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EXHIBIT
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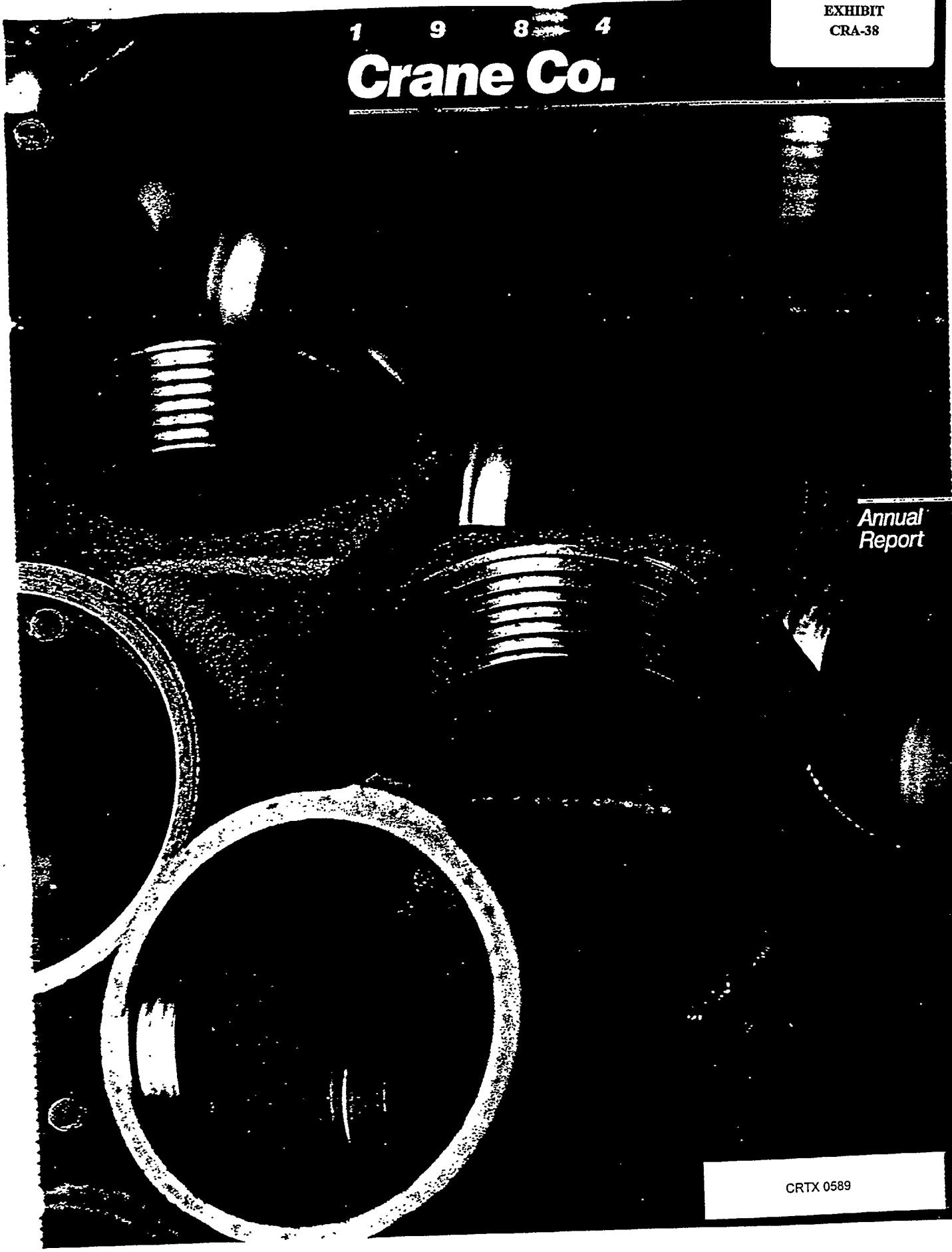
Crane Co.



Annual Report

CRTX 0589

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Annual Meeting

The Crane Co. annual meeting will be held at 10 A.M. Tuesday, May 14, 1985, in Rooms B and C, 2nd Floor, Morgan Guaranty Trust Company of New York, 522 Fifth Avenue, New York, New York.

Form 10-K

Copies of Form 10-K for 1984, which is to be filed with the Securities and Exchange Commission, are available without charge to each Crane shareholder upon written request to the Secretary at the corporate executive offices.

Executive Offices

Crane Co.
300 Park Avenue
New York, New York 10022
Telephone (212) 980-3600

After May 1, 1985:

757 Third Avenue
New York, New York 10017
Telephone: (212) 415-7300

Cover

Stainless steel ball valve bodies prior to final assembly at the Rogers, Arkansas plant.

CRTX 0590

Crane Co.: Corporate Profile

Crane Co. is a diversified manufacturer of engineered products for industry, and is a wholesale distributor of industrial and building products. During the past year, the company has begun implementing a strategic plan aimed at building upon its strength in special engineered, light-to-medium manufacturing and wholesale distribution.

Crane's goal in this corporate repositioning will be to reduce the cyclicality of earnings and, with less capital required to operate its business, improve cash flow and increase earnings per share. The acquisition of UniDynamics Corporation is another move in this direction.

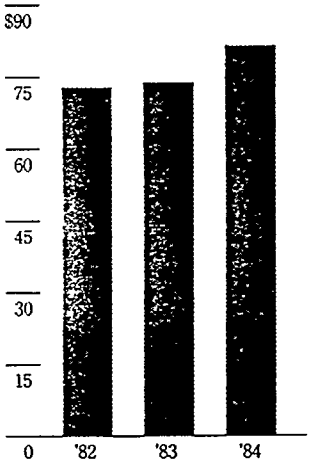
Financial Highlights

	1984	1983	1982*
Net Sales	$792,212,000	$ 771,679,000	$763,563,000
Operating Profit	50,572,000	25,595,000	9,071,000
Net Income (Loss)			
Continuing Operations	30,965,000	26,377,000	19,290,000
Discontinued Operations	—	(135,437,000)	(22,633,000)
Total	$ 30,965,000	$(109,060,000)	$ (3,343,000)
Per Common Share			
Continuing Operations	$ 3.20	$ 2.54	$ 1.85
Discontinued Operations	—	(13.03)	(2.17)
Total	$ 3.20	$(10.49)†	$ (.32)†
Common Shareholders' Equity	$210,883,000	$253,217,000	$380,995,000
Per Common Share	$23.37	$ 24.31†	$ 36.70†
Cash Dividends Declared			
Per Common Share	$ 1.60	$ 1.57†	$ 1.54†
Common Shares Outstanding	9,023,163	10,212,159	9,978,052

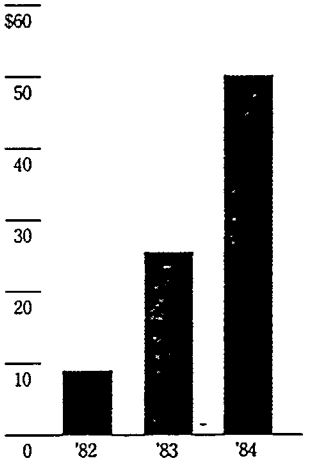
*Restated to reflect segment held for disposal.
†Per share amounts adjusted for 2% stock dividends.

Continuing Operations

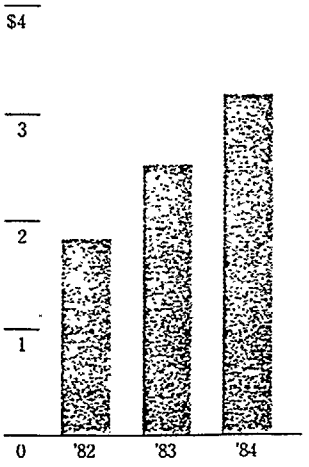
Net Sales Per Share*



Total Operating Profit
Dollars in Millions



Net Income Per Share*



*Adjusted for 2% stock dividends.

Crane Domestic

Crane manufactures and markets industrial products through its four domestic operating divisions—Valves & Fittings, Engineered Products, Crane Supply and Hydro-Aire.

Improved 1984 operating results reflected the upturn in the economy, though capital spending continued to lag in several major market segments whose business has yet to recover.

Valves & Fittings

As one of the country's largest valve manufacturers, Crane offers the most complete product line available from a domestic company. The division's performance improved in 1984 as sales to commercial and industrial markets rose. Activity in the process and energy industry businesses was spotty and slow to regain momentum, however.

Valve service, which reconditions and repairs valves for industrial users, continued to do well and to expand its operations. A fourth service center was opened during the year at Indian Orchard, Massachusetts. The special fittings facility in St. Louis also had a good year even though demand from gas and oil pipeline operations was reduced.

Overall, the United States valve industry has been troubled by overcapacity and foreign competition for several years. The strong U.S. dollar has also encouraged the closure of domestic manufacturing facilities. To meet these challenges, Crane has continued to upgrade its capabilities. In 1984, investments were made at all plants to improve production efficiency, and the product range was extended to meet customer requirements. Fire-safe ball valves and high performance butterfly valves were added and a complete new line of bronze valves for the expanding commercial construction market was introduced.

Market conditions are not expected to change a great deal in 1985. However, the Valves & Fittings Division should continue to improve its performance gradually through further cost reduction and the introduction of new products and services.

Pumps

Chempump is the leading manufacturer of leakproof canned motor pumps which are widely used in the chemical processing and commercial nuclear fields. Due to sluggish demand in these two basic areas, the division's performance was flat despite improved sales to the government marine market and some government sponsored special projects.

During the year, Chempump made significant progress in improving its machinery capabilities with the addition of CNC equipment and in reducing costs of major components. A new, low cost metering pump was added to the product line and a direction-of-rotation indicator for the Chempump was introduced.

There currently are indications of a moderate increase in demand from the chemical process industry which should lead to improved results in 1985.

