SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For quarterly period ended September 28, 1996

Commission File Number 1-7724

SNAP-ON INCORPOATED
(Exact name of registrant as specified in its charter)

Delaware	39-0622040
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

10801 Corporate Drive, Kenosha, Wisconsin	53141-1430
(Address of principal executive offices)	(zip code)

Registrant's telephone number, including area code: (414) 656-5200

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:

Class	Outstanding at October 26,1996
Common stock, $1 per value	60,906,026 shares

SNAP-ON INCORPORATED

INDEX

PART I. FINANCIAL INFORMATION

SNAP-ON INCORPORATED
CONSOLIDATED STATEMENTS OF EARNINGS
(Amounts in thousands except per share data)
(Unaudited)

	Thirteen Weeks Ended September 28, 1996	Thirteen Weeks Ended September 30, 1995	Thirty-Nine Weeks Ended September 28, 1996	Thirty-Nine Weeks Ended September 30, 1995
Net sales	$347,202	$309,065	$1,076,120	$944,988
Cost of goods sold	170,724	151,026	531,684	460,433
Gross profit	176,478	158,039	544,436	484,555
Operating expenses	141,398	129,227	432,828	396,063
Net finance income	(16,424)	(16,601)	(47,948)	(48,717)
Operating earnings	51,504	45,413	159,556	137,209
Interest expense	(3,060)	(4,134)	(9,312)	(9,211)
Other income	389	519	459	2,972
Earnings before income taxes	48,833	41,798	150,703	130,970
Income taxes	18,068	15,469	55,760	48,463
Net earnings	$ 30,765	$ 26,329	$ 94,943	$ 82,507
Earnings per weighted average common share	$ .51	$ .43	$ 1.56	$ 1.33
Dividends declared per common share	$ -	$ -	$ .56	$ .54
Weighted average common shares outstanding	61,039	60,575	61,017	61,770

The accompanying notes are an integral part of these statements.

SNAP-ON INCORPORATED
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands)

	(Unaudited) September 28, 1996	December 30, 1995
ASSETS		
Current Assets		
Cash and cash equivalents	$ 19,461	$ 16,211
Accounts receivable, less allowances	619,411	610,064
Inventories		
Finished stock	283,375	264,184
Work in process	45,774	39,977
Raw materials	61,833	56,191
Excess of current cost over LIFO cost	(111,804)	(109,918)
Total inventory	279,178	250,434

Prepaid expenses and other assets	80,474	69,980
Total current assets	998,524	946,689
Property and equipment		
Land	25,749	22,875
Buildings and improvements	163,181	149,087
Machinery and equipment	315,961	296,916
	504,891	468,878
Accumulated depreciation	(265,729)	(248,811)
Total property and equipment	239,162	220,067
Deferred income tax benefits	69,805	61,471
Intangible and other assets	216,606	132,746
Total assets	$1,524,097	$1,360,973

The accompanying notes are an integral part of these statements.

SNAP-ON INCORPORATED
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands)

	(Unaudited) September 28, 1996	December 30, 1995
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 75,562	$ 75,603
Notes payable	19,685	26,213
Accrued compensation	37,060	37,769
Dealer deposits	56,436	65,344
Accrued income taxes	34,581	16,106
Other accrued liabilities	132,365	115,040
Total current liabilities	355,689	336,075
Long-term debt	150,611	143,763
Deferred income taxes	5,604	4,760
Retiree health care benefits	83,618	80,665
Pension and other long-term liabilities	122,443	44,978
Total liabilities	717,965	610,241
SHAREHOLDERS' EQUITY		
Preferred stock - authorized 15,000,000 shares of $1 par value; none outstanding	-	-
Common stock - authorized 187,500,000 shares of $1 par value; issued - September 28, 1996 - 65,935,159 shares December 30, 1995 - 65,357,045 shares	65,935	65,357
Additional contributed capital	64,743	52,464
Retained earnings	814,129	753,356
Foreign currency translation adjustment	(14,676)	(10,758)
Treasury stock at cost - 5,036,550 and 4,570,800 shares	(123,999)	(109,687)
Total shareholders' equity	806,132	750,732
Total liabilities and shareholders' equity	$ 1,524,097	$ 1,360,973

The accompanying notes are an integral part of these statements.

