

SNAP-ON Inc  
 Form 424B5  
 September 14, 2010  
Table of Contents

Filed pursuant to Rule 424(b)(5)  
 Registration No. 333-163814

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed	Proposed	Amount of Registration Fee
		Maximum	Maximum	
		Offering Price	Aggregate	
		Per Share	Offering Price	
Common Stock, \$1.00 par value	522,972 (1)	\$44.545 (2)	\$23,295,787.74 (2)	\$1,660.99

- (1) In addition to the 522,972 shares of the Registrant's Common Stock, \$1.00 par value, being registered at this time, this prospectus supplement and the accompanying prospectus also relate to 14,301 shares of Common Stock that were included in the prospectus supplement and accompanying prospectus filed by the Registrant pursuant to Rule 424 on December 18, 2009, in connection with the Registrant's Registration Statement on Form S-3 (No. 333-163814).
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act, at the rate of \$71.30 per million, based upon \$44.545 per share, which is the average of the high and low sales prices of the Registrant's Common Stock on the New York Stock Exchange on September 10, 2010.

Table of Contents

**PROSPECTUS SUPPLEMENT**

(To Prospectus Dated December 18, 2009)

537,273 Shares of  
Common Stock (\$1.00 par value)

**FRANCHISED DEALER STOCK OWNERSHIP PLAN**

This prospectus supplement and the accompanying prospectus relate to an aggregate of 537,273 shares of common stock, par value \$1.00 (the common stock) of Snap-on Incorporated offered hereby to eligible franchised dealers pursuant to our Franchised Dealer Stock Ownership Plan, which we refer to as the plan. The common stock will be sold from time to time by us under the terms of the plan directly to our franchised dealers participating in the plan without the payment of any underwriting discounts or commissions. The plan provides for a price per share to be calculated at the lesser of the market value of the common stock on May 15 of a plan year or the market value of the common stock in the succeeding May 14 of such plan year. Proceeds from the offering will be used for general corporate purposes.

**For a discussion of risk factors that could adversely affect our business, operating results and/or financial condition, as well as adversely affect the value of an investment in our common stock, prospective participants should review Item 1A: Risk Factors in our Annual Report on Form 10-K for the fiscal year ended January 2, 2010 (SEC File No. 1-7724), and similar disclosures in our subsequent filings with the Securities and Exchange Commission. We suggest that prospective participants review this prospectus supplement and the accompanying prospectus carefully and retain them for future reference.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement and the accompanying prospectus. Any representation to the contrary is a criminal offense.**

No person has been authorized to give any information or to make any representations other than those contained in this prospectus supplement and the accompanying prospectus in connection with the offer contained herein, and if given or made, such information or representations must not be relied upon as having been authorized by us. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell, or a solicitation of an offer to buy, any securities offered hereby in any jurisdiction in which it is not lawful or to any person to whom it is not lawful to make any such offer or solicitation. Neither the delivery of this prospectus supplement and the accompanying prospectus nor any sale made hereunder shall, under any circumstances, create any implication that information herein is correct as of any time subsequent to the date hereof.

The date of this prospectus supplement is September 14, 2010.

Table of Contents**TABLE OF CONTENTS**IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS

<u>SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS</u>	i
<u>FORWARD-LOOKING STATEMENTS</u>	ii
<u>THE COMPANY</u>	1
<u>PLAN PURPOSE</u>	1
<u>USE OF PROCEEDS</u>	2
<u>RISK FACTORS</u>	2
<u>ELIGIBLE PARTICIPANTS</u>	2
<u>PURCHASE PRICE</u>	2
<u>ENROLLMENT IN THE PLAN</u>	2
<u>TIME, MANNER AND AMOUNT OF PAYMENTS</u>	2
<u>MAXIMUM AND MINIMUM AMOUNTS THAT MAY BE PURCHASED</u>	3
<u>CHANGE OF CONTROL</u>	3
<u>WITHDRAWAL FROM THE PLAN - ASSIGNMENT OF INTEREST</u>	4
<u>NATURE AND FREQUENCY OF REPORTS TO PARTICIPANTS</u>	4
<u>ADMINISTRATION OF THE PLAN</u>	4
<u>TAX EFFECTS</u>	5
<u>RESALE OF SECURITIES PURCHASED</u>	5
<u>LEGAL MATTERS</u>	5
<u>AVAILABLE INFORMATION</u>	5
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	6

**IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS****SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS**

You should rely only on the information contained in this prospectus supplement, the accompanying prospectus and the documents we have incorporated by reference. We have not authorized anyone to provide you with different information. We are not making an offer of our common stock in any state which does not permit its offer or sale. You should not assume that the information provided in this prospectus supplement or the accompanying prospectus, or the information we have previously filed with the Securities and Exchange Commission that we incorporate by reference, is accurate as of any date other than the respective dates of those documents in which such information is contained. If information in this prospectus supplement updates information in the accompanying prospectus, this prospectus supplement will apply and will supersede that information in the prospectus. For purposes of this prospectus supplement and the accompanying prospectus, unless the context otherwise indicates, when we refer to us, we, our,

ours, or the company we are describing Snap-on Incorporated, including, as appropriate, its subsidiaries.

---

**Table of Contents**

**FORWARD-LOOKING STATEMENTS**

Statements in this document that are not historical facts, including statements that (i) are in the future tense; (ii) include the words expects, plans, targets, estimates, believes, anticipates, or similar words that refer to 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 any forward-looking statements included in this document that are based upon assumptions and estimates were developed by management in good faith and are subject to risks, uncertainties or other factors that could cause (and in some cases have caused) actual results to differ materially from those described in any such statement. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results or regarded as a representation by the company or its management that the projected results will be achieved. For those forward-looking statements, Snap-on cautions the reader that numerous important factors, such as those listed below, as well as those factors discussed in its Annual Report on Form 10-K for the fiscal year ended January 2, 2010, which are incorporated herein by reference, could affect the company's actual results and could cause its actual consolidated results to differ materially from those expressed in any forward-looking statement made by, or on behalf of, Snap-on.

