

Crane Co. Reports Strong Earnings In First Quarter; Raises Full Year EPS Guidance Range To \$3.05-\$3.25

STAMFORD, CONNECTICUT - April 18, 2011 - Crane Co. (NYSE: CR), a diversified manufacturer of highly engineered industrial products, reported that first quarter 2011 earnings per diluted share increased 45% to \$0.81 compared to \$0.56 in the first quarter of 2010.

First quarter 2011 sales of \$611 million increased \$81 million, or 15%, compared to the first quarter of 2010, resulting from a core sales increase of \$58 million (11%), an increase in sales from acquisitions, net of divestitures, of \$16 million (3%), and favorable foreign currency translation of \$7 million (1%).

First quarter 2011 operating profit increased 37% to \$72.9 million, compared to \$53.3 million in the first quarter of 2010, and operating profit margin increased to 11.9%, compared to 10.0% in the first quarter of 2010.

During the quarter, the Company sold a building and divested a small product line. The associated gain of \$4.3 million (\$0.05 per share) is included in Miscellaneous-Net on the accompanying Income Statement.

"I am pleased with our first quarter results as strong core revenue growth of 11% and solid execution produced a quarter that was considerably better than we anticipated. The significant sequential improvement in our monthly sales and earnings during the quarter gives us increasing confidence about the year," said Crane Co. president and chief executive officer Eric C. Fast. "With our late-cycle Aerospace and Fluid Handling businesses clearly gaining momentum, we are raising our full year sales, EPS and cash flow guidance."

Increased Full Year 2011 Guidance

Sales for 2011 are now expected to increase approximately 10% - 12%, compared to our prior guidance of 7% - 9%, driven by strong core sales growth. Our 2011 earnings guidance is now a range of \$3.05 - \$3.25 per diluted share, compared to our previous guidance of \$2.80 - \$3.00 per diluted share, reflecting strengthening revenue and profit growth across all of our segments. Free cash flow (cash provided by operating activities less capital spending) is now expected to be in a range of \$130 - \$150 million, compared to our previous estimate of \$130 million. (Please see the Condensed Statement of Cash Flows and Non-GAAP table.)

Cash Flow and Financial Position

Cash used for operating activities in the first quarter of 2011 was \$16.2 million, which included higher working capital needs to support improving sales trends, compared to cash provided by operating activities of \$16.8 million in the first quarter of 2010 (which included \$19 million of cash received in connection with the Boeing agreement). During the first quarter of 2011, the Company repurchased 634,900 shares of its common stock for approximately \$30 million. The Company's cash position at March 31, 2011 was \$233 million, as compared to \$273 million at December 31, 2010.

Segment Results

All comparisons detailed in this section refer to the first quarter 2011 versus the first quarter 2010.

Aerospace & Electronics

<i>(dollars in millions)</i>	First Quarter		Change	
	2011	2010		
Sales	\$161.9	\$133.6	\$28.3	21%
Operating Profit	\$34.0	\$24.5	\$9.6	39%
Profit Margin	21.0%	18.3%		

First quarter 2011 sales increased \$28.3 million, or 21%, reflecting a \$19.8 million (25%) improvement in Aerospace Group sales and an increase of \$8.5 million (16%) in Electronics Group revenue. The Aerospace Group sales increase reflected

higher OEM and aftermarket shipments while Electronics Group sales growth was primarily driven by strength in Power Solutions. Segment operating profit of \$34.0 million increased by \$9.6 million, or 39%, reflecting strong sales growth and margin improvement in both Aerospace and Electronics.

Aerospace & Electronics order backlog strengthened to \$455 million at March 31, 2011, as compared to \$431 million at December 31, 2010 and \$388 million at March 31, 2010.

Engineered Materials

<i>(dollars in millions)</i>	First Quarter		Change	
	2011	2010		
Sales	\$61.8	\$53.8	\$8.1	15%
Operating Profit	\$10.1	\$8.5	\$1.6	19%
Profit Margin	16.4%	15.9%		

Segment sales of \$61.8 million increased 15% compared to the first quarter of 2010, as a result of significantly higher demand from transportation customers, as well as higher revenues across recreational vehicle and building products end markets. Operating profit grew 19%, and margins improved 50 basis points as higher sales more than offset the impact of increased raw material costs. The Company implemented price increases during the first quarter and continues to monitor the impact of higher input costs.

Merchandising Systems

<i>(dollars in millions)</i>	First Quarter		Change	
	2011	2010		
Sales	\$94.9	\$70.2	\$24.7	35%
Operating Profit	\$4.7	\$5.0	(\$0.3)	(6%)
Profit Margin	4.9%	7.1%		

Merchandising Systems sales of \$94.9 million increased \$24.7 million, or 35%, primarily reflecting \$16.4 million of sales associated with the December 2010 acquisition of Money Controls (23%) and positive core sales growth in our Payment Solutions and Vending businesses. Operating profit of \$4.7 million declined slightly from the prior year as purchase accounting charges associated with Money Controls more than offset the impact of higher sales.