SNAP-ON INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(Unaudited)

	Thirty-Nine Weeks Ended September 28, 1996	Thirty-Nine Weeks Ended September 30, 1995
OPERATING ACTIVITIES		
Net earnings	$ 94,943	$ 82,507
Adjustments to reconcile net earnings to net cash provided by:		
Depreciation	21,420	19,670
Amortization	3,623	5,395
Deferred income taxes	(2,317)	(13,287)
(Gain) loss on sale of assets	561	(203)
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	2,572	(70,718)
Increase in inventories	(20,429)	(17,308)
Increase in prepaid expenses	(2,349)	(9,001)
Decrease in accounts payable	(2,717)	(15,614)
Increase in accruals, deposits and other long-term liabilities	15,609	40,564
Net cash provided by operating activities	110,916	22,005
INVESTING ACTIVITIES		
Capital expenditures	(40,075)	(20,750)
Acquisitions of businesses	(38,649)	(19,923)
Disposal of property and equipment	2,544	4,940
(Increase) decrease in other noncurrent assets	5,814	(3,944)
Net cash used in investing activities	(70,366)	(39,677)
FINANCING ACTIVITIES		
Payment of long-term debt	(39,715)	(150)
Increase in long-term debt	45,654	4,795
Increase (decrease) in notes payable	(7,420)	142,043
Purchase of treasury stock	(14,312)	(100,375)
Proceeds from stock plans	12,856	10,276
Cash dividends paid	(34,169)	(33,185)
Net cash used in financing activities	(37,106)	23,404
Effect of exchange rate changes	(194)	(474)
Increase in cash and cash equivalents	3,250	5,258
Cash and cash equivalents at beginning of year	16,211	9,015
Cash and cash equivalents at end of period	$ 19,461	$ 14,273

The accompanying notes are an integral part of these statements.

SNAP-ON INCORPORATED
NOTES TO CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

1. This report should be read in conjunction with the consolidated financial statements and related notes included in Snap-on Incorporated's Annual Report for the year ended December 30, 1995.

   In the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary to a fair statement of financial condition and results of operations for the thirteen and thirty-nine weeks ended September 28, 1996 have been made. Management also believes that the results of operations for the thirteen and thirty-nine weeks ended September 28, 1996 are not necessarily indicative of the results to be expected for the full year.

2. Snap-on Incorporated normally declares and pays in cash four regular, quarterly dividends. However, the third quarter dividend in each year is declared in June, giving rise to two regular quarterly dividends appearing in the second quarter statements and correspondingly, three regular quarterly dividends appearing in the first twenty-six weeks' statements.

3. Income tax paid for the thirty-nine week periods ended September 28, 1996 and September 30, 1995 was $50.1 million and $50.4 million.

4. Interest paid for the thirty-nine week periods ended September 28, 1996 and September 30, 1995 was $8.5 million and $10.4 million.

5. On March 31, 1996, the Corporation acquired certain assets and liabilities of the Automotive Service Equipment Division of FMC Corporation. The acquired division was renamed the John Bean Company. John Bean designs, manufactures, and sells high-quality products for the under-car market. Pro forma results of operations are not shown as the effect would not be material.

6. Distribution of shares in connection with the three-for-two split of the Corporation's common stock was made on September 10, 1996. All share-related amounts have been retroactively restated to reflect this three-for-two split.

7. Prior to the disposition of Systems Control, Inc. by a subsidiary of the Corporation on September 29, 1994, Systems Control, Inc.'s single-purpose subsidiaries, Tejas Testing Technology One, L.C. and Tejas Testing Technology Two, L.C. (the "Tejas Companies"), entered into two seven-year contracts with the Texas Natural Resources Conservation Commission ("TNRCC"), an agency of the State of Texas, to perform automotive emissions testing in the Dallas/Fort Worth and southeast regions of Texas in a centralized manner in accordance with the federal Environmental Protection Agency ("EPA") guidelines relating to "I/M 240" test-only facilities. The Corporation guaranteed payment (the "Guaranty") of the Tejas Companies' obligations under an Agreement for Lease and a seven-year Lease Agreement, each dated June 22, 1994, in the amount of approximately $98.8 million plus an interest factor (the "Lease Obligations"), pursuant to which the Tejas Companies leased the facilities (and associated testing equipment) necessary to perform the emissions-testing contracts. The Guaranty was assigned to the lessor's lenders (the "Lenders") as collateral. Pursuant to an Indemnity Agreement entered into as of September 29, 1994, the Tejas Companies agreed to reimburse the Corporation for any payments it made under the Guaranty.