These risks and uncertainties include, without limitation, uncertainties related to estimates, statements, assumptions and projections generally, and the timing and progress with which Snap-on can attain efficiencies and savings from its Rapid Continuous Improvement and other cost reduction initiatives, including its ability to implement reductions in workforce, achieve improvements in the company's manufacturing footprint and greater efficiencies in its supply chain, and enhance machine maintenance, plant productivity and manufacturing line set-up and change-over practices, any or all of which could result in production inefficiencies, higher costs and/or lost revenues. These risks also include uncertainties related to Snap-on's capability to implement future strategies with respect to its existing businesses, its ability to refine its brand and franchise strategies, retain and attract franchisees, further improve service and value to franchisees and thereby enhance their sales and profitability, introduce successful new products, successfully integrate acquisitions, as well as its ability to withstand disruption arising from natural disasters, planned facility closures or other labor interruptions, the need to provide financing for the contracts and loans originated by Snap-on Credit LLC, litigation challenges, and external negative factors including instability in world credit and financial markets, weakness in the global economy, continued weakness in the U.S. automotive industry, and significant changes in the current competitive environment, inflation, interest rates and other monetary and market fluctuations, and the impact of legal proceedings, energy and raw material supply and pricing, including steel and gasoline, the amount, rate and growth of Snap-on's general and administrative expenses, including health care and postretirement costs (resulting from, among other matters, new U.S. health care legislation and reforms), the impacts of non-strategic business and/or product line rationalizations, and terrorist disruptions on business. Interim results of operations are not necessarily indicative of the results to be expected for the full fiscal year. Snap-on disclaims any responsibility to update any forward-looking statement provided in this document, except as required by law.

In addition, investors should be aware that generally accepted accounting principles in the United States of America ( U.S. GAAP ) prescribe when a company should reserve for particular risks, including litigation exposures. Accordingly, results for a given reporting period could be significantly affected if and when a reserve is established for a major contingency. Reported results, therefore, may appear to be volatile in certain accounting periods.

**Table of Contents**

**THE COMPANY**

Snap-on was incorporated under the laws of the state of Wisconsin in 1920 and reincorporated under the laws of the state of Delaware in 1930. Snap-on is a leading global innovator, manufacturer and marketer of tools, diagnostics, equipment, software and service solutions for professional users. 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 customers in industry, government, agriculture, aviation and natural resources. Snap-on also derives income from various financing programs to facilitate the sales of its products. Snap-on's headquarters is located at 2801 80th Street, Kenosha, Wisconsin 53143 and its telephone number is (262) 656-5200.

Snap-on markets its products and brands through multiple distribution sales channels in approximately 130 countries. Snap-on's largest geographic markets include the United States, the United Kingdom, Canada, Germany, Japan, France, Australia, Spain, the Netherlands, Italy, China and Sweden. Snap-on also reaches its customers through the company's franchisee, company-direct, distributor and internet channels. Snap-on originated the mobile van tool distribution channel in the automotive repair market.

Snap-on's business segments are based on the organization structure used by management for making operating and investment decisions and for assessing performance. Snap-on's reportable business segments are: (i) the Commercial & Industrial Group; (ii) the Snap-on Tools Group; (iii) the Repair Systems & Information Group; and (iv) Financial Services. The Commercial & Industrial Group consists of business operations serving a broad range of industrial and commercial customers worldwide, primarily through direct and distributor channels. The Snap-on Tools Group consists of business operations primarily serving automotive service technicians through the worldwide mobile tool distribution channel. The Repair Systems & Information Group consists of business operations serving other professional automotive-related customers, primarily owners and managers of independent repair shops and OEM dealers, through direct and distributor channels. Financial Services consists of the business operations of Snap-on's wholly owned finance subsidiaries.

**PLAN PURPOSE**

The purpose of the plan is to provide the franchised dealers of our products with the opportunity to purchase shares of common stock. An aggregate of 1,704,888 shares of common stock have been authorized for issuance pursuant to the plan (including shares registered under prior registration statements), subject to adjustment; as of the date of this prospectus supplement, 537,273 shares of common stock remain available for future issuance. Eligible franchised dealers of our products participating in the plan may pay a designated amount of cash to us in each regular billing period, and once a year the amount of each participant's payments under the plan is applied to the purchase of common stock for the participant. The period from May 15 to the following May 14 is hereinafter referred to as a plan year. The plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974, and is not qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended.

**Table of Contents**

**USE OF PROCEEDS**

We are unable to predict the number of shares of common stock that will be purchased from us under the plan or the prices at which the shares will be purchased. The net proceeds from sales of the common stock will be added to the general funds of the company and will be used for general corporate purposes.

**RISK FACTORS**

For a discussion of risk factors that could adversely affect our business, operating results and/or financial condition, as well as adversely affect the value of an investment in our common stock, prospective participants should review Item 1A: Risk Factors in our Annual Report on Form 10-K for the fiscal year ended January 2, 2010 (SEC File No. 1-7724), and similar disclosures in our subsequent filings, which are incorporated by reference herein.

**ELIGIBLE PARTICIPANTS**

All franchised dealers of our products located in the United States or Canada as of May 15 of each plan year may participate in the plan for the plan year. However, we may require, as a condition to eligibility to participate in the plan, that the franchised dealer be enrolled in our Dividend Reinvestment and Direct Stock Purchase Plan. Notwithstanding the foregoing, no employee, director or other service provider shall participate in the plan.

**PURCHASE PRICE**

The price per share of our common stock will be the lesser of the market value of the common stock on (i) the offering date (May 15) of a plan year; or (ii) the succeeding May 14 (or the next business day after May 14, if May 14 is not a business day). Market value shall be the mean of the high and low prices for our common stock as reported on the New York Stock Exchange on such date.

