

SNAP ON INC
Form 10-Q
April 24, 2007

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 March 31, 2007

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 80th Street, Kenosha, Wisconsin
(Address of principal executive offices)

53143
(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 No

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

Large accelerated filer Accelerated filer Non-accelerated filer

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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 April 20, 2007
Common Stock, \$1.00 par value	57,974,406 shares

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SNAP-ON INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(Amounts in millions, except per share data)

(Unaudited)

	Three Months Ended March 31, 2007	April 1, 2006
Net sales	\$ 709.7	\$ 593.5
Cost of goods sold	(397.8)	(333.2)
Gross profit	311.9	260.3
Financial services revenue	13.4	11.2
Financial services expenses	(9.7)	(9.2)
Operating income from financial services	3.7	2.0
Operating expenses	(245.9)	(222.9)
Operating earnings	69.7	39.4
Interest expense	(11.3)	(4.4)
Other income (expense) net	0.2	(1.2)
Earnings before income taxes	58.6	33.8
Income tax expense	(19.6)	(11.7)
Net earnings	\$ 39.0	\$ 22.1
Earnings per share:		
Basic	\$ 0.67	\$ 0.38
Diluted	\$ 0.66	\$ 0.37
Weighted-average shares outstanding:		
Basic	58.2	58.2
Effect of dilutive options	0.8	0.9
Diluted	59.0	59.1
Dividends declared per common share	\$ 0.27	\$ 0.27

See notes to Condensed Consolidated Financial Statements

SNAP-ON INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in millions, except share data)

(Unaudited)

	March 31, 2007	December 30, 2006
Assets		
Current assets		
Cash and cash equivalents	\$ 61.3	\$ 63.4
Accounts receivable net of allowances	567.9	559.2
Inventories	326.9	323.0
Deferred income tax benefits	71.5	76.0
Prepaid expenses and other assets	100.8	91.6
Total current assets	1,128.4	1,113.2
Property and equipment		
Land	24.6	24.3
Buildings and improvements	238.1	236.7
Machinery and equipment	546.1	540.9
	808.8	801.9
Accumulated depreciation and amortization	(512.0)	(504.8)
Property and equipment net	296.8	297.1
Deferred income tax benefits	61.9	55.3
Goodwill	781.1	776.1
Other intangibles net	245.7	257.8
Pension assets	14.1	14.0
Other assets	152.4	141.0
Total assets	\$ 2,680.4	\$