   On May 1, 1995, the State of Texas enacted legislation designed to terminate the centralized testing program described in the emissions-testing contracts and directed the governor of the State of Texas to implement a new program after negotiations with the EPA. On September 12, 1995, the Tejas Companies filed bankruptcy petitions under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Western District of Texas (Austin Division). The Tejas Companies have commenced litigation against the TNRCC and related entities to assert their rights with respect to the emissions-testing contracts, and the Corporation has intervened in such litigation to protect its interests. In addition, the Corporation is a creditor in the Tejas Companies' bankruptcy proceedings and will continue to take steps to protect its interests in such proceedings.

   The Corporation believes that it is probable that there will be developments, prior to the end of the 1997 Texas legislative session (approximately May 1997) to enable the Lease Obligations to ultimately be satisfied. The 1997 legislative session is scheduled to begin January 14, 1997. The primary basis for such a development arises under the original contracts to perform centralized emissions testing. Those contracts obligate the TNRCC to reimburse costs that the Tejas Companies incurred in the construction and implementation of the centralized testing program and have not recovered through the sale of the testing facilities to a third party. Fulfillment of such obligations requires an appropriation of funds by the Texas

Legislature, which is subject to the political process. The TNRCC is contractually obligated to seek such appropriation and has affirmed such obligation. The Tejas Companies are pursuing the cost reimbursement process described in the emissions-testing contracts. A second potential basis is that the Lease Obligations could be satisfied in part in various other ways including a sale of some or all of the facilities.

The Corporation and the Lenders have been engaged in continuing discussions concerning this matter, and they have reached an agreement whereby the Lenders will forbear until at least December 31, 1996 from exercising their rights under the terms of the Guaranty to cause the Corporation to pay all Lease Obligations to the Lenders on an accelerated basis. The Corporation continues to make advances under the Guaranty of approximately $1.8 million per month, which have totaled $30.3 million through September 28, 1996. The Corporation is discussing with the Lenders extending beyond December 31, 1996 the Lender s existing agreement to forbear from accelerating the Lease Obligations. While the Lenders have agreed to forbear until at least December 31, 1996, given the delay in resolving this matter and other factors, the Corporation at June 29, 1996 recognized the remaining net obligation under the Guaranty, which as of September 28, 1996 is $63.5 million. This is included in Other Long-term Liabilities on the accompanying consolidated balance sheet. In addition, the Corporation has recorded as assets the monthly advances and the other amounts expected to be received from the Tejas Companies under the Indemnity Agreement. These net receivables total $93.8 million as of September 28, 1996 and are included in Intangible and Other Assets. Described previously are mechanisms by which the Tejas Companies may receive funds to enable them to satisfy their contractual obligation to the Corporation under the Indemnity Agreement. The Corporation believes that recovery of the net receivables from the Tejas Companies is probable, and it will make an ongoing assessment of the likelihood of realization of such receivables.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Overview: The Corporation posted record third quarter and nine-month sales, net earnings, and earnings per share. Net earnings for the third quarter of 1996 increased 16.8% over the year ago quarter on a net sales increase of 12.3%. For the first nine months, 1996 net earnings increased 15.1% over the comparable 1995 period on a net sales increase of 13.9%. Earnings per share for the third quarter and first nine months increased 18.6% and 17.3% over 1995 comparable periods.

The third quarter's results benefited from several focused acquisitions, higher U.S. dealer van channel sales, and strong sales growth in the company's European segment. The quarter's results also reflected continuing improvements in operating efficiencies.

Sales: Net sales for the third quarter of 1996 were $347.2 million, an increase of 12.3% over third quarter 1995 sales of $309.1 million. Net sales for the first nine months of 1996 were $1.076 billion, an increase of 13.9% over 1995 nine-month sales of $945.0 million.

North American sales for the third quarter of 1996 were $268.4 million, an increase of 6.9% over third quarter 1995 sales of $251.1 million. North American sales for the first nine months of 1996 were $822.0 million, an increase of 8.8% over nine-month 1995 sales of $755.8 million. Excluding the acquisitions of the John Bean Company and Consolidated Devices, Inc., sales increased 1% in the third quarter. Sales increases in the dealer van channel were offset by the weakness in the Industrial business.

