CRANE

Crane Co. Reports Second Quarter Results; Increases Quarterly Dividend by 20%; Raises Annual EPS Guidance

STAMFORD, CONNECTICUT – July 23, 2007 - Crane Co. (NYSE: CR), a diversified manufacturer of highly engineered industrial products, reports second quarter 2007 net income was $45.7 million, or $.75 per share. These results included a $7.6 million pretax provision ($5.4 million after tax, or $0.09 per share) in connection with a previously disclosed civil false claims proceeding by the U.S. Government for which a settlement agreement has been substantially negotiated but not yet executed. Excluding the provision, second quarter 2007 earnings per share would have been $.84, exceeding the high end of the Company's guidance of $.74 to $.82. Second quarter 2006 net income was $44.5 million, or $.71 per share.

Including the $7.6 million pretax provision, second quarter 2007 operating profit of $71.8 million rose 9% compared to $66.1 million in the prior year quarter. Excluding the provision, second quarter 2007 operating profit of $79.4 million would have risen 20% compared to $66.1 million in the prior year quarter. Second quarter 2007 miscellaneous income was $0.9 million. Second quarter 2006 miscellaneous income of $4.4 million benefited from a $4.1 million overall gain resulting from the sale of two businesses and certain unused property. Excluding the $7.6 million pretax provision in 2007 and the miscellaneous gain of $4.1 million in 2006, income before income taxes would have increased 20% to $74.4 million in the second quarter of 2007 compared with $61.8 million in 2006, and earnings per share would have increased 25% to $.84 compared with $.67 in 2006. Please see the attached Non-GAAP schedule for details.

Second quarter 2007 sales increased $102.7 million, or 18%, including core business growth of $42.3 million (8%), sales from acquired businesses (net of divestitures) of $48.1 million (8%) and favorable foreign currency translation of $12.3 million (2%).

Order backlog at June 30, 2007 totaled $739 million, 16% higher (15% higher excluding acquisitions) than the backlog of $637 million at June 30, 2006 and 9% higher than $677 million at December 31, 2006.

"I am pleased with our operating performance this quarter. Our second quarter operating results, excluding the one-time charge for the anticipated settlement with the Government, were considerably ahead of the second quarter of 2006," said Crane Co. president and chief executive officer, Eric C. Fast. "Strong year-over-year improvement in operating profits and margins in our Engineered Materials business and the positive impact of the 2006 acquisitions on our Merchandising Systems businesses were key drivers of our results. The 20% increase in our quarterly dividend and the increase in our annual earnings guidance reflect confidence in our future performance."

Cash Flow and Financial Position

Cash provided by operating activities was $33.9 million in the second quarter of 2007 compared to $50.3 million last year, reflecting increased working capital requirements to support higher sales, and higher net asbestos payments. Net debt to total capitalization was 21.3% at June 30, 2007, compared to 22.2% at December 31, 2006. In the second quarter of 2007, the Company repurchased 226,260 shares of its common stock on the open market at a cost of $10 million. (Please also see the attached Condensed Statement of Cash Flows and the Non-GAAP Financial Measures.)

Dividend Increase

On July 23, 2007, the Company announced a 20% increase in the quarterly dividend from $.15 per share to $.18 per share, for an indicated annual dividend rate of $.72 per share. The new dividend rate will become effective with the third quarter 2007 dividend. This is the third consecutive year the Company has increased its dividend.

Segment Results

All comparisons below refer to the second quarter 2007 versus the second quarter 2006, unless otherwise specified.

The second quarter 2007 sales increase of $18.7 million reflected a sales increase of $15.8 million in the Aerospace Group and an increase of $2.9 million in the Electronics Group. Segment operating profit declined as a result of the decrease in the Aerospace Group.

Aerospace Group sales of $106.4 million increased $15.8 million, or 17%, from $90.6 million in the prior year period.

Resistoflex Aerospace, which was sold in May 2006, had sales of $1.9 million in the second quarter of 2006. Excluding Resistoflex Aerospace, sales increased $17.7 million or 20% over the second quarter of 2006. As expected, the $1.7 million decrease in operating profit resulted from higher engineering spending of $6.9 million largely on programs to be completed in the next six to twelve months, which more than offset the profits associated with higher sales.

Electronics Group sales of $53.8 million increased $2.9 million, or 6%, due to higher sales in power, microwave and microelectronic solutions. Operating profit was equal to the second quarter of 2006. Strong orders this year in the custom power, microelectronics and electronic manufacturing services businesses resulted in the Electronics backlog at the end of the second quarter being $154 million, or 8%, higher than the prior year.

The Aerospace & Electronics segment backlog was $394 million at June 30, 2007 compared with $370 million at June 30, 2006 and $397 million at December 31, 2006.

Second quarter 2007 sales were higher than the prior year period as sales of $14.6 million from Noble Composites, acquired in September 2006, more than offset lower volumes to the Company's traditional recreational vehicle, transportation and building products customers. Operating profit in 2007 increased as the benefit of the Noble acquisition, lower product support costs in the recreational vehicle market and improved manufacturing efficiencies offset the impact of lower volume in the base business.

Merchandising Systems sales increased $47.0 million, or 88%, driven primarily by increased sales of $35.4 million from the Telequip, Dixie-Narco, and Automatic Products acquisitions. Overall operating profit, including the favorable impact of the acquisitions, improved by $7.4 million as a result of higher margins and effective leverage of the strong sales growth in traditional international payment systems markets.

Second quarter 2007 sales increased $31.4 million, or 13%, including $21.9 million (9%) of core sales and favorable foreign currency translation of $9.5 million (4%). Operating profit increased $3.5 million, or 12%.

Margins remained at 12% reflecting more price competitive project work and investments in new products and systems to support future growth. The Fluid Handling segment backlog was $259 million at June 30, 2007, compared with $199 million at June 30, 2006 and $211 million at December 31, 2006. The 30% increase in backlog over the second quarter of 2006 reflects increased global demand particularly from the chemical / pharmaceutical and energy industries, and generally higher demand from many commercial applications.

On flat sales, operating profit declined $0.4 million primarily because of planned new product and new market development costs.

Third Quarter and Full Year 2007 Guidance

Management provided earnings guidance of $0.72 - $0.80 for the third quarter of 2007, compared to actual earnings per share of $0.74 in the third quarter of 2006, which included a $4.9 million pretax benefit, or $0.05 per share, from a reimbursement from the Department of Defense for environmental clean-up costs. Management increased its earnings guidance for the full year 2007 from a range of $2.80 - $2.95 per share to $2.90 - $3.05 per share; this guidance is for normal business operations and excludes items such as the $0.09 per share provision for the anticipated settlement with the U.S. Government. Including that provision, the Company's earnings guidance for the full year 2007 is $2.81 - $2.96 per share. As previously disclosed, the Company will discontinue providing quarterly earnings guidance in 2008.

Management continues to expect free cash flow (cash flow from operations less capital expenditures) in 2007 will be in the range of $175-$190 million. Please see the Non-GAAP Financial Measures table attached to this press release for 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 second quarter's financial results on Tuesday, July 24th, 2007 at 10:00 A.M. (Eastern). All interested parties may listen to a live webcast of the call at http://ir.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 12,000 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 ir.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, 2006 and subsequent reports filed with the Securities and Exchange Commission.

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