**ENROLLMENT IN THE PLAN**

An eligible franchised dealer may enter the plan between May 15 and June 1 of each plan year by filling out, signing and forwarding a participation form to us. We may require enrollment electronically or by telephone. A participation form or participation change form shall remain in effect from year to year until modified by a subsequent participation change form. A franchised dealer who was participating in our Employee Stock Ownership Plan immediately prior to becoming a franchised dealer may immediately begin participation in the plan and may transfer any account balances under our Employee Stock Ownership Plan to the plan.

**TIME, MANNER AND AMOUNT OF PAYMENTS**

A participant indicates at enrollment the amount of cash that the participant would like to accumulate during each billing period applicable to the participant as a franchised dealer for the purchase of common stock during the plan year. We will bill the participant for this amount on each dealer invoice beginning in June of the plan year. A participant may change the level of cash to be applied toward the purchase of common stock during a plan year by signing and delivering a participation change form to us at least ten (10) days before the first day of the month in which the change is to be effective; the plan provides that a change in a participant's



## **Table of Contents**

level of participation that is received on a timely basis will be effective during the first business week of the following month. To continue participation during a plan year, a participant must provide for the accumulation of some whole dollar amount during each billing period.

Payments received under the plan will be accumulated by us and may be used for our general corporate purposes and need not be segregated from other company funds. After May 14 of each plan year, unless a participant has withdrawn from participation under the plan, a participant's accumulated payments under the plan will be applied to the purchase from the company of the number of shares of the common stock purchasable at the applicable purchase price described above under Purchase Price, subject to the two plan limitations described below under Maximum And Minimum Amounts That May Be Purchased.

Any balance remaining from a participant's accumulated cash payments will be carried forward for the next plan year unless the participant terminates participation in the plan.

Certificates for shares of common stock purchased pursuant to the plan either will be issued and delivered to the participants as soon as possible after May 14 of each plan year or, at our discretion, will be credited to the franchised dealer's Dividend Reinvestment and Direct Stock Purchase Plan account (or other book-entry account). Until stock certificates are issued to them or their book-entry accounts are credited, participants will not have the rights or privileges of stockholders with respect to the shares.

### **MAXIMUM AND MINIMUM AMOUNTS THAT MAY BE PURCHASED**

Under the first plan limitation on the amount of common stock a participant may purchase, no participant may purchase in any plan year a number of shares of common stock exceeding the number of shares that represents a market value of \$25,000 on May 15 of such plan year. One effect of this limitation is that, if the market price of the common stock on May 14 of the plan year is less than the market value on May 15 of the same plan year, then under this limitation the maximum number of shares of common stock that a participant can purchase will have an aggregate market value of less than \$25,000 as of May 14 of the plan year, and therefore, the aggregate purchase price will be less than \$25,000. Any excess cash accumulated on behalf of a participant will be treated as described above under Time, Manner And Amount Of Payments. Under the second limitation, a participant may not purchase more than 3,000 shares of common stock in any plan year regardless of the purchase price at which the participant is purchasing common stock under the plan terms. So long as the market price of the common stock exceeds \$8.33 per share, the first limitation will control.

### **CHANGE OF CONTROL**

Upon the occurrence of a change of control (as defined in the plan), the ability to purchase common stock shall be cancelled. In exchange, each participant will receive a payment in an amount equal to the product of the (a) the excess (if any) of the market value, as described above under Purchase Price of a share of common stock (as of the date of cancellation) over the price per share at the beginning of the plan year, times (b) the number of shares that the participant would be otherwise eligible to purchase with the amounts accumulated on the date of cancellation. This amount will be denominated:

In cash, if in effecting the change of control common stock is exchanged or surrendered for shares, cash or other property; or



**Table of Contents**

In the form of consideration the participant would have received had the participant been the owner of record of the common stock at the time of the change of control, if in effecting the change of control common stock is not exchanged or surrendered for shares, cash or other property.

**WITHDRAWAL FROM THE PLAN - ASSIGNMENT OF INTEREST**

A participant may withdraw from the plan at any time by giving written notice to us at any time prior to the end of a plan year. A withdrawing participant will not be eligible to reenter the plan until the beginning of the next plan year. Such withdrawal will become effective on the first day of the month following receipt of written notification of withdrawal by us, provided a form is received before the end of the preceding month.

If a participant withdraws from the plan or the plan is discontinued, the entire amount of a participant's payments under the plan during a plan year shall be paid to the person entitled thereto. In the event of any voluntary or involuntary termination of the participant's relationship with us as a franchised dealer, including death, before the end of a plan year, the amount of the participant's payments under the plan will be refunded to the participant or the participant's estate.

A participant's rights under the plan belong to the participant alone and may not be transferred or assigned to any other person during such participant's lifetime.

**NATURE AND FREQUENCY OF REPORTS TO PARTICIPANTS**

Once a year during the continuance of the plan, each participant will receive a report indicating the amount accumulated and applied to purchases of common stock pursuant to the plan at the end of the plan year.

**ADMINISTRATION OF THE PLAN**

Subject to the discretion of the Board of Directors, our President will oversee the administration of the plan and make such interpretations and regulations as he deems desirable or necessary in connection with its operation. Our President may amend the plan at any time to cure any ambiguity, defect or omission or if such amendment would not, in his judgment, have a material adverse effect on the financial interests of participants. Our Board of Directors may amend, suspend or terminate the plan for any reason at the end of any plan year. We will pay all fees and expenses incurred in connection with the administration of the plan.

In the event of a stock dividend, split-up, recapitalization, merger, consolidation, combination or exchange of shares or the like, we may change the number of shares that may be offered under the plan, the maximum number of shares that may be purchased by a participant under the plan and the purchase price per share.

To obtain additional information on the plan and the administration of the plan, contact our Corporate Secretary at Snap-on Incorporated, 2801 80th Street, Kenosha, Wisconsin 53143, or by telephone at (262) 656-5200.