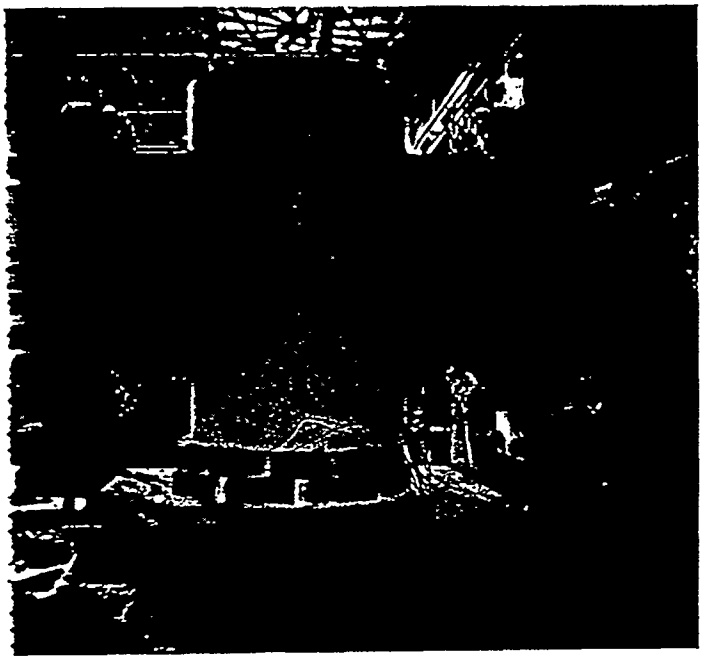
Deming manufactures standardized pumps sold primarily through stocking distributors for general industrial use. Sales improved in 1984 due to growing strength in the markets served and aggressive marketing and sales programs. The division began to operate profitably in the second half of the year, reflecting drastic cost reductions and streamlined operations.

With an efficient, modern operation and continued capital spending strength among its customer groups, Deming sales and profits should continue to improve.

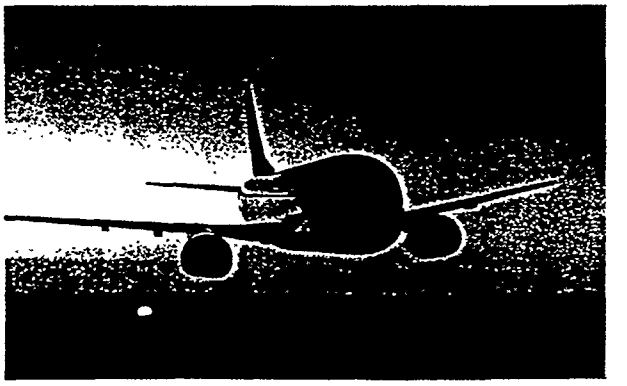
Fluid Treatment

The Cochrane Environmental Systems operation markets water and wastewater treatment equipment to utilities and industry for use in boiler feed and industrial water processing

One of a group of Chempump units undergoes final testing at the Warrington, Pennsylvania plant.



In testing for customer acceptance at the Indian Orchard, Massachusetts plant, a large stainless steel slide valve built for an overseas refinery is first heated to 1325°F and operated, then allowed to cool and operated again.



The new fuel-efficient Boeing 737-300, equipped with Hydro-Aire braking controls, was designed to serve the short- to medium-range air travel market.

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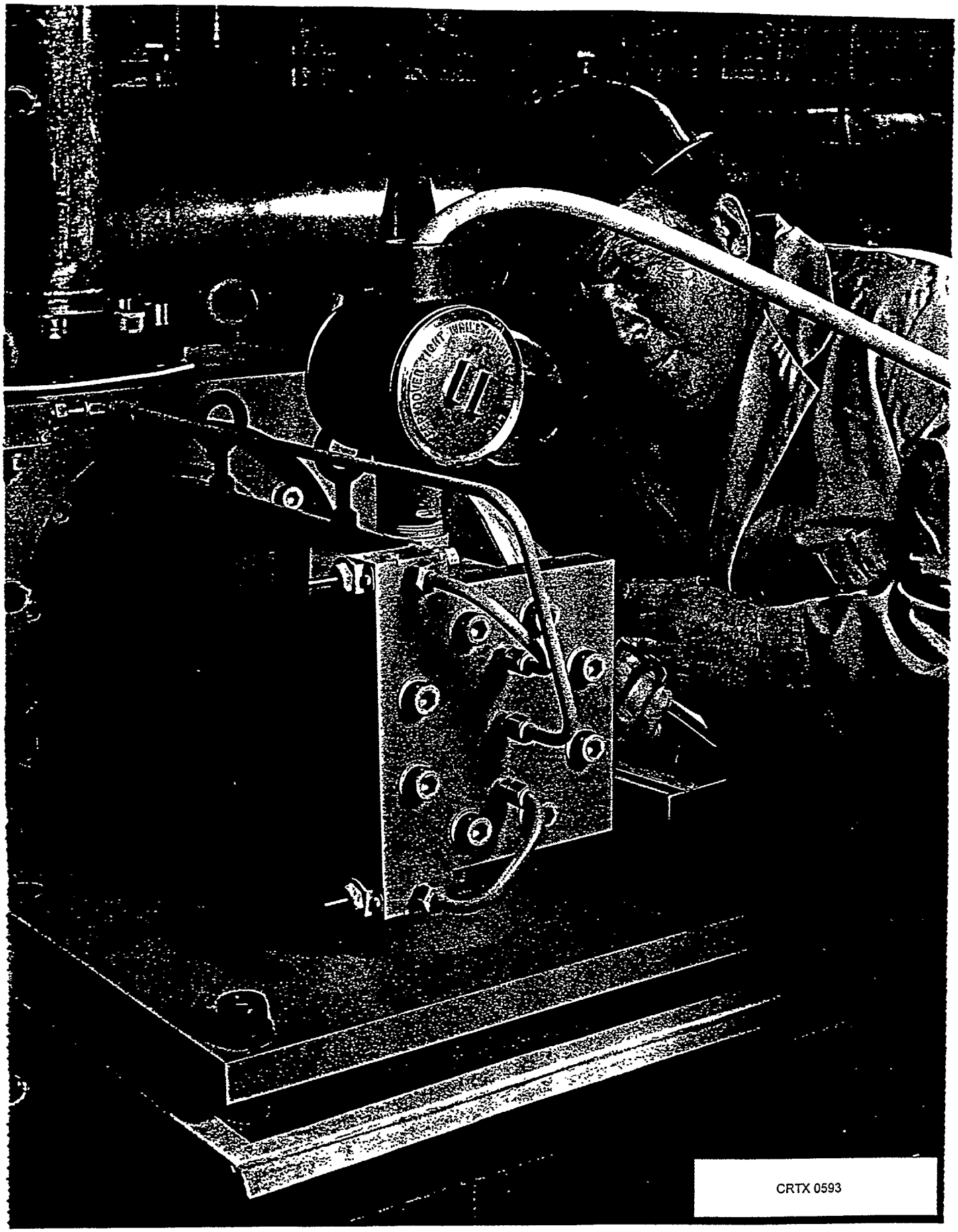

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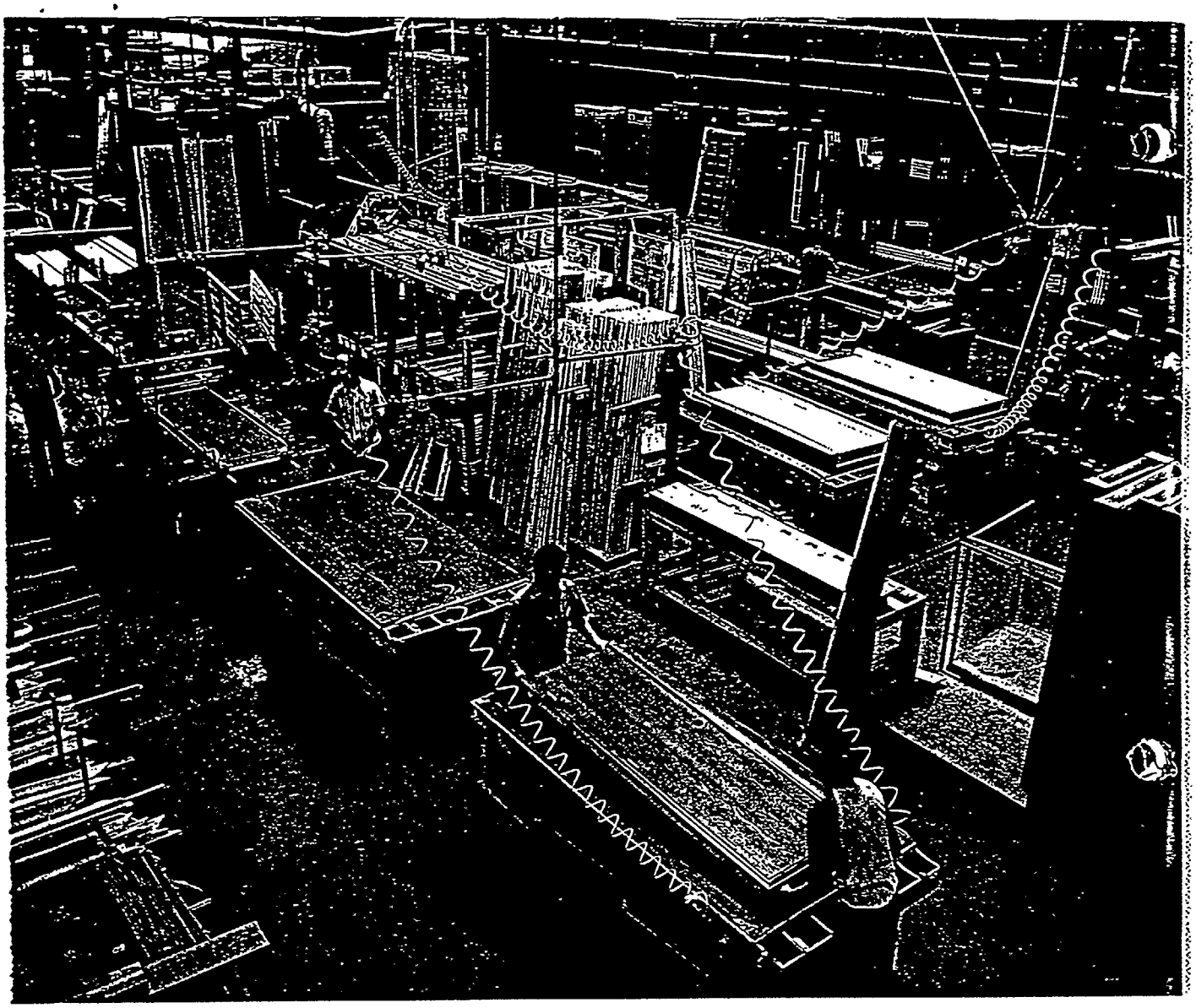




CRTX 0594

Pre-hung door units are being assembled in Huttig's Louisville, Kentucky branch. This location, which has one of the company's largest assembly areas, makes a variety of interior and exterior door units as well as windows.