European sales for the third quarter of 1996 were $59.4 million, an increase of 55.9% over third quarter 1995 sales of $38.1 million. For the first nine months of 1996, European sales were $195.7 million, an increase of 51.9% over nine-month 1995 sales of $128.8 million. Excluding the acquisitions of Herramientas Eurotools S.A. and the John Bean Company, sales increased 16% for the third quarter. Emissions-testing equipment sales in the United Kingdom and growth in sales through the dealer van channel both contributed to the increase.

Other International sales for the third quarter of 1996 were $19.4 million, a decrease of 2.4% from third quarter 1995 sales of $19.8 million. Other International sales for the first nine months of 1996 were $58.4 million, a decrease of 3.3% from nine-month 1995 sales of $60.4 million. For the third quarter, sales in Japan were negatively affected by the strengthening of the U.S. dollar relative to the yen, and general weakness in the Japanese economy. Australia continued to record sales gains.

Earnings: Earnings for the third quarter of 1996 were $30.8 million, an increase of 16.8% over third quarter 1995 earnings of $26.3 million. Third quarter earnings per share increased to $.51, an 18.6% increase over third quarter 1995 earnings per share of $.43. Earnings for the first nine months of 1996 were $94.9 million, an increase of 15.1% over nine-month 1995 earnings of $82.5 million. Earnings per share for the first nine months of 1996 rose to $1.56 per share, a 17.3% increase over nine-month 1995 earnings per share of $1.33.

Operating expenses: As a percentage of net sales, third quarter total operating expenses decreased to 40.7% in 1996 from 41.8% in 1995. As a percentage of net sales, nine-month operating expenses decreased to 40.2% in 1996 from 41.9% in 1995. Benefits from continuing general cost reduction activities, from facilities consolidations implemented over the past several years, and from a change in business mix because of recent acquisitions all contributed to the improvement.

FINANCIAL CONDITION

Liquidity: Cash and cash equivalents increased to $19.5 million at the end of the third quarter from $16.2 million at the end of 1995. Working capital was $642.8 million at the end of the third quarter versus $610.6 million at the end of 1995. At the end of the quarter, the Corporation had a $100 million revolving credit facility to support the issuance of commercial paper.

In September 1994, the Corporation filed a registration statement with the Securities and Exchange Commission that allows the Corporation to issue from time to time up to $300 million of unsecured indebtedness. In October 1995, the Corporation issued $100 million of its notes to the public. The shelf registration gives the Corporation financing flexibility to operate the business.

The Corporation has sufficient sources of liquidity to support current and future working capital requirements, finance capital expenditures and pay dividends.

Accounts receivable: Accounts receivable increased to $619.4 million at the end of the third quarter from $610.1 million at the end of 1995. In the first quarter of 1996, the Corporation executed an additional $50.0 million securitization of its receivables discussed below.

In October 1995, the Corporation entered into agreements that provide for the sale, without recourse, of an undivided interest in a pool of certain of its accounts receivable to a third party financing institution. These agreements, which include subsequent amendments, provide for a maximum of $200 million of such accounts receivable to be sold and remain outstanding at any one time. Under these agreements, $100.0 million of interest-bearing installments were sold, on a revolving basis, in October 1995. During the first quarter of 1996, the Corporation sold an additional $50.0 million of interest-bearing receivables under these agreements on a revolving basis. The proceeds were used to pay down debt, and for working capital and general corporate purposes.

The majority of the Corporation's accounts receivable involve customers' extended credit and lease purchases of higher-value products. Other receivables include those from dealers, industrial customers, and government entities.

Inventories: Inventories increased by 11.5% to $279.2 million at the end of the third quarter from $250.4 million at the end of 1995. The increase was due to acquisitions and to several operations preparing for fourth quarter promotions and product rollouts.

Liabilities: Total short-term and long-term debt was $170.3 million at the end of the third quarter compared with $170.9 million at the end of 1995.

Average shares outstanding: Average shares outstanding increased slightly to 61.0 million in 1996's third quarter compared with 60.6 million in last year's third quarter. For the first nine months of 1996, average shares outstanding declined to 61.0 million versus 61.8 million in the comparable nine months of 1995. The Corporation repurchased 373,500 shares of its common stock in the third quarter of 1996. Year-to-date, the company has acquired 465,750 shares.