**Table of Contents**

**TAX EFFECTS**

The following is a summary of significant general United States federal income tax consequences associated with participation in the plan. However, the discussion is not a complete description of all of the federal income tax aspects of the plan, and some of the provisions contained in the Internal Revenue Code have only been summarized. No discussion of state or foreign income tax has been included. Future legislative changes or changes in administrative or judicial interpretation, some or all of which may be retroactive, could significantly alter the tax treatment discussed herein. Accordingly, and because tax consequences may differ among participants, we urge each participant to consult with his or her own tax advisor with respect to the tax consequences of participation in the plan.

A participant will not recognize taxable income upon the grant of a right to purchase common stock pursuant to the plan. Upon the purchase of common stock under the plan, the amount by which the fair market value of the common stock on the date of purchase exceeds the purchase price of the common stock will generally be treated for federal income tax purposes as ordinary income to the participant (and deductible by us). Upon any subsequent sale of common stock acquired pursuant to the plan, any amount realized in excess of the fair market value of the common stock on the date the shares were purchased will generally constitute capital gain, which will be long-term or short-term depending on the holding period for such shares. Furthermore, the rate of taxation on a long-term capital gain may depend upon the holding period for such shares. If the common stock is disposed of for an amount less than the fair market value on the date the shares were purchased, the seller will generally recognize capital loss, which will be long-term or short-term depending on the holding period for such shares.

**RESALE OF SECURITIES PURCHASED**

The plan is intended to provide common stock for investment, but there are no legal or other restrictions on the transfer or resale of the common stock purchased under the plan. We do not intend to restrict or influence any participant in its decision to hold or resell our common stock. We will not under any circumstances be obligated to buy back from any participant common stock that has been purchased under the plan. The common stock purchased under the plan can be sold privately or on the open market through a stock broker at the currently quoted price, less regular commission and service charges.

**LEGAL MATTERS**

Quarles & Brady LLP, 411 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, our counsel, has passed upon the validity of the common stock offered pursuant to this prospectus supplement and the accompanying prospectus. The opinion of Quarles & Brady LLP is conditioned upon and subject to assumptions regarding future action required to be taken by us and any underwriters, dealers or agents in connection with the issuance and sale of the common stock.

**AVAILABLE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (File No. 1-7724). We also filed a registration statement on Form S-3, including exhibits, under the Securities Act of 1933 with respect to the

**Table of Contents**

securities offered by this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus are part of that registration statement, but do not contain all of the information included in that registration statement or the exhibits to that registration statement. You may read and copy the registration statement and any other document we file at the Securities and Exchange Commission's Public Reference Room at 100 F Street, N.E., Washington, D.C., 20549. Please call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the public reference room. Our Securities and Exchange Commission filings are also available to the public at the Securities and Exchange Commission's website at <http://www.sec.gov> or on our website located at <http://www.snapon.com>.

**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The Securities and Exchange Commission allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus, and later information that we file with the Securities and Exchange Commission will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the Securities and Exchange Commission under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until our offering is completed:

- i. Annual Report on Form 10-K for the fiscal year ended January 2, 2010, filed on February 18, 2010;
- ii. Quarterly Report on Form 10-Q for the quarter ended April 3, 2010, filed on April 22, 2010, and Quarterly Report on Form 10-Q for the quarter ended July 3, 2010, filed on July 28, 2010;
- iii. Current Report on Form 8-K dated February 12, 2010, filed on February 18, 2010; Current Report on Form 8-K dated April 7, 2010, filed on April 9, 2010; Current Report on Form 8-K dated April 22, 2010, filed on April 23, 2010, and Current Report on Form 8-K dated July 7, 2010, filed on July 7, 2010; and
- iv. The description of our common stock contained in Amendment No. 1 to the Registration Statement on Form 8-A/A, dated October 14, 2009.

The Company will provide without charge to each person to whom a copy of this prospectus is delivered, upon the written or oral request of any such person, a copy of the Company's current annual report to shareholders and of any or all of the documents which are incorporated herein by reference, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Requests should be directed to Snap-on Incorporated, Attn: Corporate Secretary, 2801 80th Street, Kenosha, Wisconsin 53143; telephone (262) 656-5200.

**Table of Contents**

**PROSPECTUS**

**COMMON STOCK**

**DEBT SECURITIES**

**DEBT WARRANTS**

**PREFERRED STOCK**

**PREFERRED WARRANTS**

**COMMON WARRANTS**

We may offer these securities in amounts, at prices and on terms determined at the time of offering. Each time securities are sold using this prospectus, we will provide a supplement to this prospectus and possibly other offering material containing specific information about the offering and the terms of the securities being sold. The supplement or other offering material may add, update or change information contained in this prospectus. Our common stock is traded on the New York Stock Exchange under the symbol SNA .

We may offer and sell these securities to or through underwriters, dealers or agents, or directly to investors, on a continued or a delayed basis. The supplements to this prospectus will provide the specific terms of the plan of distribution.

You should read this prospectus and any supplement carefully before you invest.

**See Risk Factors in our most recent Annual Report on Form 10-K and in any prospectus supplement or in such other document we refer you to in any prospectus supplement for a discussion of certain risks that prospective investors should consider before investing in our securities.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is December 18, 2009.

---

**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<u>THE COMPANY</u>	2
<u>USE OF PROCEEDS</u>	2
<u>SECURITIES TO BE OFFERED</u>	2
<u>DESCRIPTION OF COMMON STOCK</u>	2
<u>DESCRIPTION OF DEBT SECURITIES</u>	3
<u>DESCRIPTION OF DEBT WARRANTS</u>	17
<u>DESCRIPTION OF PREFERRED STOCK</u>	18
<u>DESCRIPTION OF PREFERRED AND COMMON WARRANTS</u>	20
<u>LEGAL MATTERS</u>	21
<u>EXPERTS</u>	22
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	22

This prospectus is a part of the registration statement that we filed with the Securities and Exchange Commission. You should read this prospectus together with the more detailed information regarding our company, our securities and our financial statements and notes to those statements that appear elsewhere in this prospectus or that we incorporate in this prospectus by reference.