Huttig Sash & Door Company

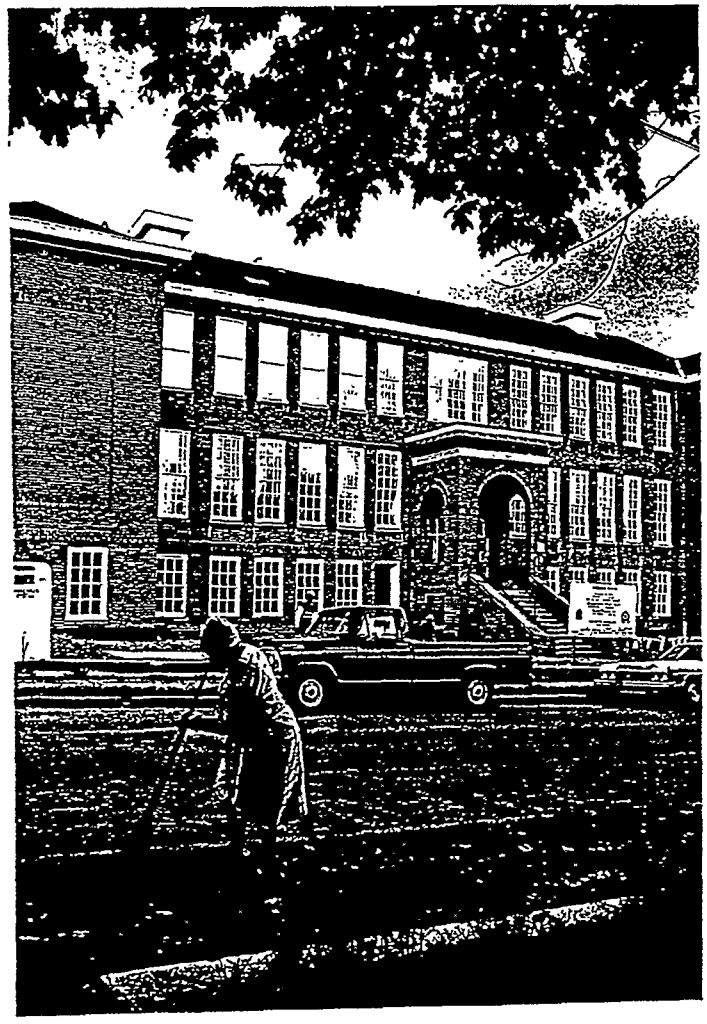
Huttig distributes millwork products, with special emphasis on windows and doors. As the country's largest wholesaler of millwork, it has branches in the southeastern, southwestern and midwestern states, whose principal customers are building materials dealers and residential and apartment building contractors.

The strength of the new residential construction market, coupled with strong replacement and remodeling activities, provided Huttig with the market base from which to achieve record sales performance in 1984.

The southern states continued to enjoy a larger percent of the housing market than any other region. With twenty-three distribution warehouses strategically located in the sun belt, Huttig was able to capitalize on this advantage. Huttig's strategy of concentrating on high performance, energy efficient and low maintenance products over the last several years continues to pay dividends in both the new construction and the retrofit markets.

A new distribution warehouse opened at Dothan, Alabama in February, 1984, is enabling the company to better penetrate the growth markets of Florida's panhandle as well as parts of Alabama and Georgia. Late in the year, construction was started on a new warehouse in Deerfield Beach, Florida. It will replace a smaller facility in Miami and position the company nearer the center of building activity on Florida's southeast coast.

During 1985, Huttig plans to offset the leveling in housing starts with further penetration of the replacement and remodeling market.



Rehabilitation projects in Roanoke, Virginia included the conversion of a neighborhood school to a cultural center. Huttig furnished specially designed insulated glass windows for the project, and doors, windows, side lights and transoms for renewal work (left) done in the downtown area.

CRTX 0595

Crane Canada Inc.

Crane Canada manufactures and distributes plumbing fixtures and valves throughout that country for use in construction and industrial markets. Crane Supply, with a network of wholesale branches, is the company's largest segment.

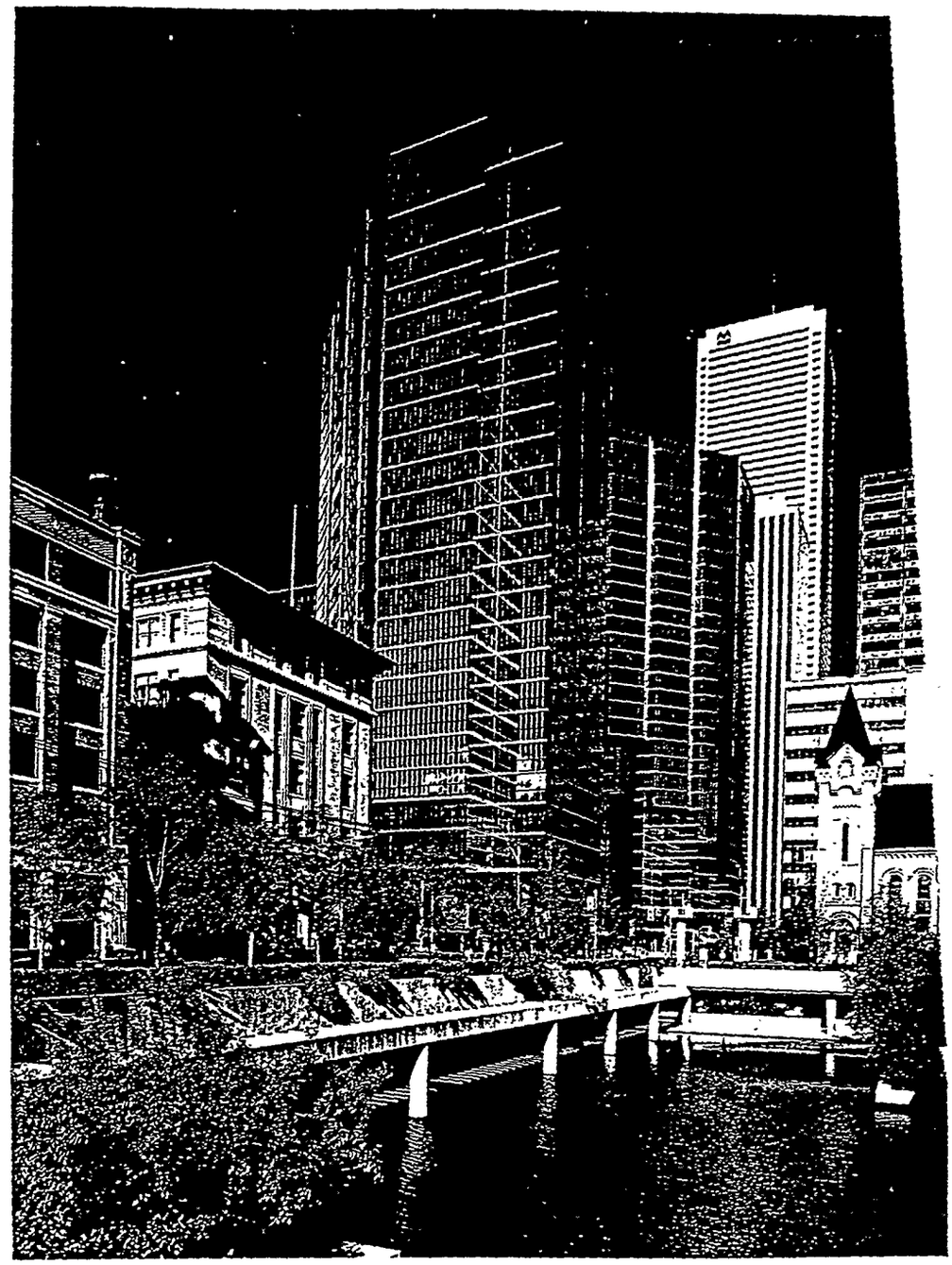
The Canadian economy improved in 1984 as interest rates began to ease, though the upturn did not match the U.S. recovery. Overall, Crane Canada's performance was well ahead of 1983 even though sales were flat.

After a strong start, the plumbing market weakened with the discontinuation of government housing subsidy programs. Product development continued at a high level, resulting in the expansion of existing lines as well as the introduction of new items, with more scheduled for release this year. Major emphasis was placed on quality assurance in all plants, along with inventory and production planning, to improve efficiency and reduce costs.

While valve sales were only slightly ahead of last year, profit improvement was substantial as a result of improved manufacturing efficiency. The quarter-turn ball and butterfly valve lines are being expanded with new designs.

Crane Supply, having closed several unprofitable branch operations, reported better results. Inventory and expense control continue to receive priority. The business is now more evenly structured between industrial and plumbing accounts as the division has become more active in the building construction market.

Overall, Crane Canada's outlook is positive. Cost cutting measures instituted in the past two years should enable this operation to take full advantage of opportunities in the marketplace.



Crane Canada furnished both plumbing fixtures and valves for the new Sun Life Centre in downtown Toronto.