Fluid Handling

<i>(dollars in millions)</i>	First Quarter		Change	
	2011	2010		
Sales	\$264.1	\$247.8	\$16.4	7%
Operating Profit	\$35.5	\$28.0	\$7.5	27%
Profit Margin	13.4%	11.3%		

First quarter 2011 sales increased \$16.4 million, or 6.6%, which included a core sales increase of \$10.9 million (4.4%), and favorable foreign currency translation of \$5.5 million (2.2%). Orders strengthened across Fluid Handling end markets and were particularly strong in ChemPharma and Energy. Sales, operating profit and margin improvement was broad based across the Group. The sales increase was effectively leveraged with operating margins improving from 11.3% to 13.4%. Backlog increased to \$305 million at March 31, 2011, compared to \$272 million at December 31, 2010 and \$254 million at March 31, 2010.

Controls

<i>(dollars in millions)</i>	First Quarter		Change	
	2011	2010		
Sales	\$28.2	\$24.9	\$3.3	13%
Operating Profit	\$3.1	\$0.1	\$3.0	NM
Profit Margin	11.0%	0.5%		

First quarter 2011 sales of \$28.2 million increased 13%, primarily reflecting improvement in industrial, transportation and upstream oil and gas related demand. Operating profit of \$3.1 million increased significantly over 2010, reflecting strong leverage and the absence of the operating losses associated with divested businesses.

Additional Information

Please see the condensed financial statements and the Non-GAAP Financial Measures table attached to this press release for supporting details. Additional information with respect to the Company's asbestos liability and related accounting provisions and cash requirements is set forth in the Current Report on Form 8-K filed with a copy of this press release.

Conference Call

Crane Co. has scheduled a conference call to discuss the first quarter financial results on Tuesday, April 19, 2011 at 10:00 A.M. (Eastern). All interested parties may listen to a live webcast of the call at <http://www.craneco.com>. An archived webcast will also be available to replay this conference call directly from the Company's website.

Crane Co. is a diversified manufacturer of highly engineered industrial products. Founded in 1855, Crane provides products and solutions to customers in the aerospace, electronics, hydrocarbon processing, petrochemical, chemical, power generation, automated merchandising, transportation and other markets. The Company has five business segments: Aerospace & Electronics, Engineered Materials, Merchandising Systems, Fluid Handling, and Controls. Crane has approximately 11,000 employees in North America, South America, Europe, Asia and Australia. Crane Co. is traded on the New York Stock Exchange (NYSE:CR). For more information, visit www.craneco.com.

This press release may contain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These statements present management's expectations, beliefs, plans and objectives regarding future financial performance, and assumptions or judgments concerning such performance. Any discussions contained in this press release, except to the extent that they contain historical facts, are forward-looking and accordingly involve estimates, assumptions, judgments and

uncertainties. There are a number of factors that could cause actual results or outcomes to differ materially from those addressed in the forward-looking statements. Such factors are detailed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 and subsequent reports filed with the Securities and Exchange Commission.

CRANE CO.
Income Statement Data
(in thousands, except per share data)

	Three Months Ended	
	March 31,	
	2011	2010
Net Sales:		
Aerospace & Electronics	\$ 161,936	\$ 133,645
Engineered Materials	61,832	53,755
Merchandising Systems	94,878	70,171
Fluid Handling	264,142	247,789
Controls	28,232	24,931
Total Net Sales	<u>\$ 611,020</u>	<u>\$ 530,291</u>
Operating Profit (Loss):		
Aerospace & Electronics	\$ 34,042	\$ 24,489
Engineered Materials	10,143	8,540
Merchandising Systems	4,673	4,969
Fluid Handling	35,453	27,989
Controls	3,111	126
Corporate	(14,562)	(12,833)
Total Operating Profit	<u>72,860</u>	<u>53,280</u>
Interest Income	290	225
Interest Expense	(6,622)	(6,726)
Miscellaneous- Net	3,625 *	(21)
Income Before Income Taxes	70,153	46,758
Provision for Income Taxes	21,775	13,574
Net income before allocations to noncontrolling interests	48,378	33,184
Less: Noncontrolling interest in subsidiaries' losses	(89)	(50)
Net income attributable to common shareholders	<u>\$ 48,467</u>	<u>\$ 33,234</u>
Share Data:		
Earnings per Diluted Share	<u>\$ 0.81</u>	<u>\$ 0.56</u>
Average Diluted Shares Outstanding	59,552	59,570
Average Basic Shares Outstanding	58,330	58,650
Supplemental Data:		
Cost of Sales	\$ 397,850	\$ 352,271
Selling, General & Administrative	140,310	124,740
Depreciation and Amortization **	15,774	14,437
Stock-Based Compensation Expense	3,503	3,172

* Primarily related to the sale of a building and the divestiture of a small product line in the three months ended March 31, 2011.