You should rely on the information contained in, or incorporated by reference in, this prospectus and in any prospectus supplement. We have not authorized anyone to provide you with information different from that contained in, or incorporated by reference in, this prospectus, any prospectus supplement or any other offering material. You should not assume that the information in this prospectus, any prospectus supplement or any other offering material is accurate as of any date other than the respective dates on the front of the prospectus, prospectus supplement or other offering material, as applicable.

---

**Table of Contents**

**THE COMPANY**

Snap-on Incorporated was incorporated under the laws of the state of Wisconsin in 1920 and reincorporated under the laws of the state of Delaware in 1930. Snap-on is a leading global innovator, manufacturer and marketer of tools, diagnostics, equipment, software and service solutions for professional users under various brands and trade names.

Our 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 customers in industry, government, agriculture, aviation and natural resources. We also derive income from various financing programs to facilitate the sales of our products.

We market our products and brands through multiple distribution sales channels in approximately 130 countries. Our largest geographic markets include the United States, Australia, Canada, China, France, Germany, Italy, Japan, the Netherlands, Spain, Sweden and the United Kingdom. We also reach our customers through our franchisee, company-direct, distributor and Internet channels. We originated the mobile van tool distribution channel in the automotive repair market.

Our business segments are based on the organization structure used by management for making operating and investment decisions and for assessing performance. Our reportable business segments include: (1) the Commercial & Industrial Group; (2) the Snap-on Tools Group; (3) the Diagnostics & Information Group; and (4) Financial Services. The Commercial & Industrial Group consists of the business operations providing tools and equipment products and equipment repair services to a broad range of industrial and commercial customers worldwide through direct, distributor and other non-franchised distribution channels. The Snap-on Tools Group consists of our business operations serving the worldwide franchised van channel. The Diagnostics & Information Group consists of the business operations providing diagnostics equipment and software, vehicle service information, business management systems, electronic parts catalogs, and other solutions for vehicle service to customers in the worldwide vehicle service and repair marketplace. Financial Services consists of the business operations of Snap-on Credit LLC ( SOC ), our wholly-owned finance subsidiary, and our other wholly-owned finance subsidiaries in those international markets where we have franchise operations.

Our headquarters are located at 2801 80th Street, Kenosha, Wisconsin 53143 and our telephone number is (262) 656-5200.

**USE OF PROCEEDS**

We intend to use the net proceeds from the sales of the securities as set forth in the applicable prospectus supplement and/or other offering material.

**SECURITIES TO BE OFFERED**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission utilizing a shelf registration process. Under this shelf registration process, we may offer and sell from time to time securities in one or more offerings. We may offer and sell the following securities: common stock, debt securities, debt warrants, preferred stock, preferred warrants and common warrants. This prospectus provides you with a general description of these securities.

Each time we offer securities, we will provide you with a prospectus supplement and possibly other offering material that will describe the specific amounts, prices and terms of the securities being offered. The prospectus supplement or other offering material may also add, update or change information contained in this prospectus.

**DESCRIPTION OF COMMON STOCK**

We are authorized by our restated certificate of incorporation to issue up to 250,000,000 shares of common stock, par value \$1.00 per share. As of October 23, 2009, 57,730,125 shares were outstanding.

The description of our common stock included in Amendment No. 1 to our Registration Statement on Form 8-A/A, dated October 14, 2009 (File No. 001-07724), is incorporated by reference herein.



---

**Table of Contents**

**DESCRIPTION OF DEBT SECURITIES**

The following description of the debt securities sets forth the material terms and provisions of the debt securities to which any prospectus supplement may relate. The particular terms of the debt securities offered by any prospectus supplement and the extent, if any, to which the provisions described in this prospectus may apply to the offered debt securities will be described in the prospectus supplement and/or other offering material relating to the offered debt securities.

Senior debt securities will be issued under the indenture, dated January 8, 2007, between Snap-on and U.S. Bank National Association, as trustee, which is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part. The indenture relating to the senior debt securities, as amended or otherwise supplemented by any supplemental indentures, is referred to in this prospectus as the indenture.

The following summaries of the material provisions of the indenture and the debt securities do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the indenture, including the definitions of specified terms used in the indenture, and the debt securities. Wherever particular articles, sections or defined terms of an indenture are referred to, it is intended that those articles, sections or defined terms will be incorporated herein by reference, and the statement in connection with which reference is made is qualified in its entirety by the article, section or defined term in the indenture.

**General**

The indenture does not limit the amount of debt, either secured or unsecured, which we may issue under the indenture or otherwise. The debt securities may be issued in one or more series with the same or various maturities and may be sold at par, a premium or an original issue discount. Some of the debt securities may be issued under the indenture as original issue discount securities to be sold at a substantial discount below their principal amount. Federal income tax and other considerations applicable to any original issue discount securities will be described in the related prospectus supplement. We have the right to reopen a previous issue of a series of debt by issuing additional debt securities of such series.

Snap-on conducts a material amount of its operations through subsidiaries and it expects that it will continue to do so. As a result, the right of Snap-on to participate as a shareholder in any distribution of assets of any subsidiary upon its liquidation or reorganization or otherwise and the ability of holders of the notes to benefit as creditors of Snap-on from any distribution are subject to prior claims of creditors of the subsidiary. The notes will also effectively rank junior in right of payment to any secured debt of Snap-on.