Medusa Corporation

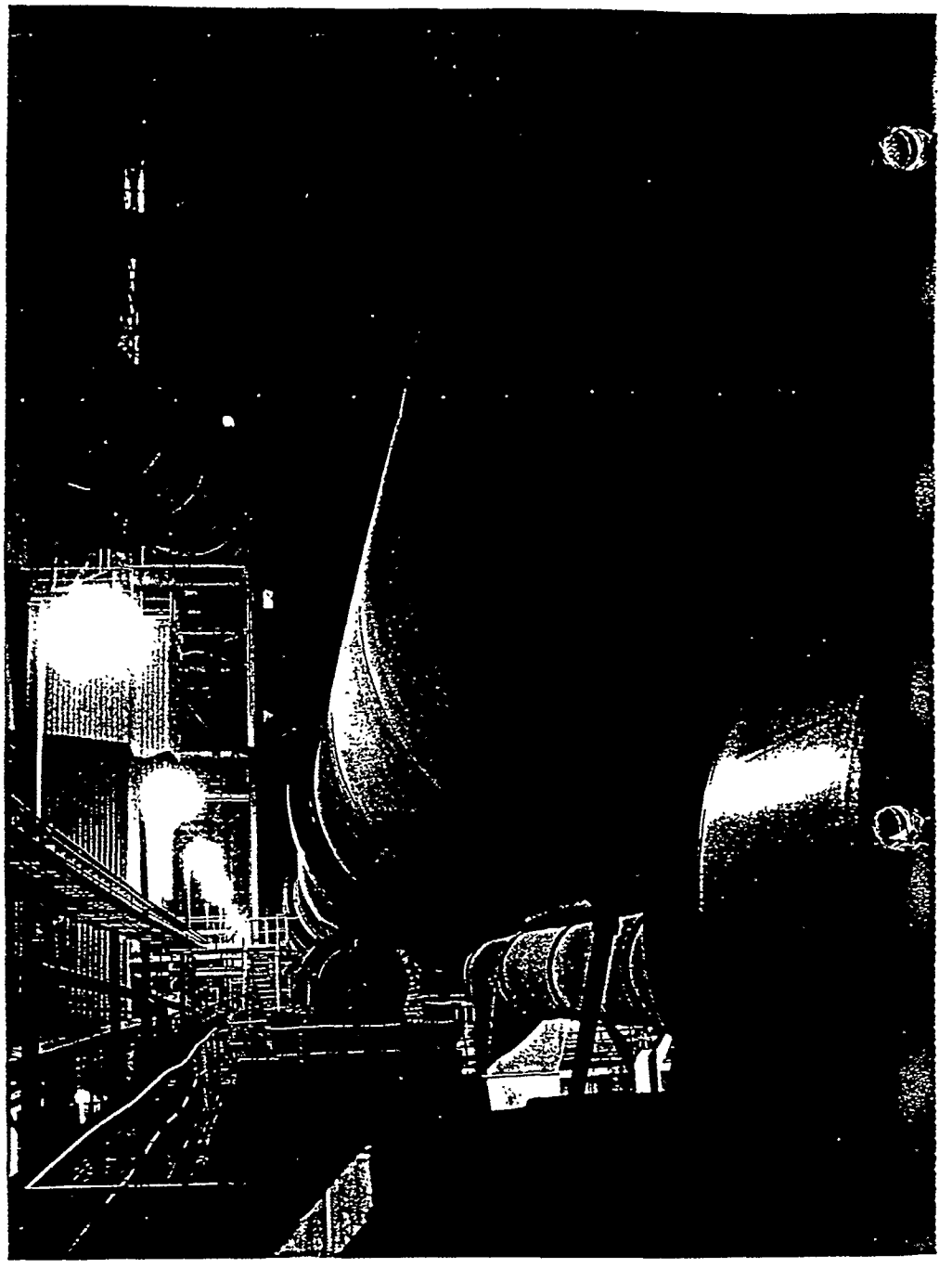
Medusa produces portland and masonry cements and aggregates and provides highway safety construction services. Its products are sold primarily in the Great Lakes states, western Pennsylvania, Georgia and northern Florida.

Medusa's markets strengthened significantly in 1984 as construction responded to the general economic recovery. With higher sales volume in all market segments plus improved operating costs, Medusa returned to profitability.

The company took several positive steps toward growth during the year. The Cement Division opened a new deep water terminal at Ferrysburg, Michigan to increase market penetration in the western part of the state. The Aggregates Division sold its remaining asphalt plants and construction business in western Kentucky at a profit and purchased a large crushed stone quarry in Bowling Green, Kentucky. The fine grind capacity at Thomasville Stone and Lime was expanded, providing that operation with the ability to continue to grow.

In addition, Medusa invested in cost reduction projects. A new stone dryer was installed at the Clinchfield plant, and a kiln monitoring device to improve fuel use was added at Charlevoix. Older mobile equipment was replaced in all divisions.

Medusa expects the construction market to remain strong in 1985. A small reduction predicted in housing starts will be more than offset by increases in non-residential and non-building construction.





Medusa's high technology pre-heater, flash calciner Charlevoix plant, located on Lake Michigan, supplies cement to markets in Ohio, Illinois and Wisconsin as well as Michigan.

International Operations

Operations located in the United Kingdom, Australia and Mexico supply valves, fittings and pumps for worldwide petroleum, chemical, power and industrial markets.

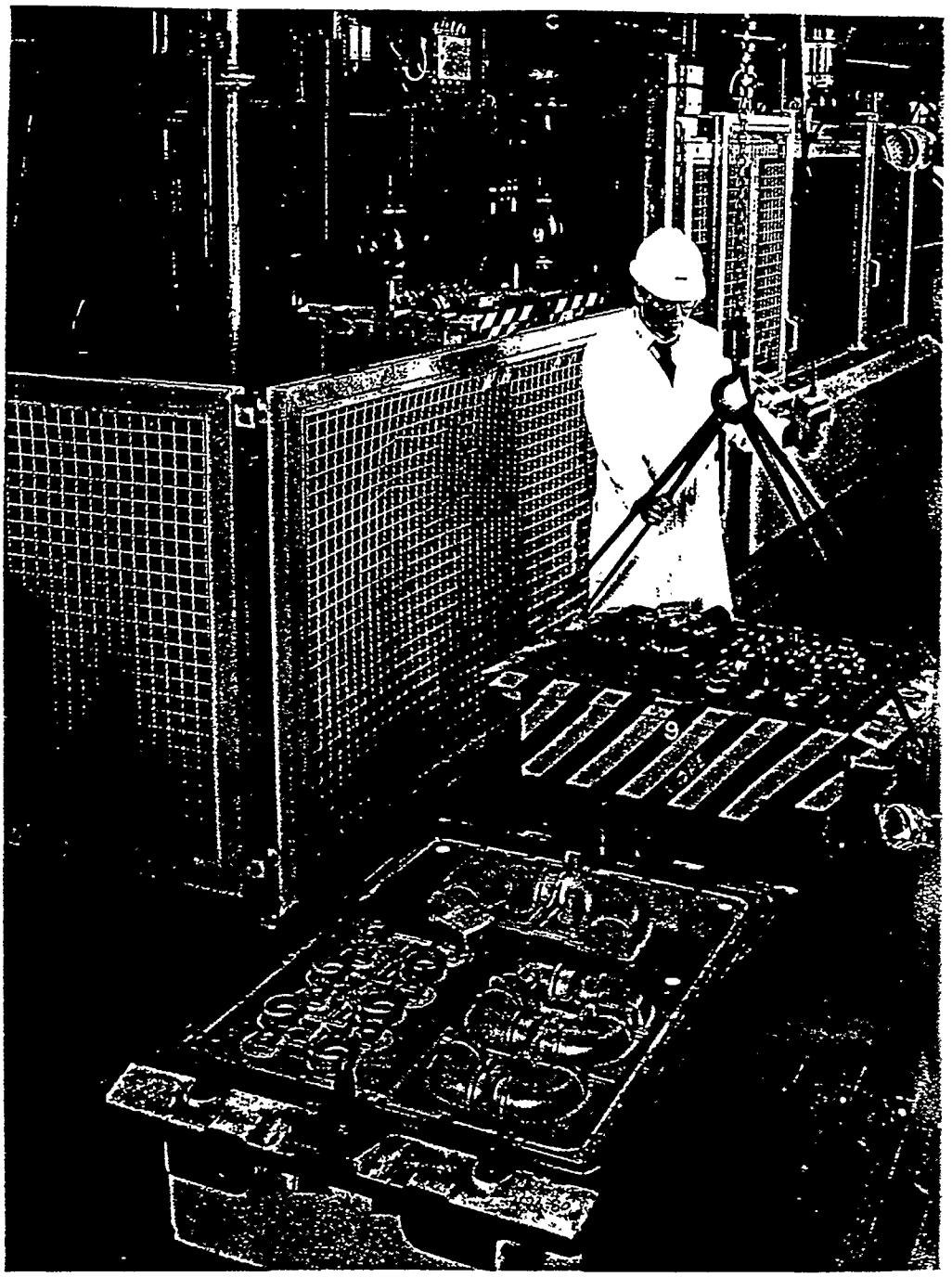
Economic recovery has been slow in the United Kingdom, and felt primarily by consumer and high technology industries. The market for industrial products remains 20 to 30 percent below pre-recession levels of 1979. However, operations there improved over 1983.

Export sales of valves and fittings increased, with Crane Ltd. now supplying more to the U.S. and Canada in particular. Expansion of the profitable valve service and repair business continued. The company restructured casting operations and entered new sectors of its domestic pump market. Manual machines were replaced with automatic equipment for malleable iron fittings production to improve efficiency and reduce costs.

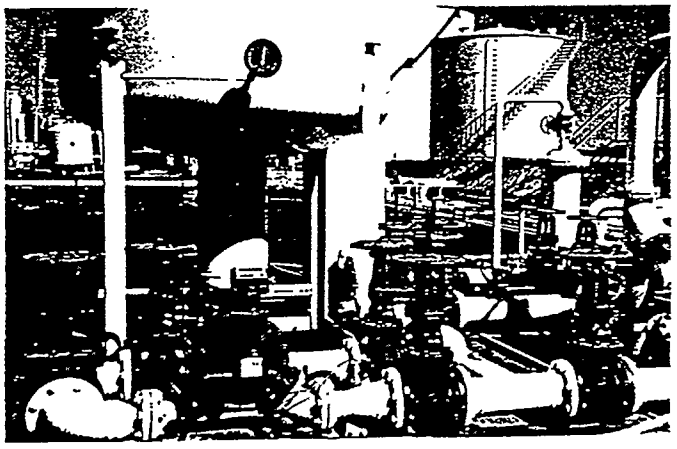
United Kingdom operations are expected to show a gradual improvement in 1985 as the company emphasizes export sales and benefits from its cost reduction efforts.

The recession in Australia continued throughout 1984. Crane Australia Pty. Limited's operating performance, while profitable, did not match the previous year. Capital spending should remain depressed during most of 1985, with little improvement in operating results.

Crane-Deming de Mexico S.A. again had a difficult year in the face of that country's difficult business climate. Little improvement is anticipated while these conditions exist.



∧ Core patterns are being changed on the new malleable production line at the Ipswich plant in England.



< Crane Australia supplied valves for the Moonie pumping station on the pipeline carrying oil 950 miles from the Jackson Field to refineries at Brisbane.

