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CRANE CO.

Q4 2015 EARNINGS RELEASE CALL

Forward-Looking Statements - Disclaimer

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The information in this presentation includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements other than historical information or statements about our current condition. You can identify forward-looking statements by the use of terms such as "believes," "contemplates," "expects," "may," "could," "should," "would," or "anticipates," other similar phrases, or the negatives of these terms. We have based the forward-looking statements relating to our operations on our current expectations, estimates and projections about us and the markets we serve. We caution you that these statements are not guarantees of future performance and involve risks and uncertainties. In addition, we have based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. Accordingly, actual outcomes and results may differ materially from what we have expressed or forecast in the forward-looking statements. Any differences could result from a variety of factors, including those detailed on Page 1 of our Annual Report on Form 10-K for 2014 and in our subsequent disclosures filed with the Securities and Exchange Commission.

Q4 2015 Earnings Summary

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($ Millions except per-share amounts)

	Q4 2015	Q4 2014	Change
Sales	$681	$731	(7%)
Operating Profit*	$104	$107	(3%)
Operating Margin*	15.3%	14.7%	60 bps
Earnings per Share*	$1.12	$1.13	(1%)
Free Cash Flow**	$102	$139	(26%)

Additional Details

	Q4 2015
Core Growth	(3.0%)
Divestitures	(0.5%)
FX Translation	(3.3%)
Total Sales Change	(6.9%)

	Q4 2015
Diluted EPS: GAAP	$1.11
M&A related items	$0.01
Repositioning	$0.00
Diluted EPS: non-GAAP	$1.12

* Excludes Special Items. Please see non-GAAP Financial Measures tables for details.
** Free cash flow is defined as cash provided by operating activities less capital spending. Please see non-GAAP Financial Measures tables for details.

Full-Year 2015 Earnings

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($ Millions except per-share amounts)

	FY 2015	FY 2014	Change
Sales	$2,740	$2,925	(6%)
Operating Profit*	$391	$426	(8%)
Operating Margin*	14.3%	14.6%	(30 bps)
Earnings per Share*	$4.13	$4.45	(7%)
Free Cash Flow**	$190	$220	(14%)

Additional Details

	FY 2015
Core Growth	(1.2%)
Divestitures	(0.5%)
FX Translation	(4.6%)
Total Sales Change	(6.3%)

	FY 2015
Diluted EPS: GAAP	$3.89
M&A related items	$0.08
Repositioning	$0.15
Diluted EPS: non-GAAP	$4.13

* Excludes Special Items. Please see non-GAAP Financial Measures tables for details.
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Fluid Handling

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($ Millions)

	Q4 2015	Q4 2014	Change
Sales	$259	$314	(17%)
Operating Profit*	$30	$47	(36%)
Operating Margin*	11.6%	15.0%	(340 bps)
Backlog	$267	$311	(14%)

Q4 2015 Highlights

- Executing on previously announced repositioning actions
- Backlog down (9%) vs. 2014 on a constant currency basis
- Sales and orders remain depressed across most end markets and geographies, with some deterioration over last few months
- Project delays continue

	Q4 2015
Core Growth	(11.8%)
FX Translation	(5.6%)
Total Sales Change	(17.4%)

* Excludes Special Items. Please see non-GAAP Financial Measures tables for details.

Payment & Merchandising Technologies

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($ Millions)

	Q4 2015	Q4 2014	Change
Sales	$174	$177	(2%)
Operating Profit*	$30	$24	+22%
Operating Margin*	17.1%	13.7%	+340 bps

Q4 2015 Highlights

- Full-year synergy realization exceeded target of $9 million; on track for $33 million by end of 2016
- Core growth positive across both Payment and Merchandising platforms
- Full-year core growth of +6.0%

	Q4 2015
Core Growth	+3.7%
Divestiture	(2.1%)
FX Translation	(3.4%)
Total Sales Change	(1.8%)

* Excludes Special Items. Please see non-GAAP Financial Measures tables for details.

Aerospace & Electronics

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($ Millions)

	Q4 2015	Q4 2014	Change
Sales	$191	$182	5%
Operating Profit*	$45	$41	10%
Operating Margin*	23.5%	22.3%	120 bps
Backlog	$436	$422	3%

Q4 2015 Highlights

	Q4 2015
OE Sales	2%
Aftermarket Sales	12%
OE / Aftermarket Mix	71% / 29%

	Q4 2015
Core Growth	4.9%
FX Translation	(0.3%)
Total Sales Change	4.7%

- Full year adjusted operating margin of 21.0%
- Large military contract deliveries to accelerate in early 2016

* Excludes Special Items. Please see non-GAAP Financial Measures tables for details.