Stock split and dividend increase:
On June 28, 1996, the Corporation's Board of Directors declared an 11.1% increase in the quarterly dividend on common stock and approved a three-for-two stock split.

The new quarterly dividend, paid on September 10, 1996, to shareholders of record on August 20, 1996, is $.20 per share (post-split), or $.80 per share on an annualized basis.

The three-for-two stock split, which resulted in one additional share issued for every two shares of the Corporation's stock outstanding, was distributed on September 10, 1996, to shareholders of record on August 20, 1996. Cash was distributed in lieu of fractional shares.

Other matters: Refer to Note 7 for discussion of a guaranty of lease obligations relating to emissions testing facilities that were to be used under a contract with the State of Texas to perform testing services. Texas has terminated the program to conduct such testing services, and the Corporation is making payments monthly under such guaranty.

PART II. OTHER INFORMATION

Item 6: Exhibits and reports on Form 8-K

Item 6(a): Exhibits

Exhibit 10

(a) Amendment No. 1, dated as of March 29, 1996, to the Receivables Purchase and Sale Agreement, dated as of October 6, 1995, among Snap-on Credit Corporation, as Seller, Corporate Asset Funding Company, Inc., as Investor, and Citicorp North America, Inc. individually and as Agent.

(b) Amendment No. 1, dated as of March 29, 1996, to the Receivables Purchase and Sale Agreement, dated as of October 6, 1995, among Snap-on Credit Corporation, as Seller, the banks set forth on the signature page thereof, and Citicorp North America, Inc., individually and as Agent.

Exhibit 27 Financial Data Schedule

Item 6(b): Reports on Form 8-K

No reports on Form 8-K for the three months ended September 28, 1996 were required to be filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Snap-on Incorporated has duly caused this report to be signed on its behalf by the undersigned duly authorized persons.

SNAP-ON INCORPORATED

Date: November 12, 1996

/s/ R. A. Cornog
R. A. CORNOG
(Chairman, President and Chief Executive Officer)

Date: November 12, 1996

/s/ G. D. Johnson
G. D. JOHNSON
(Principal Accounting Officer and Controller)

EXHIBIT INDEX

Exhibit No.	Description
10a	Amendment No. 1, dated as of March 29, 1996, to the Receivables Purchase and Sale Agreement, dated as of October 6, 1995, among Snap-on Credit Corporation, as Seller, Corporate Asset Funding Company, Inc., as Investor, and Citicorp North America, Inc. individually and as Agent.
10b	Amendment No. 1, dated as of March 29, 1996, to the Receivables Purchase and Sale Agreement, dated as of October 6, 1995, among Snap-on Credit Corporation, as Seller, the banks set forth on the signature page thereof, and Citicorp North America, Inc., individually and as Agent.
27	Financial Data Schedule

AMENDMENT NO. 1
Dated as of March 29, 1996

to

RECEIVABLES PURCHASE AND SALE AGREEMENT
Dated as of October 6, 1995

THIS AMENDMENT NO. 1 (the "Amendment") is executed as of March 29, 1996, among SNAP-ON CREDIT CORPORATION, a Wisconsin corporation (the "Seller"), CORPORATE ASSET FUNDING COMPANY, INC., a Delaware corporation (the "Investor"), and CITICORP NORTH AMERICA, INC., a Delaware corporation, individually ("CNAI"), and as agent (the "Agent").

WITNESSETH:

WHEREAS, the Seller, the Investor, CNAI and the Agent are parties to that certain Receivable Purchase and Sale Agreement dated as of October 6, 1995 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Investor Agreement");

WHEREAS, the Seller, the Investor, CNAI and the Agent have agreed to amend the Investor Agreement on the terms and conditions hereinafter set forth; and

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Investor Agreement;

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Seller, the Investor, CNAI and the Agent agree as follows:

Section 1. Amendment to the Investor Agreement. The Investor Agreement is hereby amended as follows:

(a) Section 1.01 of the Investor Agreement is amended by deleting in their entirety the definitions of "Fee Letter" and "Purchase Limit" set forth therein and substituting in their respective places, the following:

"Fee Letter" means the letter agreement dated as of October 6, 1995, among the Seller, the Investor, Citibank, CNAI, the Agent and the "Agent" under and as defined in the Parallel Purchase Agreement, as such letter agreement may be amended, restated, supplemented or otherwise modified from time to time.