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1984 Financial Statements

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Consolidated Statements of Income

Crane Co. and Subsidiaries

For Years Ended December 31	1984	1983	1982*
Continuing Operations:			
Net Sales	$792,211,915	$ 771,679,465	$763,563,193
Operating Costs and Expenses:			
Cost of sales	624,585,715	627,139,146	624,238,061
Selling, general and administrative	93,876,495	93,457,386	99,003,269
Depreciation	23,178,025	25,487,756	31,250,613
	741,640,235	746,084,288	754,491,943
Operating Profit	50,571,680	25,595,177	9,071,250
Other Income (Deductions):			
Interest expense—net of interest income of $5,814,329, $13,711,610 and $5,366,325 in 1984, 1983 and 1982	(10,386,433)	(7,879,569)	(21,383,486)
Dividend income on investments	—	720,000	6,463,480
Miscellaneous—net (see page 21)	1,718,437	27,929,298	32,762,922
	(8,667,996)	20,769,729	17,842,916
Income Before Taxes—Continuing Operations	41,903,684	46,364,906	26,914,166
Provision for Income Taxes (see page 22)	10,938,714	19,987,946	7,624,471
Income—Continuing Operations	30,964,970	26,376,960	19,289,695
Discontinued Operations—CF&I Steel Corporation: (see page 20)			
Loss from Operations, net of taxes	—	(55,331,000)	(22,632,265)
Estimated Loss on Disposal, net of taxes	—	(80,106,000)	—
Loss—Discontinued Operations	—	(135,437,000)	(22,632,265)
Net Income (Loss)	$ 30,964,970	$(109,060,040)	$ (3,342,570)
Net income (loss) per common share:			
Continuing Operations	$3.20	$ 2.54	$ 1.85
Discontinued Operations	—	(13.03)	(2.17)
	$3.20	$(10.49)†	$(0.32)†
Average shares outstanding	9,687,869	10,399,213†	10,406,443†

*Restated to reflect segment held for disposal.

†Adjusted for 2% stock dividends.

See Financial Review

Consolidated Statements of Earned Surplus

Crane Co. and Subsidiaries

For Years Ended December 31	1984	1983	1982
Balance at Beginning of Year	$138,255,616	$268,583,058	$301,243,194
Net Income (Loss)	30,964,970	(109,060,040)	(3,342,570
	169,220,586	159,523,018	297,900,624
Dividends Declared:			
Preferred shares—$3.75 per share	6,191	6,191	6,191
Common shares:			
Cash—$1.60 per share ($1.57 in 1983 and $1.54 in 1982)	15,294,053	16,316,111	15,955,745
Stock—2%, market value of 204,224 shares (199,554 in 1983 and 199,193 in 1982)	6,230,874	4,988,850	6,151,080
Excess of Cost Over Par Value of Reacquired Shares—Net (through June 30, 1984): Preferred, none (none in 1983 and 1,182 in 1982) and 862,837 common (3,223 in 1983 and 297,446 in 1982) reacquired, less 1,242 common issued under stock options (5,498 in 1983 and 609 in 1982) (See page 20)	24,632,414	(43,750)	7,204,550
	46,163,532	21,267,402	29,317,566
Balance at End of Year	$123,057,054	$138,255,616	$268,583,058

Consolidated Statements of Capital Surplus

Crane Co. and Subsidiaries

For Years Ended December 31	1984	1983	1982
Balance at Beginning of Year	$ 64,735,976	$ 60,742,128	$ 55,688,760
Excess of debentures converted over par value of 18,475 common shares issued (32,278 in 1983 and 19,157 in 1982)	141,097	252,210	147,244
Excess of market value over par value of common shares issued as a 2% stock dividend	4,954,474	3,741,638	4,906,124
Excess of cost over par value of 550,100 reacquired common shares since July 1, 1984 (See page 20)	(17,742,627)	—	—
Balance at End of Year	$ 52,088,920	$ 64,735,976	$ 60,742,128

See Financial Review

Consolidated Balance Sheets

Crane Co. and Subsidiaries

At December 31	1984	1983
Assets		
Current Assets:		
Cash	$ 13,811,269	$ 12,224,517
Short-term investments, at lower of cost or market	45,399,048	94,041,112
Accounts receivable, less allowance of $1,862,393 ($1,962,043 in 1983)	81,627,983	89,174,642
Refundable income taxes	—	15,811,000
Inventories, at lower of cost, principally last-in first-out, or market; LIFO reserves amounted to $49,775,642 ($56,726,401 in 1983):		
Finished goods	74,213,902	66,670,888
Work in process	15,256,773	16,472,195
Raw materials and supplies	9,475,523	11,909,492
	98,946,198	95,052,575
Prepaid expenses	2,209,478	1,786,283
Total Current Assets	241,993,976	308,090,129
Investments Held for Disposal: (see page 20)		
Investment in CF&I Steel Corporation	54,403,515	62,229,515
Land and water rights	28,551,554	50,000,000
	82,955,069	112,229,515
Property, Plant and Equipment at Cost:		
Land	10,643,914	10,751,139
Buildings and improvements	83,319,897	90,605,369
Machinery and equipment	303,063,161	314,731,644
	397,026,972	416,088,152
Less accumulated depreciation	269,077,605	269,896,422
	127,949,367	146,191,730
Other Assets:		
Construction fund	3,591,977	3,958,471
Unamortized debt discount	1,937,647	2,716,887
Other	1,992,565	2,729,674
	7,522,189	9,405,032
	$460,420,601	$575,916,406

See Financial Review

	1984	1983
Liabilities and Shareholders' Equity		
Current Liabilities:		
Current maturities of long-term debt	$ 14,253,120	$ 10,614,686
Loans payable to banks	4,101,670	10,135,424
Accounts payable	31,901,696	33,837,266
Accrued liabilities (see page 21)	37,571,083	43,379,891
U.S. and foreign taxes on income	6,303,541	2,674,648
Total Current Liabilities	94,131,110	100,641,915
Long-Term Debt (see page 19)	138,524,189	202,232,357
Deferred Income Taxes	4,426,118	6,356,102
Reserves and Other Liabilities (see page 21)	12,291,432	13,303,752
Redeemable Preferred Shares:		
Cumulative preferred shares, 3¾%, par value $100:		
Authorized—15,618 shares (19,383 in 1983)		
Outstanding—1,651 shares (1,651 in 1983)	165,100	165,100
Common Shareholders' Equity:		
Common shares, par value $6.25:		
Authorized—20,000,000 shares		
Outstanding—9,023,163 shares (10,212,159 in 1983) after deducting 6,840,841 shares in treasury (5,978,004 in 1983)	56,394,769	63,825,994
Capital surplus	52,088,920	64,735,976
Earned surplus—$92,040,304 ($22,448,214 in 1983) is not restricted under a long-term debt indenture (see page 21)	123,057,054	138,255,616
Currency translation adjustment (see page 20)	(20,658,091)	(13,600,406)
Total Common Shareholders' Equity	210,882,652	253,217,180
	$460,420,601	$575,916,406

Consolidated Statements of Changes in Financial Position

Crane Co. and Subsidiaries

For Years Ended December 31	1984	1983	1982*
Source of Funds:			
Operations:			
Continuing:			
Income	$ 30,964,970	$26,376,960	$ 19,289,695
Depreciation	23,178,025	25,487,756	31,250,613
Deferred income taxes	(169,390)	(3,279,268)	(4,034,309)
Amortization of debt discount	779,240	1,009,852	1,091,116
Pension provision	264,000	796,000	1,339,188
Other-net	1,583,271	599,247	162,906
Funds provided from continuing operations	56,600,116	50,990,547	49,099,209
Dividends from discontinued operations	—	—	3,820,402
	56,600,116	50,990,547	52,919,611
Increase in long-term debt	788,625	3,000,000	31,106,174
Conversion of debt to common stock	258,400	456,675	268,600
Decrease in long-term investments	—	28,500,000	81,945,899
Decrease (increase) in investments held for disposal	29,274,446	—	(50,000,000)
Disposals of property, plant and equipment-net	9,446,451	8,576,576	16,949,198
(Increase) decrease in other assets-net	219,899	(2,598,902)	(304,024)
	96,587,937	88,924,896	132,885,458
Application of Funds:			
Additions to property, plant and equipment	14,465,273	12,843,463	18,708,080
Decrease (increase) in reserves and other liabilities	3,653,321	3,159,519	(6,297,224)
Increase in long-term investments	—	—	18,671,647
Reduction in long-term debt	64,496,793	21,848,275	60,359,985
Reacquisition of shares, less options exercised	51,199,969	(55,242)	9,179,606
Cash dividends declared	15,300,244	16,322,302	15,961,936
Currency translation adjustments	7,057,685	2,907,470	6,654,523
	156,173,285	57,025,787	123,238,553
Net Source (Application) of Funds	$(59,585,348)	$31,899,109	$ 9,646,905
Increase (Decrease) in Components of Working Capital:			
Current assets:			
Cash and short-term investments	$(47,055,312)	$33,302,585	$ 15,247,671
Accounts receivable	(7,546,659)	2,609,517	(13,469,011)
Refundable income taxes	(15,811,000)	(5,889,000)	21,700,000
Inventories	3,893,623	(1,212,152)	(16,509,315)
Prepaid expenses	423,195	(265,291)	(410,889)
	(66,096,153)	28,545,659	6,558,456
Current liabilities:			
Current maturities of long-term debt	3,638,434	(8,152,965)	13,924,251
Loans payable to banks	(6,033,754)	(906,647)	(4,163,986)
Accounts payable	(1,935,570)	634,710	(1,318,059)
Accrued liabilities	(5,808,808)	4,329,765	(10,691,982)
U.S. and foreign taxes on income	3,628,893	741,687	(838,673)
	(6,510,805)	(3,353,450)	(3,088,449)
Increase (Decrease) in Working Capital	$(59,585,348)	$31,899,109	$ 9,646,905

*Restated to reflect segment held for disposal.

See Financial Review

Consolidation

The consolidated financial statements include all subsidiaries, except CF&I Steel Corporation which is being held for disposal. See comments below under "Investments Held for Disposal." Foreign currencies are translated in accordance with Statement of Financial Accounting Standards No. 52.

Currency translation adjustments for the years 1984, 1983 and 1982 were $7,057,685, $2,907,470 and $6,654,523, respectively. Subsidiaries operating outside the United States and Canada represented approximately 10 percent of common shareholders' equity at December 31, 1984 and 1983.

Commencing July 1, 1984 the excess of cost over par value of reacquired common stock has been charged to capital surplus in accordance with the recent changes in the state of Illinois law, and accordingly such reacquired shares are now being retired.

During the past three years, inventory quantities in certain of the business segments were reduced as a result of continuing low market demand. The LIFO effect on continuing operations was a reduction in cost in 1984, 1983 and 1982 of approximately $2,000,000, $8,000,000 and $13,000,000, respectively.