Engineered Materials

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($ Millions)

	Q4 2015	Q4 2014	Change
Sales	$56	$57	(1%)
Operating Profit	$10	$7	+32%
Operating Margin	16.8%	12.6%	+420 bps

Q4 2015 Highlights

	Q4 2015
Recreational Vehicle	(2%)
Building Products	+3%
Transportation	+2%

- Margin improvement primarily reflects productivity, along with lower raw material costs, partially offset by lower volume and unfavorable mix

	Q4 2015
Core Growth	(1.4%)
FX Translation	-
Total Sales Change	(1.4%)

- Expect margins to moderate somewhat in 2016

Cash Flow, Balance Sheet, and Tax

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($ Millions)

	Q4 2015	Q4 2014	Better / (Worse)
Cash Provided from Operating Activities	$114	$151	(24%)
Capital Expenditures	($11)	($12)	2%
Free Cash Flow*	$102	$139	(26%)
Effective (GAAP) Tax Rate	30.5%	32.5%	200 bps
Non-GAAP (adjusted) Tax Rate**	30.6%	30.7%	10 bps
Total Debt	$799	$850	$51
Cash	$364	$346	$17

* Free cash flow is defined as cash provided by operating activities less capital spending. Please see non-GAAP Financial Measures tables for details.
** Excludes Special Items. Please see non-GAAP Financial Measures tables for details.

2016 Guidance Details

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($ Millions)

	2015A	2016 Guidance	Better / (Worse)
Sales	$2,740	$2,690	(2%)
Core Growth	(1.2%)	(1.5%) to +1.5%	nm
Foreign Exchange	(4.6%)	(2%)	nm
EPS (Adjusted)*	$4.13	$3.85-$4.15	(7%) to 0%
EPS (GAAP)	$3.89	$3.85-$4.15	(1%) to 7%
Free Cash Flow**	$190	$190-$220	0% to 16%
Capital Expenditures	$40	$45 to $55	(13%) to (38%)
Operating Margin*	14.3%	14.3%	~flat
Effective (GAAP) Tax Rate	31.7%	31.6%	10 bps
Non-GAAP (adjusted) Tax Rate*	31.4%	31.6%	(20 bps)
Corporate Expense*	$45	$50	($5)
Net Interest Expense	$35.7	$35.5	~flat
Diluted Share Count	58.8	59.3	(0.5)

* Excludes Special Items. Please see non-GAAP Financial Measures tables for details.
** Free cash flow is defined as cash provided by operating activities less capital spending. Please see non-GAAP tables for details.

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Appendix

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Non-GAAP Information

* Excludes Special Items. Please see non-GAAP Financial Measures tables for details.

Non-GAAP Explanation

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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 liquidity from its operating activities. The measure of Free Cash Flow does not take into consideration certain other non-discretionary cash requirements such as, for example, mandatory principal payments on the Company's long-term debt. 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.

Non-GAAP Financial Measures

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Non-GAAP Financial Measures
(in millions, except per share data)

