

For our **Financial Services** segment, 2010 marked the first full year since Snap-on Credit's 2009 transition from a joint venture to a wholly-owned subsidiary, when new financing receivables began to be included on our balance sheet. At the time of the transition, the credit operation had minimal on-book, interest-earning assets to offset its operating expenses. By mid-2010, Snap-on Credit was generating positive operating earnings and we believe the transition has gone

In 2010, we celebrated a significant milestone — the 90th anniversary of Snap-on's founding. The company began with the development of the original Snap-on interchangeable socket set in 1920. Later, Snap-on pioneered mobile tool distribution, where fully stocked vans sold to professional vehicle repair technicians at their places of business. For many decades, we were viewed, and we viewed ourselves, primarily as a tool company selling through vans to vehicle technicians — something we

proposition. For example, our global manufacturing footprint provides proximity to our customers in multiple markets around the world. This is especially important since our development of innovative productivity solutions for these professionals requires intimate knowledge of their particular needs. Our commitment to Snap-on Value Creation enables us to manage these multiple local positions to our unique advantage with efficiency and effectiveness.

"THE LEGENDARY SNAP-ON BRAND CONTINUES

seamlessly and as planned. For the full year, the Financial Services segment generated operating earnings of \$14.4 million on revenues of \$62.3 million. In the future, we expect the segment can be an even larger contributor to our earnings. At the same time, Financial Services serves a significant strategic role in providing financing options for our technician customers, our franchisees and customers who are shop owners and managers.

have always done very well, and continue to do very well today. In recent years, we've defined our value proposition more broadly, reaching beyond the garage. Snap-on today supports serious professionals in critical industries — inside and outside vehicle repair — by delivering a broad array of solutions to make work easier.

We have the unique capabilities in place to deliver on this broader value

The legendary Snap-on® brand continues to be strong, delivering premium quality and performance to professional users across the globe. Both inside and outside the vehicle repair garage, the brand creates confidence with users in critical applications where second best is not an option. Whether measured by endorsement from vehicle technicians, the confidence of global aerospace companies, or purchases by leading-edge

Snap-on continues to expand its capabilities in emerging markets.

In 2010, Snap-on's new plant in Minsk, Belarus, was officially inaugurated. The 115,000 square foot facility manufactures bimetal band saws, hole saws and power hack saws for professionals around the world. Processes in the Minsk facility include the internally developed high speed steel line shown here.