Investments Held For Disposal

In December, 1983, the company decided to restructure the steel-making facilities of CF&I Steel Corporation, and to hold CF&I as a business segment held for disposal. Accordingly, 1982 Consolidated Financial Statements were restated to report the discontinued operations separately and the investment at net realizable value assuming sale. As a segment held for disposal, the 1984 results of CF&I have not been included in the Consolidated Financial Statements. A tax benefit of $7,826,000 arising from utilizing the tax attributes of CF&I's losses, net of amounts credited to CF&I by the company, was applied to reduce the carrying value of CF&I.

CF&I in 1984, on sales of $325,252,000, had pre-tax income of $8,327,000, before a non-recurring provision and the cumulative effect of a change in the method of accounting for depreciation. In 1984 a net loss of $28,146,000 was incurred after taking into account a $74,831,000 pre-tax loss on the abandonment of its partially completed tube mill project and a credit arising from the change in the method of accounting for depreciation from an accelerated method to straight line of $24,959,000 net of income taxes. The change in the method of accounting for depreciation by CF&I, made to conform with standard industry practice, and the loss on abandonment of its partially completed tube mill did not affect Crane's investment in CF&I since its investment was already stated at net realizable value. CF&I Common Shareholders' Equity at December 31, 1984 was $81,769,000.

Losses from operations that have been discontinued are net of income tax benefits of $40,861,000 in 1983 and $32,974,000 in 1982. Sales were $231,093,000 in 1983 and $362,835,000 in 1982. The $80,106,000 estimated loss on disposal of CF&I in 1983, net of a tax benefit of $8,500,000, includes the net cost of restructuring its steel-making facilities, and the provision by the company of a reserve for possible loss on sale.

As part of the restructuring in 1983, a subsidiary of the company purchased from CF&I certain land and water rights not necessary for CF&I's steel-making operations. The consideration for the purchase was the surrender by the company of the $50,000,000 secured note of CF&I it held and its release of certain subsidiaries pledged as security. During 1984, the company received $21,448,000 in proceeds from sales of land and water rights. The company continues to actively market the land and water rights and has agreed to pay as additional consideration to CF&I any proceeds realized on the sales, net of all costs incurred, in excess of $50,000,000.

The company will propose to its shareholders that the disposal of CF&I be completed in 1985 by spin-off.

Property, Plant and Equipment

The company provides for depreciation of plant and equipment at accelerated rates, primarily using the double declining balance method.

The company has financed the acquisition of certain warehouse buildings and several manufacturing facilities through industrial revenue bonds. In addition, the company leases similar facilities and certain of its vehicles and equipment under capital and operating leases with terms of from one to thirty years. Certain leases may be renewed for periods of from three to twenty-five years and provide either an option to purchase or reduced annual rental payments of minimal amounts.

Property, plant and equipment included the following amounts for capitalized leases at December 31:

	1984	1983
	(in thousands)	
Buildings and improvements	$15,438	$20,645
Machinery and equipment	24,336	25,796
	39,774	46,441
Less accumulated depreciation	19,031	21,449
	$20,743	$24,992

Pensions

The company and its subsidiaries have pension plans which cover substantially all of their employees. Pension expense ($1,821,000 in 1984, $2,559,000 in 1983 and $3,566,000 in 1982) is actuarially determined and includes normal cost and amortization of prior service costs over periods not exceeding forty years. The lower pension expense for these years relate to reduced amortization of prior service costs to recognize the largely funded status of the plans and the amortization of actuarial gains arising from the purchase of guaranteed annuities for certain retiree groups. The assumed rate of return on investments is 8% for all years.

The pension plans covering non-bargaining employees of the company and its subsidiaries Huttig Sash & Door Company and Medusa Corporation had more assets in the funds than were required to fund the pension benefits earned to date. In view of the overfunding, guaranteed annuities were purchased for all benefits earned as of December 31, 1984. All current employees were transferred to new plans having identical benefits to the old plans as of January 1, 1985. When final government approvals are received, there will be a reversion of surplus assets to the company of approximately $39,000,000 before tax. This reversion surplus will be credited to income over a ten year period.

A comparison at December 31, of accumulated plan benefits and net assets available for benefits for the company's pension plans is presented below:

	1984	1983
	(in thousands)	
Actuarial present value of accumulated plan benefits:		
Vested	$ 48,971	$ 72,337
Nonvested	1,949	4,141
	$ 50,920	$ 76,478
Net assets available for benefits	$119,044	$143,460

The weighted average rate of return assumed in determining the actuarial present value of accumulated plan benefits was approximately 10 percent for 1984 and 1983.

The company provides health care and life insurance benefits for certain retired employees at a cost, on a claims paid basis, of approximately $1,600,000 per year.

Miscellaneous—Net

For Years Ended December 31	1984	1983	1982
		(in thousands)	
Gain on investments—net	$ —	$23,387	$22,074
Gain on disposal of capital assets—net	2,745	5,651	11,453
Termination of certain operations	(1,844)	(2,126)	(4,333)
Gain on repurchase of long-term debt	2,262	568	2,741
Minority interest	(616)	(399)	(203)
Other	(829)	848	1,031
	$1,718	$27,929	$32,763

The major portion of the gains on disposal of capital assets for all years was from the sale of various Medusa Corporation aggregate and cement facilities.

Accrued Liabilities

At December 31	1984	1983
	(in thousands)	
Payrolls	$ 8,920	$ 9,720
Taxes other than income	2,781	2,976
Interest	4,307	4,849
Employee benefits	3,490	3,590
Insurance	3,338	3,656
Dividends	—	4,085
Sales allowances	3,774	3,644
Other	10,961	10,860
	$37,571	$43,380

Reserves and Other Liabilities

At December 31	1984	1983
	(in thousands)	
Minority interest	$ 7,159	$ 7,583
Pension and wage benefits	3,244	3,317
Miscellaneous	1,888	2,404
	$12,291	$13,304

Long- and Short-Term Financing

At December 31, 1984, the principal amounts of long-term debt repayments excluding capitalized leases, net of amounts held in treasury, required for the next five years were $11,173,000 in 1985, $5,665,000 in 1986, $6,559,000 in 1987, $8,158,000 in 1988 and $8,133,000 in 1989.

At year-end there were available with domestic and foreign banks $81,745,000 in short-term credit lines of which $77,643,000 was unused at that time. At December 31, 1984, cash balances of $2,000,000 were maintained under informal compensating balance agreements in connection with credit lines.

Withdrawal of these compensating balances was not legally restricted; however, substantial compliance was made with these arrangements in 1984. These credit lines are subject to annual review.

At December 31, 1984, the aggregate amount of subsidiary earnings available for dividends was $96,004,000. Covenants contained in a long-term debt indenture (i) restrict payments of cash dividends and (ii) restrict issuance of additional senior funded debt. See "Subsequent Event" for details on financing relating to acquisition of UniDynamics Corporation.

Leases

Future minimum payments, by year, and in the aggregate, under capitalized leases and operating leases with initial or remaining terms of one year or more consisted of the following at December 31, 1984:

	Capital Leases	Operating Leases	Minimum Sublease Income	Net
		(in thousands)		
1985	$ 4,473	$ 6,749	$ 684	$10,538
1986	4,882	5,275	416	9,741
1987	4,576	3,517	290	7,803
1988	2,021	2,598	121	4,498
1989	1,835	2,180	8	4,007
Thereafter	11,106	9,314	126	20,294
Total minimum lease payments	28,893	$29,633	$1,645	$56,881
Interest	(7,930)			
Present value	$20,963			
Portion:				
Current	$ 3,080			
Long-term	17,883			
	$20,963			

The weighted average interest rate for capital leases is 6.8%. These obligations mature in varying amounts through 2009.

Rental expense was as follows for all operating leases:

	1984	1983	1982
		(in thousands)	
Minimum	$10,653	$11,480	$11,429
Contingent	557	587	489
Sublease income	(335)	(316)	(414)
	$10,875	$11,751	$11,504

Income Taxes

United States income taxes have not been provided on undistributed earnings of foreign subsidiaries, since foreign tax credits available on the portion of these earnings not required for indefinite reinvestment are adequate to eliminate any substantial federal taxes on normal distributions.

A reconciliation for continuing operations of income before taxes to the provision for income taxes (federal, state and foreign) is as follows:

	1984	1983	1982
		(in thousands)	
Income before taxes:			
Domestic	$34,592	$44,003	$23,051
Foreign	7,312	2,362	3,863
	41,904	46,365	26,914
Statutory federal tax at 46%	19,276	21,328	12,380
Increase (reduction) from:			
Investment tax credits realized	(6,413)	(389)	(741)
Depletion	(603)	(311)	(434)
Nontaxable domestic dividends	—	(282)	(2,527)
Nontaxable DISC income	(567)	(589)	(699)
Foreign, state and local taxes	(1,028)	(555)	(982)
Minimum tax	—	700	602
Minority interest and goodwill amortization	728	628	538
Other	(454)	(542)	(513)
Provision for income taxes	$10,939	$19,988	$ 7,624
Percentage of income before taxes	26.1%	43.1%	28.3%

The foregoing provision includes charges (credit) for foreign taxes of $2,341,000, $(279,000) and $1,096,000, and state taxes of $2,165,000, $1,923,000 and $141,000 in 1984, 1983 and 1982, respectively.

The provision for income taxes is composed of the following:

	1984	1983	1982
		(in thousands)	
Deferred income taxes (benefit)	$ (169)	$ (3,279)	$ (4,034)
Current income taxes	11,108	23,267	11,658
	$10,939	$19,988	$ 7,624

As a result of the carryback of net losses, including discontinued operations in 1983 to prior years, the company received refunds attributable to these losses in 1984.

Stock Options

A summary of stock option transactions follows:

	Number of Shares
Outstanding January 1, 1984	17,677
2% Stock dividend	344
Options granted	98,250
Options expired	6,712
Options exercised	1,242
Outstanding December 31, 1984	108,317

At December 31, 1984, options for 11,567 shares were exercisable and 403,250 shares were available for grant. Shares and per share prices (ranging from $34.25 to $36.00) have been adjusted for 2 percent stock dividends. In 1983, options for 5,498 shares were exercised. The plans, one of which expired in 1980 and the plan approved in 1984, are not compensatory plans which would require charges to income.