INCOME ITEMS

	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014	Percent Change December 31, 2015 Three Months	Percent Change December 31, 2015 Twelve Months
Net Sales	$ 680.6	$ 730.7	$ 2,740.5	$ 2,925.0	(6.9%)	(6.3%)
Operating Profit	103.5	89.6	372.9	316.3	15.5%	17.9%
Percentage of Sales	*15.2%*	*12.3%*	*13.6%*	*10.8%*		
Special Items impacting Operating Profit:						
MEI acquisition related inventory and backlog amortization	-	-	-	4.8		
MEI acquisition related integration costs	1.6	2.0	7.2	9.8		
MEI acquisition related restructuring costs	(0.8)	4.6	(0.6)	10.3		
Repositioning charges	(0.1)	11.1	11.6	22.7		
Lawsuit settlement charge	-	-	-	6.5		
Environmental Provision	-	-	-	55.8		
Operating Profit before Special Items	$ 104.2	$ 107.3	$ 391.1	$ 426.2	(2.9%)	(8.2%)
Percentage of Sales	*15.3%*	*14.7%*	*14.3%*	*14.6%*		
Net Income Attributable to Common Shareholders	$ 65.2	$ 56.2	$ 228.9	$ 192.7		
Per Share	*$ 1.11*	*$ 0.95*	*$ 3.89*	*$ 3.23*	17.3%	20.5%
Special Items Impacting Net Income Attributable to Common Shareholders:						
MEI acquisition related inventory and backlog amortization - Net of Tax	-	-	-	3.0		
Per Share				*$ 0.05*		
MEI acquisition related integration charges - Net of Tax	1.0	1.4	4.8	7.1		
Per Share	*$ 0.02*	*$ 0.02*	*$ 0.08*	*$ 0.12*		
MEI acquisition related restructuring charges - Net of Tax	(0.6)	3.2	(0.3)	7.0		
Per Share	*$ (0.01)*	*$ 0.05*	*$ (0.01)*	*$ 0.12*		
Repositioning charges - Net of Tax	0.2	9.9	9.2	18.0		
Per Share	*$ 0.00*	*$ 0.17*	*$ 0.16*	*$ 0.30*		
Lawsuit settlement charge - Net of Tax	-	-	-	4.2		
Per Share				*$ 0.07*		
Environmental Provision - Net of Tax	-	-	-	36.3		
Per Share				*$ 0.61*		
Loss on business divestiture - Net of Tax	-	-	-	1.1		
Per Share				*$ 0.02*		
Gain on real estate divestiture - Net of Tax	-	(3.5)	-	(4.2)		
Per Share		*$ (0.06)*		*$ (0.07)*		
Net Income Attributable To Common Shareholders Before Special Items	$ 65.8	$ 67.2	$ 242.5	$ 265.1	(2.1%)	(8.5%)
Per Share	$ 1.12	$ 1.13	$ 4.13	$ 4.45	(1.1%)	(7.3%)

Non-GAAP Financial Measures

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CRANE CO.
Guidance
(in millions)

CASH FLOW ITEMS

	Three Months Ended December 31,		Twelve Months Ended December 31,		2016 Full Year Guidance	
	2015	2014	2015	2014	Low	High
Cash Provided by Operating Activities before Asbestos - Related Payments	$ 127.3	$ 165.6	$ 279.2	$ 325.2	$ 290.0	$ 320.0
Asbestos Related Payments, Net of Insurance Recoveries	(13.7)	(15.1)	(49.9)	(61.3)	(50.0)	(50.0)
Cash Provided by Operating Activities	113.6	150.5	229.3	263.9	240.0	270.0
Less: Capital Expenditures	(11.4)	(11.6)	(39.6)	(43.7)	(50.0)	(50.0)
Free Cash Flow	$ 102.2	$ 138.9	$ 189.7	$ 220.2	$ 190.0	$ 220.0

Non-GAAP Financial Measures

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CRANE CO.
Non-GAAP Financial Measures

($ Millions)	For the three months ended December 31, 2015					
	Fluid Handling	Payment & Merchandising Technologies	Aerospace & Electronics	Engineered Materials	Corporate	Total Company
Net Sales	259.4	174.0	190.9	56.4	-	680.6
Operating Profit - GAAP	29.2	28.9	46.9	9.5	(11.0)	103.5
Acquisition related integration costs		1.6				1.6
Acquisition related restructuring costs		(0.8)				(0.8)
Repositioning charges	1.0	-	(2.0)		1.0	(0.1)
Operating Profit before Special Items	30.2	29.7	44.9	9.5	(10.1)	104.2
Percentage of Sales	*11.6%*	*17.1%*	*23.5%*	*16.8%*		*15.3%*

($ Millions)	For the three months ended December 31, 2014					
	Fluid Handling	Payment & Merchandising Technologies	Aerospace & Electronics	Engineered Materials	Corporate	Total Company
Net Sales	313.9	177.2	182.3	57.2	-	730.7
Operating Profit - GAAP	36.8	17.8	39.9	7.2	(12.1)	89.6
Acquisition related integration costs		1.9			0.1	2.0
Acquisition related restructuring costs		4.6				4.6
Repositioning Charges	10.2		0.9			11.1
Operating Profit before Special Items	47.0	24.3	40.7	7.2	(12.0)	107.3
Percentage of Sales	*15.0%*	*13.7%*	*22.3%*	*12.6%*		*14.7%*

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