** Amount included within cost of sales and selling, general & administrative costs.

CRANE CO.
Condensed Balance Sheets
(in thousands)

	March 31, 2011	December 31, 2010
ASSETS		
Current Assets		

Cash and Cash Equivalents	\$ 233,162	\$ 272,941
Accounts Receivable, net	356,257	301,918
Current Insurance Receivable - Asbestos	33,000	33,000
Inventories, net	347,813	319,077
Other Current Assets	75,708	61,725
Total Current Assets	<u>1,045,940</u>	<u>988,661</u>
Property, Plant and Equipment, net	283,006	280,746
Long-Term Insurance Receivable - Asbestos	174,253	180,689
Other Assets	424,481	446,316
Goodwill	<u>822,516</u>	<u>810,285</u>
Total Assets	<u>\$ 2,750,196</u>	<u>\$ 2,706,697</u>

LIABILITIES AND EQUITY

Current Liabilities		
Notes Payable and Current Maturities of Long-Term Debt	\$ 916	\$ 984
Accounts Payable	173,798	157,051
Current Asbestos Liability	100,000	100,000
Accrued Liabilities	217,685	229,462
Income Taxes	13,605	11,057
Total Current Liabilities	<u>506,004</u>	<u>498,554</u>
Long-Term Debt	398,780	398,736
Long-Term Deferred Tax Liability	49,482	48,852
Long-Term Asbestos Liability	600,506	619,666
Other Liabilities	146,964	147,859
Total Equity	<u>1,048,460</u>	<u>993,030</u>
Total Liabilities and Equity	<u>\$ 2,750,196</u>	<u>\$ 2,706,697</u>

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

	Three Months Ended March 31,	
	2011	2010
Operating Activities:		
Net income attributable to common shareholders	\$ 48,467	\$ 33,234
Noncontrolling interest in subsidiaries' losses	(89)	(50)
Net income before allocations to noncontrolling interests	<u>48,378</u>	<u>33,184</u>
Gain on divestiture	(4,258)	-
Depreciation and amortization	15,774	14,437
Stock-based compensation expense	3,503	3,172
Defined benefit plans and postretirement expense	2,749	2,375
Deferred income taxes	6,893	6,682
Cash used for operating working capital	(67,250)	(31,687)
Defined benefit plans and postretirement contributions	(4,779)	(1,076)
Environmental payments, net of reimbursements	(4,593)	(3,200)
Other	142	4,056
Subtotal	<u>(3,441)</u>	<u>27,943</u>
Asbestos related payments, net of insurance recoveries	<u>(12,725)</u>	<u>(11,125)</u>
Total (used for) provided from operating activities	<u>(16,166)</u>	<u>16,818</u>
Investing Activities:		
Capital expenditures	(8,138)	(4,119)
Proceeds from disposition of capital assets	4,553	-
Payment for acquisition, net of cash acquired	-	(51,167)

Proceeds from acquisition, net of cash acquired		(21,877)
Proceeds from divestiture	1,000	-
Total used for investing activities	(2,585)	(55,286)
Financing Activities:		
Dividends paid	(13,474)	(11,743)
Reacquisition of shares on open market	(29,999)	-
Stock options exercised - net of shares reacquired	12,552	4,714
Excess tax benefit from stock-based compensation	3,952	391
Change in short-term debt	(76)	(3,046)
Total used for financing activities	(27,045)	(9,684)
Effect of exchange rate on cash and cash equivalents	6,017	(4,978)
Decrease in cash and cash equivalents	(39,779)	(53,130)
Cash and cash equivalents at beginning of period	272,941	372,714
Cash and cash equivalents at end of period	\$ 233,162	\$ 319,584

**CRANE CO.
Order Backlog
(in thousands)**

	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Aerospace & Electronics	\$ 454,559	\$ 431,467	\$ 401,585	\$ 394,554	\$ 388,169
Engineered Materials	13,826	11,831	11,367	12,496	14,810
Merchandising Systems	25,008 *	30,170 *	18,044	20,346	21,947
Fluid Handling	305,255	271,825	266,578	257,840	253,946
Controls	24,015	22,354	27,575	28,711	26,910
Total Backlog	\$ 822,663	\$ 767,647	\$ 725,149	\$ 713,947	\$ 705,782

* Includes Order Backlog of \$5.3 million in March 31, 2011 and \$8.4 million in December 2010 pertaining to the 2010 acquisition of Money Controls.

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

	Three Months Ended March 31,	
	2011	2010
CASH FLOW ITEMS		
Cash (Used for) Provided from Operating Activities before Asbestos - Related Payments	\$ (3,441)	\$ 27,943
Asbestos Related Payments, Net of Insurance Recoveries	(12,725)	(11,125)
Cash (Used for) Provided from Operating Activities	(16,166)	16,818
Less: Capital Expenditures	(8,138)	(4,119)
Free Cash Flow	\$ (24,304)	\$ 12,699

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 principle 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.

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