

CRANE CO.
Condensed Balance Sheets
(in thousands)

	September 30, 2009	December 31, 2008
	<u> </u>	<u> </u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 304,888	\$ 231,840
Accounts Receivable, net	314,070	334,263
Current Insurance Receivable - Asbestos	35,300	41,300
Inventories, net	303,243	349,926
Other Current Assets	68,649	63,911
Total Current Assets	<u>1,026,150</u>	<u>1,021,240</u>
Property, Plant and Equipment, net	284,715	290,814
Long-Term Insurance Receivable - Asbestos	222,136	260,660
Other Assets	429,056	420,542
Goodwill	770,328	781,232
	<u> </u>	<u> </u>
Total Assets	\$ <u>2,732,385</u>	\$ <u>2,774,488</u>
LIABILITIES AND EQUITY		
Current Liabilities		
Notes Payable and Current Maturities of Long-Term Debt	\$ 952	\$ 16,622
Accounts Payable	142,861	182,147
Current Asbestos Liability	91,000	91,000
Accrued Liabilities	226,992	246,915
Income Taxes	4,535	1,980
Total Current Liabilities	<u>466,340</u>	<u>538,664</u>
Long-Term Debt	398,613	398,479
Long-Term Deferred Tax Liability	26,525	22,971
Long-Term Asbestos Liability	760,184	839,496
Other Liabilities	221,669	229,057
	<u> </u>	<u> </u>
Total Equity	859,054	745,821
	<u> </u>	<u> </u>
Total Liabilities and Equity	\$ <u>2,732,385</u>	\$ <u>2,774,488</u>

CRANE CO.
Condensed Statements of Cash Flows
(in thousands)

	Three Months Ended September 30		Nine Months Ended September 30	
	2009	2008	2009	2008
Operating Activities:				
Net income attributable to common shareholders	\$ 35,108	\$ 36,082	\$ 86,185	\$ 143,469
Noncontrolling interest in subsidiaries' earnings (losses)	45	(108)	202	(308)
Net income before allocations to noncontrolling interests	<u>35,153</u>	<u>35,974</u>	<u>86,387</u>	<u>143,161</u>
Gain on divestiture	-	-	-	(932)
Depreciation and amortization	14,025	14,270	43,857	43,965
Stock-based compensation expense	2,266	3,462	6,702	10,447
Deferred income taxes	12,107	10,774	14,891	22,639
Cash provided by (used for) operating working capital	33,659	10,853	13,037	(35,435)
Other	<u>5,029</u>	<u>(16,065)</u>	<u>(4,361)</u>	<u>(18,466)</u>
Subtotal	102,239	59,268	160,513	165,379
Asbestos related payments, net of insurance recoveries	<u>(22,253)</u>	<u>(18,301)</u>	<u>(34,788)</u> *	<u>(34,915)</u>
Total provided by operating activities	<u><u>79,986</u></u>	<u><u>40,967</u></u>	<u><u>125,725</u></u>	<u><u>130,464</u></u>
Investing Activities:				
Capital expenditures	(3,827)	(13,257)	(21,259)	(33,658)
Proceeds from disposition of capital assets	1,001	284	3,326	728
Payment for acquisition, net of cash acquired	-	(27,877)	-	(28,009)
Proceeds from divestiture	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,106</u>
Total used for investing activities	<u><u>(2,826)</u></u>	<u><u>(40,850)</u></u>	<u><u>(17,933)</u></u>	<u><u>(58,833)</u></u>
Financing Activities:				
Dividends paid	(11,695)	(11,965)	(35,079)	(33,521)
Reacquisition of shares on open market	-	-	-	(40,000)
Stock options exercised - net of shares reacquired	(546)	(387)	(299)	8,704
Excess tax benefit from stock-based compensation	131	488	131	1,388
Change in short-term debt	<u>(960)</u>	<u>(2,631)</u>	<u>(16,365)</u>	<u>411</u>
Total used for financing activities	<u><u>(13,070)</u></u>	<u><u>(14,495)</u></u>	<u><u>(51,612)</u></u>	<u><u>(63,018)</u></u>
Effect of exchange rate on cash and cash equivalents	<u>7,824</u>	<u>(28,739)</u>	<u>16,868</u>	<u>(13,552)</u>
Increase (decrease) in cash and cash equivalents	71,914	(43,117)	73,048	(4,939)
Cash and cash equivalents at beginning of period	<u>232,974</u>	<u>321,548</u>	<u>231,840</u>	<u>283,370</u>
Cash and cash equivalents at end of period	<u><u>\$ 304,888</u></u>	<u><u>\$ 278,431</u></u>	<u><u>\$ 304,888</u></u>	<u><u>\$ 278,431</u></u>

* Includes a \$14.5 million insurance settlement receipt from the Highlands Insurance Company.

CRANE CO.
Order Backlog
(in thousands)

	Spetember 30, 2009	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008
Aerospace & Electronics	\$ 369,898	\$ 383,335	\$ 396,393	\$ 418,382	\$ 418,317
Engineered Materials	8,454	9,135	6,924	6,942	11,035
Merchandising Systems	23,574	19,955	18,822	23,407	25,676
Fluid Handling*	252,333	256,467	275,660	302,653	285,988
Controls	27,292	28,026	26,667	30,509	37,816
Total Backlog	\$ 681,551	\$ 696,918	\$ 724,466	\$ 781,893	\$ 778,832

* Includes Order Backlog of \$40.4 million in September 2009, \$41.8 million in June 2009, \$46.5 million in March 2009, \$57.0 million in December 2008 and \$2.3 million in September 2008 pertaining to the 2008 acquisitions of Delta and Krombach.