Subsequent Event

On February 13, 1985 pursuant to an agreement the company acquired 91% of the common shares of UniDynamics Corporation in a tender offer at $29 per share. UniDynamics is a diversified manufacturer of engineered materials and defense, automation and merchandising systems. To complete the acquisition of 100% of UniDynamics, it will be merged with a wholly owned subsidiary of the company during 1985. The total purchase price will be approximately $196,000,000.

Summary financial data on UniDynamics is set forth below:

	1984
	(in thousands)
Total Assets	$232,581
Shareholders' Equity	$119,596
Sales	$381,049
Operating Profit	20,252
Net Income	12,372

The company is unable at this time with any certainty to determine the allocation of the excess of the purchase price over the equity of UniDynamics. Accordingly, pro forma information has not been provided.

To finance the acquisition, the company entered into a $170,000,000 bank term loan at floating lending rates. Under terms of this loan the company must repay $45,000,000 on June 30, 1985 and commence making equal quarterly principal payments on the balance of the loan of $125,000,000 starting December, 1985 and running through March, 1990. Covenants contained in the loan agreement require the company to (i) maintain working capital, including UniDynamics, of at least $150,000,000 and a minimum consolidated net worth, (ii) restrict payments of cash dividends so that they do not exceed $7,000,000 plus 60% of earnings subsequent to December 31, 1984, and (iii) restrict issuance of additional funded debt.

Analysis by Segment of Business

An analysis of sales, operating profit, assets, capital expenditures and depreciation appears on page 25. Segment description by products and industries served is given on page 4 through 12.

Auditors' Opinion

To the Shareholders of Crane Co.

We have examined the consolidated balance sheets of Crane Co. and subsidiaries as of December 31, 1984 and 1983 and the related consolidated statements of income, earned surplus, capital surplus, and changes in financial position for each of the three years in the period ended December 31, 1984. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the consolidated financial position of Crane Co. and subsidiaries at December 31, 1984 and 1983 and the consolidated results of their operations and changes in their financial position for each of the three years in the period ended December 31, 1984, in conformity with generally accepted accounting principles applied on a consistent basis.

Deloitte Haskins & Sells

New York, New York
January 28, 1985, except for the note "Subsequent Event," as to which the date is February 13, 1985.

Management's Discussion of Operations and Financial Condition

Results of Continuing Operations

The 1984 operating results compared with 1983 reflected the substantial improvement in the North American economy, particularly in residential construction, demand for aircraft components and market segments served by the cement industry. Partially offsetting this significant improvement was the impact of limited capital spending in several market segments which we serve.

Crane Domestic sales were lower in 1984 than the previous two years, primarily due to the sale of the United States Plumbing Division in July, 1984 and continued weak market demand for fluid and pollution control products. Earnings did improve substantially over both 1983 and 1982. The increase in earnings was primarily due to strong sales of aircraft components as well as the impact of the major cost reduction programs instituted during 1983. Crane Domestic has continued programs to produce competitive new products, to dispose of marginal operations, and to use foreign sourcing to stay competitive given the continued strength of the U.S. dollar.

Medusa sales improved significantly over 1983 levels reflecting the impact of the improved economic conditions in the markets served. All operations within Medusa had higher sales volume than last year. The higher sales volume combined with reduced operating cost returned Medusa to profitability in 1984. The remaining asphalt plants and other marginal operations were sold in 1984.

Huttig Sash & Door Company sales and earnings increased from 1983 and 1982 levels. The strength of the new residential construction market combined with strong replacement and remodeling activities contributed to the improved operating results. New distribution warehouses opened during 1984 will improve Huttig's market base in the growth markets of the southeast United States. Although a leveling off of housing starts is expected in 1985, this effect should be more than offset by further penetration of the replacement and remodeling market.

Crane Canada operating results improved over the prior two years, although sales remained constant. There was significant improvement in the valve operations as well as in wholesale distribution, reflecting the improvement in the Canadian economy and improved manufacturing efficiency. The plumbing market weakened with the discontinuance of government subsidies for housing programs. Continued improvement in operating results is expected due to an increase in capital spending and the continued impact of the cost reduction measures that have been instituted over the last two years.

International Operations sales and operating profits continue to be at low levels primarily reflecting the low demand and competitive pricing for industrial products. Modernization programs within the United Kingdom operations as well as expansion into the valve service and repair market has continued. Cost reduction programs and improved manufacturing efficiency has enabled these operations to maintain their ability to keep costs competitive.

Net interest expense increased from 1983, due to much lower short-term investments partially offset by a reduction in long-term debt. Long-term debt was reduced by $60 million in 1984. This included the repayment of bank term loans outstanding at the end of 1983. In addition, the company expended $51 million for the repurchase of 1.4 million common shares of the company.

During 1983 the company sold the remainder of its long-term investment, Atlantic Richfield Company common stock, for a pre-tax gain of $23.4 million. During 1984 marginal or excess facilities, primarily at Medusa, were disposed of at pre-tax gains of $2.7 million. Similar actions in 1983 resulted in pre-tax gains of $5.7 million.

Depreciation decreased $2.3 million from 1983. Reduced levels of capital spending in the last two years combined with the sale of the United States Plumbing Division accounted for the decrease.

Income taxes for 1984 were considerably below 1983. The decreased effective tax of 26.1% compared with 43.1% in 1983 and 28.3% in 1982, was primarily due to higher investment credits realized.

Discontinued Operations

The decision was made in December, 1983 to hold CF&I Steel Corporation as a segment held for disposal and to write down the investment to estimated net realizable value. In 1984, a tax benefit of $7.8 million arising from utilizing the tax attributes of CF&I's losses, net of amounts credited to CF&I by the company, was applied to reduce the carrying value of CF&I.

As part of the restructuring of CF&I in 1983, a subsidiary of the company purchased from CF&I land and water rights not necessary for steelmaking operations for $50 million. During 1984 the company received $21.5 million in proceeds from sales of land and water rights. The company expects to market the balance of the properties during 1985.

Liquidity and Capital Resources

The company has depended primarily upon earnings and bank borrowings (including short-term credit lines) to furnish capital to finance operations and working capital. The company has utilized proceeds from sales of capital assets as well as long-term investments, including assets held for disposal during 1984, to help fund capital construction and reduce debt. In 1984 the company also repurchased its own common stock from these sources.

Over the past three years, depreciation incurred and proceeds from disposals have exceeded capital expenditures for most business segments. During this period major expansion programs, primarily at Medusa, were completed. All operations, except Crane Domestic and United Kingdom, had higher capital expenditures in 1984 compared to 1983.

Long-term debt has been decreased by approximately $60 million through various scheduled and optional repayments. The company had cash and short-term investments of $59 million at the end of 1984. In addition, there were available $78 million of unsecured credit lines.

The company intends to cancel existing pension plans covering certain non-bargaining employees, and has purchased annuities for all participants. Current employees were transferred to new plans having identical benefits. The resultant reversion to the company of surplus assets will be approximately $39 million.

Subsequent to December 31, 1984, the company entered into an agreement to purchase the outstanding shares of UniDynamics Corporation for approximately $196 million by open market purchases and subsequent merger. The company will obtain the funds to effect the purchase through a bank term loan of $170 million, with the balance from short-term investments.

Analysis by Segment

Crane Co. and Subsidiaries

(In Thousands)	1984 Amount	%	1983 Amount	%	1982* Amount	%
Net Sales:						
Crane Domestic	$223,556	28	$241,102	32	$260,590	34
Medusa Corporation	136,915	17	110,719	14	149,010	20
Huttig Sash & Door Company	239,204	30	221,164	29	147,747	19
Crane Canada Inc.	130,361	17	134,736	17	134,838	18
International Operations	62,176	8	63,958	8	71,378	9
Total Net Sales	$792,212	100	$771,679	100	$763,563	100
Operating Profit:						
Crane Domestic	$ 26,023	45	$ 17,635	59	$ 14,424	99
Medusa Corporation	2,553	4	(10,490)	(35)	(16,272)	(112
Huttig Sash & Door Company	19,182	34	17,628	58	7,461	51
Crane Canada Inc.	6,104	11	2,976	10	2,605	18
International Operations	3,244	6	2,574	8	6,357	44
	57,106	100	30,323	100	14,575	100
Corporate	(6,534)		(4,728)		(5,504)	
Total Operating Profit	$ 50,572		$ 25,595		$ 9,071	
Assets:						
Crane Domestic	$ 69,912	21	$ 85,334	24	$ 94,407	24
Medusa Corporation	97,895	30	106,879	30	133,805	35
Huttig Sash & Door Company	74,692	22	71,916	20	60,133	16
Crane Canada Inc.	52,887	16	50,046	14	55,020	14
International Operations	35,303	11	45,333	12	42,394	11
	330,689	100	359,508	100	385,759	100
Investments Held for Disposal	82,955		112,230		247,727	
Corporate	46,777		104,178		95,971	
Total Assets	$460,421		$575,916		$729,457	

	Capital Expenditures			Depreciation		
	1984	1983	1982*	1984	1983	198
Crane Domestic	$ 3,016	$ 3,897	$ 5,818	$ 5,145	$ 6,411	$ 6,35
Medusa Corporation	6,327	2,856	7,194	13,324	14,240	19,3
Huttig Sash & Door Company	2,152	1,384	1,945	1,542	1,477	1,7
Crane Canada Inc.	1,185	602	1,045	1,290	1,461	1,6
International Operations	1,785	4,104	2,706	1,877	1,899	2,2
Total	$14,465	$12,843	$18,708	$23,178	$25,488	$31,2

*Restated to reflect segment held for disposal.

Five Year Summary of Selected Financial Data

Crane Co. and Subsidiaries

(In Thousands) Years Ended December 31	1984	1983	1982*	1981*	1980*
Net Sales	**$792,212**	$771,679	$763,563	$887,574	$913,597
Depreciation	23,178	25,488	31,251	33,916	36,263
Operating Profit	**50,572**	25,595	9,071	37,019	50,396
Interest Expense	16,201	21,591	26,750	30,436	34,114
Income Before Taxes	**41,904**	46,365	26,914	20,876	36,346
Income Taxes	(10,939)	(19,988)	(7,624)	(4,856)	(12,059)
Net Income	**$ 30,965**	$ 26,377	$ 19,290	$ 16,020	$ 24,287
Net Income Per Common Share†	**$3.20**	$2.54	$1.85	$1.48	$2.21
Dividends Declared Per Common Share:					
Cash†	**$1.60**	$1.57	$1.54	$1.60	$1.48
Stock	2%	2%	2%	2%	2%
Assets	**$460,421**	$575,916	$729,457	$792,237	$812,577
Long-Term Debt	**$138,524**	$202,232	$221,081	$250,335	$279,786
Common Shareholders' Equity:					
Total	$210,883	$253,217	$380,995	$415,747	$395,912
Per Common Share†	23.37	24.31	36.70	38.96	36.08

*Restated to reflect segment held for disposal.
†Adjusted for 2% stock dividends.