The prospectus supplement relating to the particular debt securities offered thereby will describe the following terms of the offered debt securities:

the title of the offered debt securities;

any limit upon the aggregate principal amount of the offered debt securities;

the date or dates (or the manner of calculation thereof) on which the principal of the offered debt securities is payable;

the rate or rates (or the manner of calculation thereof) at which the offered debt securities shall bear interest, if any, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable and the regular record date for the interest payable on any interest payment date;

the place or places where the principal of and premium, if any, and interest, if any, on the offered debt securities will be payable and each office or agency where the offered debt securities may be presented for transfer or exchange;

## Edgar Filing: SNAP-ON Inc - Form 424B5

the period or periods within which, the price or prices at which, the currency or currency units in which, and the terms and conditions upon which the offered debt securities may be redeemed, in whole or in part, at our option;

**Table of Contents**

our obligation, if any, to redeem or purchase the offered debt securities pursuant to any sinking fund or analogous provisions or at the option of a holder thereof and the period or periods within which, the price or prices in the currency at which, the currency or currency units in which, and the terms and conditions upon which the offered debt securities shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

the denominations in which the offered debt securities shall be issuable if other than denominations of \$1,000 and any integral multiple thereof;

the application, if any, of certain provisions of the indenture relating to discharge and defeasance described in this prospectus with respect to the offered debt securities;

if other than the currency of the United States of America, the currencies in which payments of interest or principal of (and premium, if any, with respect to) the offered debt securities are to be made;

if the interest on or principal of (or premium, if any, with respect to) the offered debt securities are to be payable, at our election or at the election of a holder thereof or otherwise, in a currency other than that in which such offered debt securities are payable, the period or periods within which, and the other terms and conditions upon which, such election may be made, and the time and manner of determining the exchange rate between the currency in such offered debt securities are denominated or stated to be payable and the currency in which such offered debt securities or any of them are to be so payable;

whether the amount of payments of interest on or principal of (or premium, if any, with respect to) the offered debt securities of such series may be determined with reference to an index, formula or other method (which index, formula or method or method may be based, without limitation, on one or more currencies, commodities, equity indices or other indices), and, if so, the terms and conditions upon which and the manner in which such amounts shall be determined and paid or payable;

the extent to which any offered debt securities will be issuable in permanent global form, the manner in which any payments on a permanent global debt security will be made, and the appointment of any depository relating thereto;

any deletions from, modifications of or additions to the events of default or covenants with respect to the offered debt securities of such series, whether or not such events of default or covenants are consistent with the events of default or covenants set forth herein;

whether any of the offered debt securities are to be issuable upon the exercise of warrants, and, if so, the time, manner and place for such offered debt securities to be authenticated and delivered; and

any other terms of the series (which terms shall not be inconsistent with the provisions of the indenture).

Unless otherwise indicated in any prospectus supplement, principal of and premium, if any, and interest, if any, on the offered debt securities will be payable, and transfers of the offered debt securities will be registerable, at the corporate trust office of the trustee. Alternatively, at our option, payment of interest may be made by check mailed to the address of the person entitled thereto as it appears in the debt security register.

*Floating Rate Notes*

Floating rate notes issued under the indenture will bear interest at a floating interest rate. Interest payable on any interest payment date or on the date of maturity will be the amount of interest accrued from and including the date of original issuance or from and including the most recent interest payment date on which interest has been paid or duly made available for payment to but excluding the interest payment date or the date of maturity, as the case may be.

## Edgar Filing: SNAP-ON Inc - Form 424B5

The interest rate for the initial interest period will be the three-month London Interbank offer rate ( LIBOR ), determined as described below as of the applicable determination date, plus a number of basis points to be described in the related prospectus supplement. The interest rate on the floating rate notes for each subsequent interest period will be reset quarterly on each interest payment date. The floating rate notes will bear interest at an annual rate (computed on the basis of the actual number of days elapsed over a 360-day year) equal to LIBOR plus a number of basis points to be described in the related prospectus supplement.

---

**Table of Contents**

The interest rate in effect for the floating rate notes on each day will be (a) if that day is an interest reset date, the interest rate determined as of the determination date (as defined below) immediately preceding such interest reset date or (b) if that day is not an interest reset date, the interest rate determined as of the determination date immediately preceding the most recent interest reset date. The determination date will be the second London Business Day immediately preceding the applicable interest reset date.

The calculation agent will be the trustee initially. LIBOR will be determined by the calculation agent as of the applicable determination date in accordance with the following provisions:

LIBOR will be determined on the basis of the offered rates for deposits in U.S. dollars of not less than U.S. \$1,000,000 having a three-month maturity, beginning on the second London Business Day immediately following that determination date, which appears on Telerate Page 3750 (as defined below) as of approximately 11:00 a.m., London time, on that determination date. Telerate Page 3750 means the display designated on page 3750 on Moneyline Telerate, Inc. (or such other page as may replace the 3750 page on that service, any successor service or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for U.S. dollar deposits). If no rate appears on Telerate Page 3750, LIBOR for such determination date will be determined in accordance with the provisions of the next paragraph.

With respect to a determination date on which no rate appears on Telerate Page 3750 as of approximately 11:00 a.m., London time, on that determination date, the calculation agent will request the principal London office of each of four major reference banks (which may include an affiliate of one or more underwriters) in the London interbank market selected by the calculation agent (after consultation with us) to provide the calculation agent with a quotation of the rate at which deposits of U.S. dollars having a three-month maturity, beginning on the second London Business Day immediately following that determination date, are offered by it to prime banks in the London interbank market as of approximately 11:00 a.m., London time, on that determination date in a principal amount equal to an amount of not less than U.S. \$1,000,000 that is representative for a single transaction in that market at that time. If at least two quotations are provided, LIBOR for that determination date will be the arithmetic mean of the quotations as calculated by the calculation agent. If fewer than two quotations are provided, LIBOR for that determination date will be the arithmetic mean of the rates quoted as of approximately 11:00 a.m., New York City time, on that determination date by three major banks selected by the calculation agent (after consultation with us) for loans in U.S. dollars to leading European banks having a three-month maturity beginning on the second London Business Day immediately following that determination date and in a principal amount equal to an amount of not less than U.S. \$1,000,000 that is representative for a single transaction in that market at that time; provided, however, that if the banks selected by the calculation agent are not quoting the rates described in this sentence, LIBOR for that determination date will be LIBOR determined with respect to the immediately preceding determination date, or in the case of the first determination date, LIBOR for the initial interest period.