"Purchase Limit" means at any time $150,000,000, as such amount may be increased pursuant to Section 2.03(b) or reduced pursuant to Section 2.03; provided, however, that at all times on and after the Termination Date, the "Purchase Limit" shall mean the aggregate Capital for all Eligible Assets.

(b) Article II of the Investor Agreement is amended by deleting Section 2.03 thereof in its entirety and substituting in its place the following:

SECTION 2.03. Termination or Reduction of the Purchase Limit; Increase of the Purchase Limit.

(a) The Seller may, upon at least five Business Days' notice to the Agent, terminate in whole or reduce in part the unused portion of the Purchase Limit; provided, however, that each partial reduction shall be in an amount equal to $1,000,000 or an integral multiple thereof. On each day on which the Seller shall, pursuant to Section 2.03 of the Parallel Purchase Agreement, reduce in part the unused portion of the "Commitment" (as defined in the Parallel

Purchase Agreement"), the Purchase Limit shall reduce automatically by an equal amount.

(b) Subject to the terms and conditions set forth below, the Purchase Limit shall be increased on April 1, 1996, to $175,000,000, and on August 1, 1996, to $200,000,000; provided, however, that (i) each such increase shall be subject to the conditions that (A) on or before April 1, 1996, or August 1, 1996, as the case may be, the Agent shall have received any fees payable in connection with such increase as specified in the Fee Letter, (B) all of the conditions specified in Section 3.02 of this Agreement shall be satisfied as of April 1, 1996, or August 1, 1996, as the case may be, as though such increase were a Purchase or reinvestment occurring on such date, (C) the "Commitment" (under and as defined in the Parallel Purchase Agreement) shall have been increased such that after giving effect to any such increase in the Purchase Limit, the amount of the Purchase Limit and the amount of the "Commitment" (under and as defined in the Parallel Purchase Agreement) shall be the same, (D) the Termination Date shall not have occurred and (E) prior to April 1, 1996, or August 1, 1996, as the case may be, there shall have been no reduction of the Purchase Limit pursuant to Section 2.03(a), and (ii) no increase in the Purchase Limit shall be made on August 1, 1996, unless (A) the Purchase Limit shall have been increased as provided herein on April 1, 1996, and (B) as of August 1, 1996, the aggregate "Maximum Purchase" (under and as defined in the Parallel Purchase Agreement) of all "Banks" (under and as defined in the Parallel Purchase Agreement) other than Citibank or any of its Affiliates shall at least equal $55,000,000.

Section 2. Effective Date. This Amendment shall become effective and shall be deemed effective as of the date first above written upon the satisfaction of the following conditions precedent: (a) no event has occurred and is continuing which constitutes an Event of Investment Ineligibility or would constitute an Event of Investment Ineligibility but for the requirement that notice be given or time elapse or both; (b) the Termination Date shall not have occurred; and (c) the Agent shall have received (i) six copies of this Amendment duly executed by the Seller, the Investor, CNAI and the Agent, (ii) six copies of Amendment No. 1 of even date herewith to the Parallel Purchase Agreement duly executed by all parties thereto, and (iii) a copy of the Fee Letter, as amended and restated as of the date hereof, duly executed by all parties thereto.

Section 3. Reference to and Effect on the Investor Agreement and the Related Documents. Upon the effectiveness of this Amendment, (i) the Seller hereby reaffirms all covenants, representations and warranties made by it in the Investor Agreement to the extent the same are not amended hereby and agrees that all such covenants, representations and warranties shall be deemed to have been remade as of the effective date of this Amendment and (ii) each reference in the Investor Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import shall mean and be, and any references to the Investor Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Investor Agreement shall mean and be, a reference to the Investor Agreement as amended hereby.

Section 4. Effect. Except as otherwise amended by this Amendment, the Investor Agreement shall continue in full force and effect and is hereby ratified and confirmed.

Section 5. Governing Law. This Amendment will be governed by and construed in accordance with the laws of the State of New York.

Section 6. Severability. Each provision of this Amendment shall be severable from every other provision of this Amendment for the purpose of determining the legal enforceability of any provision hereof, and the unenforceability of one or more provisions of this Amendment in one jurisdiction shall not have the effect of rendering such provision or provisions unenforceable in any other jurisdiction.