Quarterly Results for the Year (Unaudited)

Crane Co. and Subsidiaries

(In Thousands) Quarter	Net Sales	Gross Profit	Income Continuing Operations	Net Income (Loss)	Net Income (Loss) Per Common Share: Continuing Operations	Total
1984						
1st	$177,549	$ 29,062	$ 1,878	$ 1,878	$ .18	$ .18
2nd	213,565	37,258	8,682	8,682	.86	.86
3rd	214,066	41,457	11,201	11,201	1.20	1.20
4th	187,032	38,177	9,204	9,204	1.02	1.02
	$792,212	$145,954	$30,965	$ 30,965	$3.20*	$ 3.20*
1983						
1st	$164,132	$ 25,072	$10,084	$ (7,120)	$ .97	$ (.69)
2nd	195,139	31,124	7,017	(7,113)	.68	(.68)
3rd	217,910	31,605	4,486	(8,127)	.43	(.78)
4th	194,498	33,495	4,790	(86,700)	.46	(8.34)
	$771,679	$121,296	$26,377	$(109,060)	$2.54†	$(10.49)†

*Earnings per share for the year are based on the weighted average number of shares outstanding during the year. Earnings per share for the quarters are based on the weighted average number of shares outstanding during the periods. Accordingly, the earnings per share for the four quarters does not equal 1984 annual earnings per share.
†Adjusted for 2% stock dividend in February, 1984.

Market and Dividend Information—Common Shares

Crane Co. and Subsidiaries

	New York Stock Exchange Price Per Share				Dividends Per Share	
	1984		1983		1984	1983†
Quarter	HIGH	LOW	HIGH	LOW		
1st	$42½	$27	$34⅝	$22⅜	$ .40	$ .39
2nd	36½	32⅜	34⅜	26⅞	.40	.39
3rd	37	32	36	30⅝	.40	.39
4th	35⅞	33½	34⅝	26½	.40	.40
					$1.60	$1.57

At December 31, 1984, there were approximately 8,605 holders of Crane Co. common stock.

†Adjusted for 2% stock dividend in February, 1984.

Impact of Inflation (Unaudited)

Crane Co. and Subsidiaries

The supplemental information reflecting the effects of inflation as measured through the "Current Cost" method is set forth in the following table.

The supplemental information concerning the effects of inflation is not a comprehensive application of inflation accounting and only reflects the effect on inventories, properties, related cost of goods sold and depreciation expense, and the effect of general inflation on certain monetary assets and liabilities. This method inherently involves the use of assumptions, approximations and estimates and, therefore, the resulting measurements should be viewed in that context and not as precise indications of the effects of inflation particularly as it relates to the company.

Current Cost

This method attempts to measure the effect of specific price changes experienced by the company. In estimating current costs various methods such as published indices for specific types modified to local conditions, approximate replacement costs and appraisals are used.

The adjustments on cost of sales are minimal since the historical inventories have been determined principally on the LIFO basis, which matches current sales dollars with current inventory replacement cost.

The effect of the adjustment on properties was determined through the use of specific price indices, particularly as to the cement industry, appraisals, replacement cost, unit of space costing and recoverable amount valuation. Depreciation expense was calculated by applying the straight line method to the respective adjusted property amounts already determined, without benefit of income tax deductions for the difference between historical cost depreciation and current cost depreciation.

Unrealized Gain in Purchasing Power

Since the closing CPI for both 1984 and 1983 exceeded the average CPI for those years and monetary liabilities exceeded monetary assets, the results were notional gains. These gains represent the decline in book value of net monetary liabilities. The notional gains will not be recognized until long-term debt, for example, is repaid with deflated dollars (reduced purchasing power dollars).

Mineral Reserves

The company's present mineral reserves are expected to be in adequate supply for its cement operations for the foreseeable future. The minerals produced by quarries are used principally by the manufacturing operations. Due to competitive conditions, this production must be received at cost or at a slight profit for the cement products to earn a reasonable profit.

Proven mineral reserves at December 31, were:

	Proven Reserves		Production	
	1984	1983	1984	1983
	(Thousands of Tons)			
Limestone	735,549	687,038	5,959	4,750
Stone and Sand	2,396	2,417	21	—

Consolidated Statement of Income Adjusted for Changing Prices

Crane Co. and Subsidiaries

(In Thousands) Year Ended December 31, 1984	As Reported in Primary Statement	Adjusted For Changes in Specific Prices
Net Sales	$792,212	$792,212
Cost of Sales	624,586	626,586
Depreciation	23,178	28,382
Selling, General and Administrative	93,876	93,876
Other Expenses-net	8,668	8,668
Provision for Income Taxes	10,939	10,939
	761,247	768,451
Net Income	$ 30,965	$ 23,761
Per common share	$3.20	$2.45
Unrealized gain in purchasing power from holding net monetary liabilities		$ 2,880
Effect on inventory and property, plant and equipment held during the year:		
General inflation		$ 20,598
Specific price changes		4,955
Difference		$ 15,643
Inventory	$98,946	$148,722
Property, Plant and Equipment—net of depreciation	$127,949	$297,140

Five Year Comparison of Selected Supplementary Financial Data Adjusted for Effects of Changing Prices

(In Thousands of Average 1984 Dollars)

Years Ended December 31	1984	1983	1982*	1981*	1980*
Net Sales					
As reported	$792,212	$771,679	$763,563	$ 887,574	$ 913,597
Adjusted for general inflation	792,212	804,522	821,669	1,013,672	1,151,620
Net Income					
As reported	$ 30,965	$ 26,377	$ 19,290	$ 16,020	$ 24,287
Adjusted for specific price changes	23,761	11,483	(3,035)	2,854	16,023
Net Income per common share†					
As reported	$ 3.20	$ 2.54	$ 1.85	$ 1.48	$ 2.21
Adjusted for specific price changes	2.45	1.10	(.29)	.26	1.45
Unrealized gain in purchasing power from holding net monetary liabilities	$ 2,880	$ 3,876	$ 7,478	$ 19,047	$ 37,935
Net assets at year-end**					
As reported	$156,479	$190,988	$183,268	$ 192,669	$ 197,254
Adjusted for specific price changes	373,446	429,298	454,805	543,777	600,008
Difference between general inflation and specific price changes on inventory and property, plant and equipment	$ 15,643	$ 31,590	$ 31,277	$ 31,068	$ 65,368
Cash dividends declared per common share†					
As reported	$ 1.60	$ 1.57	$ 1.54	$ 1.60	$ 1.48
Adjusted for general inflation	1.60	1.64	1.66	1.83	1.87
Market price per common share at year-end					
As reported	$35.00	$30.50	$24.13	$36.00	$44.75
Adjusted for general inflation	35.00	31.80	25.97	41.11	56.41
Average Consumer Price Index	311.1	298.4	289.1	272.4	246.8

†Adjusted for 2% stock dividends
*Restated to reflect segment held for disposal.
**Excludes assets of segment held for disposal.

Directors

E. Thayer Bigelow** ***
Vice President-Finance, Time, Inc., Information and Entertainment

Langdon P. Cook* **
President, Langdon P. Cook & Co., Incorporated, Municipal Bond Dealers

Walter J.P. Curley
Private Venture Capital Investments

Robert S. Evans*
Chairman of the Company

Dante C. Fabiani*
Retired President of the Company

Richard S. Forté
General Partner, Forté Cashmere Company, Importer and Manufacturer

Dorsey R. Gardner** ***
President, Kelso Management Company, Investment Management

Robert W. Lear***
Visiting Professor, Columbia University, Graduate School of Business

Dwight C. Minton* ***
Chairman of the Board and Chief Executive Officer, Church & Dwight Co., Inc., Chemical Manufacturer

Arthur A. Seeligson, Jr.
Independent Oil Operator; Investments

Robert J. Slater*
President of the Company

*Member of the Executive Committee
**Member of the Audit Committee
***Member of the Compensation Committee

Corporate Executive Officers

Robert S. Evans
Chairman & Chief Executive Officer

Robert J. Slater
President & Chief Operating Officer

William R.T. Crolius
Vice President-Government Relations

William C. Dackis
Vice President-Administration

Paul R. Hundt
Vice President, Secretary & General Counsel

R. Kenneth Whitley
Vice President-Finance

Stephen T. Ward
Treasurer

Corporate Vice Presidents

Raymond R.J. Baker

Stephen F.W. Ball

B. Jack Barnes

Robert R. Foster

Kenneth F. Webel

Stock Listings
Crane Co. common stock is traded on the New York and Pacific Stock Exchanges; the preferred stock is traded over the counter.

Stock Transfer Agent
Morgan Guaranty Trust Company of New York
New York, New York 10015

Registrar of Stock
The Chase Manhattan Bank, N.A.
New York, New York 10015

Bond Trustees and Disbursing Agents
Citibank, N.A.
New York, New York 10015

Bank of America National Trust and Savings Association
Los Angeles, California 90054

Auditors
Deloitte Haskins & Sells
New York, New York 10048

Equal Employment Opportunity Policy
Crane Co. is an equal opportunity employer. It is the policy of the company to recruit, hire, promote and transfer to all job classifications without regard to race, color, religion, sex, age or national origin.

Operations

Crane Domestic

Chempump Division
Warrington, Pennsylvania
B.J. Flynn
President

Cochrane Environmental Systems Division
King of Prussia, Pennsylvania
J.A. Hughes
President

Crane Supply Company
New York, New York
R.R. Foster
President

Hydro-Aire Division
Burbank, California
B.J. Barnes
President

Valves & Fittings Division
Elmsford, New York
R.R.J. Baker
President

Huttig Sash & Door Company
Chesterfield, Missouri
S.P. Wells
President

Medusa Corporation
Cleveland, Ohio
D.E. Somes
President

Crane Canada Inc.
Montreal, Canada
G.A. Kelly
President

International

Crane Australia Pty. Limited
Sydney, Australia
P.J. Farrell
Managing Director

Crane Ltd.
London, England
J.M. Fraser
Managing Director

Crane-Deming de Mexico, S.A.
Monterrey, Mexico
W.M. Collins
General Manager

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