If the date of maturity of the floating rate notes falls on a day that is not a LIBOR Business Day, the related payment of principal and interest will be made on the next LIBOR Business Day as if it were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the next LIBOR Business Day. If any interest reset date or interest payment date (other than at the date of maturity) would otherwise be a day that is not a LIBOR Business Day, that interest reset date and interest payment date will be postponed to the next date that is a LIBOR Business Day, except that if such LIBOR Business Day is in the next calendar month, such interest reset date and interest payment date (other than at the date of maturity) shall be the immediately preceding LIBOR Business Day.

LIBOR Business Day means any day other than Saturday or Sunday or a day on which banking institutions or trust companies in the City of New York are required or authorized to close and that is also a London Business Day.

London Business Day means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

---

## **Table of Contents**

### *Optional Redemption*

#### *Floating Rate Notes*

All or a portion of floating rate notes may be redeemed at our option at any time or from time to time, after a set date to be identified in the applicable prospectus supplement. The redemption price of the floating rate notes will be 100% of the principal amount thereof plus accrued and unpaid interest thereon to the redemption date.

Notwithstanding the foregoing, installments of interest on floating rate notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to the floating rate notes and the indenture. The redemption price will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

We will mail notice of any redemption at least 30 days but not more than 60 days before the redemption date to each registered holder of the floating rate notes. Once notice of redemption is mailed, the floating rate notes will become due and payable on the redemption date and at the applicable redemption price, plus accrued and unpaid interest to the redemption date.

On and after the redemption date, interest will cease to accrue on the floating rate notes or any portion of the floating rate notes called for redemption (unless we default in the payment of the redemption price and accrued interest). On or before the redemption date, we will deposit with a paying agent (or the trustee) money sufficient to pay the redemption price of and accrued interest on the floating rate notes to be redeemed on that date. If less than all of the floating rate notes are to be redeemed, the floating rate notes to be redeemed shall be selected by lot by The Depository Trust Company (DTC), in the case of floating rate notes represented by a global security, or by the trustee by a method the trustee deems to be fair and appropriate, in the case of floating rate notes that are not represented by a global security.

#### *Fixed Rate Notes*

All or a portion of the fixed rate notes may be redeemed at our option at any time or from time to time. The redemption price for the fixed rate notes to be redeemed on any redemption date will be equal to the greater of the following amounts:

100% of the principal amount of the fixed rate notes being redeemed on the redemption date; and

the sum of the present values of the remaining scheduled payments of principal and interest on the fixed rate notes being redeemed on that redemption date (not including any portion of any payments of interest accrued to the redemption date), discounted to the redemption date on a semiannual basis at the Treasury Rate (as defined below), plus a set number of basis points to be identified in the applicable prospectus supplement, as determined by the Reference Treasury Dealer (as defined below), plus, in each case, accrued and unpaid interest on the fixed rate notes to the redemption date. Notwithstanding the foregoing, installments of interest on fixed rate notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to the fixed rate notes and the indenture. The redemption price will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

We will mail notice of any redemption at least 30 days but not more than 60 days before the redemption date to each registered holder of the fixed rate notes. Once notice of redemption is mailed, the fixed rate notes will become due and payable on the redemption date and at the applicable redemption price, plus accrued and unpaid interest to the redemption date.

**Treasury Rate** means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

**Comparable Treasury Issue** means the United States Treasury security selected by the Reference Treasury Dealer as having a maturity comparable to the remaining term of the fixed rate notes, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the fixed rate notes.



## **Table of Contents**

**Comparable Treasury Price** means, with respect to any redemption date, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the trustee obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such Quotations, or (C) if only one Reference Treasury Dealer Quotation is received, such Quotation.

**Reference Treasury Dealer** means any primary U.S. Government securities dealer in New York City (a **Primary Treasury Dealer**) that is selected by us.

**Reference Treasury Dealer Quotation** means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third business day preceding such redemption date.

On and after the redemption date, interest will cease to accrue on the fixed rate notes or any portion of the fixed rate notes called for redemption (unless we default in the payment of the redemption price and accrued interest). On or before the redemption date, we will deposit with a paying agent (or the trustee) money sufficient to pay the redemption price of and accrued interest on the fixed rate notes to be redeemed on that date. If less than all of the fixed rate notes are to be redeemed, the fixed rate notes to be redeemed shall be selected by lot by DTC, in the case of fixed rate notes represented by a global security, or by the trustee by a method the trustee deems to be fair and appropriate, in the case of fixed rate notes that are not represented by a global security.

### *Denominations, Registration and Transfer*

Unless otherwise indicated in any prospectus supplement, the offered debt securities will be issued only in fully registered form without coupons in denominations of \$1,000 or any integral multiple of \$1,000, or the equivalent in foreign currency. No service charge will be made for any registration of transfer or exchange of offered debt securities, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with any transfer or exchange.

If the purchase price of any of the offered debt securities is denominated in a foreign currency or currencies or foreign currency unit or units or if the principal of, premium, if any, or interest, if any, on any series of offered debt securities is payable in a foreign currency or currencies or foreign currency unit or units, the restrictions, elections, tax consequences, specific terms and other information with respect to the issue of offered debt securities and the foreign currency or currencies or foreign currency unit or units will be described in the related prospectus supplement.

We will not be required to issue, register the transfer of, or exchange debt securities of any series during the period from 15 days prior to the mailing of a notice of redemption of debt securities of that series to the date the notice is mailed. We will also not be required to register the transfer of or exchange any debt security so selected for redemption, except the unredeemed portion of any debt security being redeemed in part.

### *Conversion and Exchange*

The terms, if any, on which debt securities of any series are convertible into or exchangeable for common stock or preferred stock, property or cash, or a combination of any of the foregoing, will be set forth in the related prospectus supplement. Terms may include provisions for conversion or exchange that is either mandatory, at the option of the holder, or at our option. The number of shares of common stock or preferred stock to be received by the holders of the debt securities will be calculated in the manner, according to the factors and at the time as described in the related prospectus supplement.