CRANE CO.
Non-GAAP Financial Measures
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,		Percent Change September 30, 2009 Three Months	Percent Change September 30, 2009 Nine Months	2009 Full Year Guidance	
	2009	2008	2009	2008			Low	High
<u>INCOME ITEMS</u>								
Net Sales	\$ 550,710	\$ 642,678	\$ 1,651,339	\$ 2,015,028	-14.3%	-18.0%		
Operating Profit	55,453	54,618	138,829	216,238				
<u>Special Items impacting Operating Profit:</u>								
Lawsuit Settlement - Pre-Tax (a)	-	-	7,250	-				
Restructuring Charges - Pre-Tax (b)	513	-	2,360	-				
Environmental Reimbursement - Pre-Tax (d)	-	-	-	(4,444)				
Operating Profit before Special Items	<u>\$ 55,966</u>	<u>\$ 54,618</u>	<u>\$ 148,439</u>	<u>\$ 211,794</u>	2.5%	-29.9%		
Percentage of Sales	10.2%	8.5%	9.0%	10.5%				
Net Income Attributable to Common Shareholders	\$ 35,108	\$ 36,082	\$ 86,185	\$ 143,469			\$ 112,000	\$ 121,000
Per Share	\$ 0.60	\$ 0.60	\$ 1.47	\$ 2.36			\$ 1.90	\$ 2.05
<u>Special Items impacting Net Income Attributable to Common Shareholders:</u>								
Lawsuit Settlement - Net of Tax (a)	-	-	4,713	-			4,713 (a)	4,713 (a)
Per Share	\$ -	-	\$ 0.08	-			\$ 0.08	\$ 0.08
Restructuring Charges - Net of Tax	345 (b)	-	1,787 (b)	-			4,100 (c)	4,100 (c)
Per Share	\$ 0.01	-	\$ 0.03	-			\$ 0.07	\$ 0.07
Environmental Reimbursement - Net of Tax (d)	-	-	-	(2,889)			-	-
Per Share	-	-	-	(0.05)			-	-
Net Income Attributable To Common Shareholders Before Special Items	<u>\$ 35,453</u>	<u>\$ 36,082</u>	<u>\$ 92,685</u>	<u>\$ 140,580</u>	-1.7%	-34.1%	<u>\$ 120,813</u>	<u>\$ 129,813</u>
Per Share	<u>\$ 0.60</u>	<u>\$ 0.60</u>	<u>\$ 1.58</u>	<u>\$ 2.32</u>			<u>\$ 2.05</u>	<u>\$ 2.20</u>

(a) During the three months ended March 31, 2009, the Company recorded a charge for the settlement of a lawsuit brought against the Company by a customer alleging failure of our fiberglass-reinforced plastic material. During the three months ended June 30, 2009, the Company recorded additional insurance recoveries associated with the aforementioned settlement.

(b) Amounts represent restructuring charges in connection with the Restructuring Program.

(c) Amounts represent restructuring charges in connection with the Restructuring Program and integration costs associated with the Krombach acquisition.

(d) During the three months ended June 30, 2008, the Company recorded a \$2.1 million reimbursement from the US Government and a \$2.4 million reimbursement from a service provider, both related to environmental clean-up activities.

	September 30, 2009	December 31, 2008
<u>BALANCE SHEET ITEMS</u>		
Notes Payable and Current Maturities of Long-Term Debt	\$ 952	\$ 16,622
Long-Term Debt	398,613	398,479
Total Debt	399,565	415,101
Less: Cash and Cash Equivalents	(304,888)	(231,840)
Net Debt	94,677	183,261
Equity	859,054	745,821
Net Capitalization	<u>\$ 953,731</u>	<u>\$ 929,082</u>
Percentage of Net Debt to Net Capitalization	9.9%	19.7%

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
<u>CASH FLOW ITEMS</u>				
Cash Provided from Operating Activities before Asbestos - Related Payments	\$ 102,239	\$ 59,268	\$ 160,513	\$ 165,379
Asbestos Related Payments, Net of Insurance Recoveries	(22,253)	(18,301)	(34,788) *	(34,915)
Cash Provided from Operating Activities	79,986	40,967	125,725	130,464
Less: Capital Expenditures	(3,827)	(13,257)	(21,259)	(33,658)
Free Cash Flow	<u>\$ 76,159</u>	<u>\$ 27,710</u>	<u>\$ 104,466</u>	<u>\$ 96,806</u>

* Includes a \$14.5 million insurance settlement receipt from the Highlands Insurance Company.

Certain non-GAAP measures have been provided to facilitate comparison with the prior year.

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that non-GAAP financial measures which exclude certain non-recurring items present additional useful comparisons between current results and results in prior operating periods, providing investors with a clearer view of the underlying trends of the business. Management also uses these non-GAAP financial measures in making financial, operating, planning and compensation decisions and in evaluating the Company's performance. In addition, Free Cash Flow provides supplemental information to assist management and investors in analyzing the Company's ability to generate positive cash flow. Non-GAAP financial measures, which may be inconsistent with similarly captioned measures presented by other companies, should be viewed in addition to, and not as a substitute for, the Company's reported results prepared in accordance with GAAP.