68.4		65.8		-		-
Other accrued liabilities		283.2		285.0		45.5		18.2
Total current liabilities		697.9		701.1		67.2		38.5
Long-term debt and intersegment long-term debt		-		-		1,142.4		1,094.8
Deferred income tax liabilities		160.4		158.6		-		0.6
Retiree health care benefits		40.3		42.5		-		-
Pension liabilities		184.6		217.9		-		-
Other long-term liabilities		79.2		72.9		14.6		15.5
Total liabilities		1,162.4		1,193.0		1,224.2		1,149.4
Total shareholders' equity attributable to Snap-on Inc.		2,298.5		2,207.8		228.4		218.9
Noncontrolling interests		17.7		17.5				-
Total equity		2,316.2		2,225.3		228.4		218.9
Total liabilities and equity	\$	3,478.6	\$	3,418.3	\$	1,452.6	\$	1,368.3

^{*} Snap-on Inc. with Financial Services on the equity method.

Transactions between the Operations and Financial Services businesses were eliminated to arrive at the consolidated financial statements.