## **Covenants Applicable to Senior Debt Securities**

### *Limitations on Secured Debt*

We may not, and may not permit our restricted subsidiaries to, create, assume, or guarantee any indebtedness secured by mortgages, pledges, liens, encumbrances, conditional sale or title retention agreements (excluding operating leases) or other security interests, which we refer to collectively as security interests, on any of our principal properties or any shares of capital stock or indebtedness of any of our restricted subsidiaries without making effective provision for securing the senior debt securities offered





---

**Table of Contents**

under this prospectus and any prospectus supplement equally and ratably with the secured debt. Notwithstanding this limitation on secured debt, we and our restricted subsidiaries may have debt secured by:

(a) any security interest on any property hereafter acquired or constructed by us or a restricted subsidiary to secure or provide for the payment of all or any part of the purchase price or construction cost of such property, including, but not limited to, any indebtedness incurred by us or a restricted subsidiary prior to, at the time of, or within 180 days after the later of the acquisition, the completion of construction (including any improvements on an existing property) or the commencement of commercial operation of such property, which indebtedness is incurred for the purpose of financing all or any part of the purchase price thereof or construction or improvements thereon; or (b) the acquisition of property subject to any security interest upon such property existing at the time of acquisition thereof, whether or not assumed by us or such restricted subsidiary; or (c) any security interest existing on the property or on the outstanding shares of capital stock or indebtedness of a person at the time such person shall become a restricted subsidiary; or (d) a security interest on property or shares of capital stock or indebtedness of a person existing at the time such person is merged into or consolidated with us or a restricted subsidiary or at the time of a sale, lease or other disposition of the properties of a person or firm as an entirety or substantially as an entirety to us or a restricted subsidiary, provided, however, that no such security interest shall extend to any other principal property of ours or such restricted subsidiary prior to such acquisition or to the other principal property thereafter acquired other than additions to such acquired property;

security interests in property of ours or a restricted subsidiary in favor of the United States of America or any State thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any State thereof, or in favor of any other country, or any department, agency or instrumentality or political subdivision thereof (including, without limitation, security interests to secure indebtedness of the pollution control or industrial revenue bond type), in order to permit us or a restricted subsidiary to perform any contract or subcontract made by it with or at the request of any of the foregoing, or to secure partial, progress, advance or other payments pursuant to any contract or statute or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of constructing or improving the property subject to such security interests;

any security interest on any property or assets of any restricted subsidiary to secure indebtedness owing by it to us or to a restricted subsidiary;

any security interest on any property or assets of ours to secure indebtedness owing by us to any restricted subsidiary;

mechanics', materialmen's, carriers' or other like liens arising in the ordinary course of business (including construction of facilities) in respect of obligations which are not due or which are being contested in good faith;

any security interest arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulations, which is required by law or governmental regulation as a condition to the transaction of any business, or the exercise of any privilege, franchise or license and any security interest to secure public or statutory obligations;

security interests for taxes, assessments or governmental charges or levies not yet delinquent, or the security interests for taxes, assessments or government charges or levies already delinquent but the validity of which is being contested in good faith;

security interests (including judgment liens) arising in connection with legal proceedings so long as such proceedings are being contested in good faith and, in the case of judgment liens, execution thereon is stayed;

## Edgar Filing: SNAP-ON Inc - Form 424B5

landlords' liens on fixtures located on premises leased by us or a restricted subsidiary in the ordinary course of business;

security interests in connection with certain permitted receivables financings; or any extension, renewal or replacement (or successive extensions, renewals or replacements) in whole or in part of any security interest permitted by the indenture.

## **Table of Contents**

### *Limitation on Sale and Leaseback Transactions*

We and our restricted subsidiaries may not engage in sale and leaseback transactions (excluding such transactions between us and our restricted subsidiaries or between our restricted subsidiaries) whereby a principal property that is owned by us or one of our restricted subsidiaries and that has been in full operation for more than 180 days is sold or transferred with the intention of taking back a lease of such property (except a lease for a term of no more than three years entered into with the intent that the use by us or such restricted subsidiary of such property will be discontinued on or before the expiration of such term).

The sale and leaseback of a principal property is not prohibited, however, if we and the applicable restricted subsidiary would be permitted under the indenture to incur secured debt equal in amount to the amount realized or to be realized upon the sale or transfer secured by a lien on the principal property to be leased without equally and ratably securing the senior debt securities. We and our restricted subsidiaries may also engage in an otherwise prohibited sale and leaseback transaction if an amount equal to the value of the principal property so leased is applied, subject to credits for delivery by us to the trustee of senior debt securities we have previously purchased or otherwise acquired and specified voluntary redemptions of the senior debt securities, to the retirement (other than mandatory retirement), within 120 days of the effective date of the arrangement, of specified indebtedness for borrowed money incurred or assumed by us or a restricted subsidiary, as shown on our most recent consolidated balance sheet and, in the case of our indebtedness, the indebtedness is not subordinate and junior in right of payment to the prior payment of the senior debt securities.

### *Permitted Secured Debt*

Notwithstanding the limitations on secured debt and sale and leaseback transactions described in this prospectus, we and our restricted subsidiaries may, without securing the senior debt securities, issue, assume or guarantee secured debt which would otherwise be subject to the foregoing restrictions, provided that after giving effect to any secured debt permitted by this exception, the aggregate amount of our secured debt and that of our restricted subsidiaries then outstanding (excluding indebtedness secured by the types of security interests listed above under the heading "Limitations on Secured Debt") and the aggregate value of sale and leaseback transactions, other than sale and leaseback transactions in connection with which indebtedness has been, or will be, retired in accordance with the preceding paragraph, at such time does not exceed 10% of our consolidated stockholders' equity.

For purposes of determining the amount of secured debt permitted by the exception described in the paragraph above, "cons