Section 7. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first above written.

SELLER: SNAP-ON CREDIT CORPORATION

By:
Name: Ned R. Brooks
Title: Vice President

INVESTOR: CORPORATE ASSET FUNDING COMPANY, INC.

By: Citicorp North America, Inc., as Attorney-in-Fact

By:
Name:
Title:

CNAI/AGENT: CITICORP NORTH AMERICA, INC., individually and as Agent

By:
Name:
Title:

AMENDMENT NO. 1
Dated as of March 29, 1996

to

RECEIVABLES PURCHASE AND SALE AGREEMENT
Dated as of October 6, 1995

THIS AMENDMENT NO. 1 (the "Amendment") is executed as of March 29, 1996, among SNAP-ON CREDIT CORPORATION, a Wisconsin corporation (the "Seller"), THE BANKS parties to the "Parallel Purchase Agreement" referred to below (the "Banks"), and CITICORP NORTH AMERICA, INC., a Delaware corporation, individually ("CNAI"), and as agent (the "Agent").

WITNESSETH:

WHEREAS, the Seller, the Banks, CNAI and the Agent are parties to that certain Receivable Purchase and Sale Agreement dated as of October 6, 1995 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Parallel Purchase Agreement");

WHEREAS, the Seller, the Banks, CNAI and the Agent have agreed to amend the Parallel Purchase Agreement on the terms and conditions hereinafter set forth; and

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Parallel Purchase Agreement;

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Seller, the Banks, CNAI and the Agent agree as follows:

Section 1. Amendment to the Parallel Purchase Agreement. The Parallel Purchase Agreement is hereby amended as follows:

(a) Section 1.01 of the Parallel Purchase Agreement is amended by deleting in their entirety the definitions of "Commitment," Fee Letter" and "Majority Banks" set forth therein and substituting in their respective places, the following:

"Commitment" means at any time, $150,000,000, as such amount may be increased pursuant to Section 2.03(b) or reduced pursuant to Section 2.03; provided, however, that at all times on and after the Termination Date, the "Commitment" shall mean the aggregate Capital for all Eligible Assets.

"Fee Letter" means the letter agreement dated as of October 6, 1995, among the Seller, Corporate Asset Funding Company, Inc., Citibank, CNAI, the Agent and the "Agent" under and as defined in the Investor Agreement, as such letter agreement may be amended, restated, supplemented or otherwise modified from time to time.

"Majority Banks" means, at any time, such Banks as shall then have outstanding Capital of Percentage Interests in an aggregate amount exceeding 66-2/3% of the aggregate amount of Capital outstanding hereunder, and if at such time no Capital is outstanding hereunder, such Banks as shall have Percentages aggregating more than 66-2/3%; provided, however, that if at any time, but for the application of this proviso, Citibank alone would constitute the Majority Banks pursuant to this definition, then "Majority Banks" shall mean, at such time, Citibank and at least one other Bank.

(b) Article II of the Parallel Purchase Agreement is amended by deleting Section 2.03 thereof in its entirety and substituting in its place the following:

SECTION 2.03. Termination or Reduction of the Commitment; Increase of the Commitment.

(a) The Seller may, upon at least five Business Days' notice to the Agent, terminate in whole or reduce in part the unused portion of the Commitment; provided, however, that each partial reduction shall be in an amount equal to $1,000,000 or an integral multiple thereof. On each day on which the Seller shall, pursuant to Section 2.03 of the Investor Agreement reduce in part the unused portion of the "Purchase Limit" (as defined in the Investor Agreement"), the Commitment shall reduce automatically by an equal amount.

(b) Subject to the terms and conditions set forth below, the Commitment shall be increased on April 1, 1996, to $175,000,000, and on August 1, 1996, to $200,000,000; provided, however, that (i) each such increase shall be subject to the conditions that (A) on or before April 1, 1996, or August 1, 1996, as the case may be, the Agent shall have received any fees payable in connection with such increase as specified in the Fee Letter, (B) all of the conditions specified in Section 3.02 of this Agreement shall be satisfied as of April 1, 1996, or August 1, 1996, as the case may be, as though such increase were a Purchase or reinvestment occurring on such date, (C) the "Purchase Limit" (under and as defined in the Investor Agreement) shall have been increased such that after giving effect to any such increase in the Commitment, the amount of the Commitment and the amount of the "Purchase Limit" (under and as defined in the Investor Agreement) shall be the same, (D) the Termination Date shall not have occurred and (E) prior to April 1, 1996, or August 1, 1996, as the case may be, there shall have been no reduction of the Commitment pursuant to Section 2.03(a), and (ii) no increase in the Commitment shall be made on August 1, 1996, unless (A) the Commitment shall have been increased as provided herein on April 1, 1996, and (B) as of August 1, 1996, the aggregate Maximum Purchase of all Banks other than Citibank or any of its Affiliates shall at least equal $55,000,000.

Section 2. Effective Date. This Amendment shall become effective and shall be deemed effective as of the date first above written upon the satisfaction of the following conditions precedent: (a) no event has occurred and is continuing which constitutes an Event of Termination or would constitute an Event of Termination but for the requirement that notice be given or time elapse or both; (b) the Termination Date shall not have occurred; and (c) the Agent shall have received (i) six copies of this Amendment duly executed by the Seller, the Banks, CNAI and the Agent, (ii) six copies of Amendment No. 1 of even date herewith to the Investor Agreement duly executed by all parties thereto, and (iii) a copy of the Fee Letter, as amended and restated as of the date hereof, duly executed by all parties thereto.

Section 3. Reference to and Effect on the Parallel Purchase Agreement and the Related Documents. Upon the effectiveness of this Amendment, (i) the Seller hereby reaffirms all covenants, representations and warranties made by it in the Parallel Purchase Agreement to the extent the same are not amended hereby and agrees that all such covenants, representations and warranties shall be deemed to have been remade as of the effective date of this Amendment and (ii) each reference in the Parallel Purchase Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import shall mean and be, and any references to the Parallel Purchase Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Parallel Purchase Agreement shall mean and be, a reference to the Parallel Purchase Agreement as amended hereby.

Section 4. Effect. Except as otherwise amended by this Amendment, the Parallel Purchase Agreement shall continue in full force and effect and is hereby ratified and confirmed.

Section 5. Governing Law. This Amendment will be governed by and construed in accordance with the laws of the State of New York.

Section 6. Severability. Each provision of this Amendment shall be severable from every other provision of this Amendment for the purpose of determining the legal enforceability of any provision hereof, and the unenforceability of one or more provisions of this Amendment in one jurisdiction shall not have the effect of rendering such provision or provisions unenforceable in any other jurisdiction.

Section 7. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first above written.

SELLER: SNAP-ON CREDIT CORPORATION

By:
Name: Ned R. Brooks
Title: Vice President

CNAI/AGENT: CITICORP NORTH AMERICA, INC., individually and as Agent

By:
Name:
Title:

BANKS: CITIBANK, N.A.

By:
Name:
Title:

<ARTICLE> 5
<LEGEND>
THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF SNAP-ON INCORPORATED AS OF AND FOR THE THIRTY-NINE WEEKS ENDED SEPTEMBER 28, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
</LEGEND>
<MULTIPLIER> 1,000

<PERIOD-TYPE>	OTHER<F1>
<FISCAL-YEAR-END>	DEC-28-1996
<PERIOD-START>	DEC-31-1995
<PERIOD-END>	SEP-28-1996
<CASH>	19,461
<SECURITIES>	0
<RECEIVABLES>	635,646
<ALLOWANCES>	16,235
<INVENTORY>	279,178
<CURRENT-ASSETS>	998,524
<PP&E>	504,891
<DEPRECIATION>	265,729
<TOTAL-ASSETS>	1,524,097
<CURRENT-LIABILITIES>	355,689
<BONDS>	150,611
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	65,935
<OTHER-SE>	740,197
<TOTAL-LIABILITY-AND-EQUITY>	1,524,097
<SALES>	1,076,120
<TOTAL-REVENUES>	1,076,120
<CGS>	541,684
<TOTAL-COSTS>	541,684
<OTHER-EXPENSES>	432,828
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	9,312
<INCOME-PRETAX>	150,703
<INCOME-TAX>	55,760
<INCOME-CONTINUING>	94,943
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	94,943
<EPS-PRIMARY>	1.56
<EPS-DILUTED>	1.56

<FN>
<F1> Schedule is for 39 weeks.