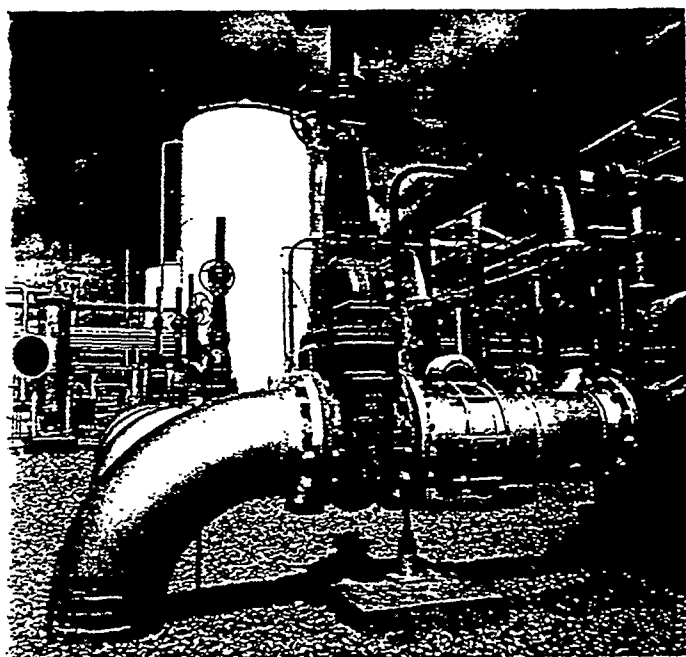
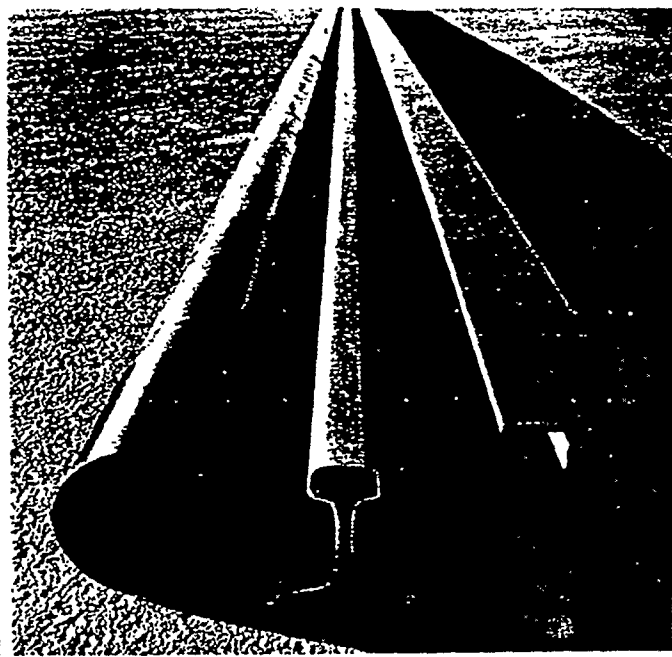


CRANE

CRANE CO. Annual Report 1974



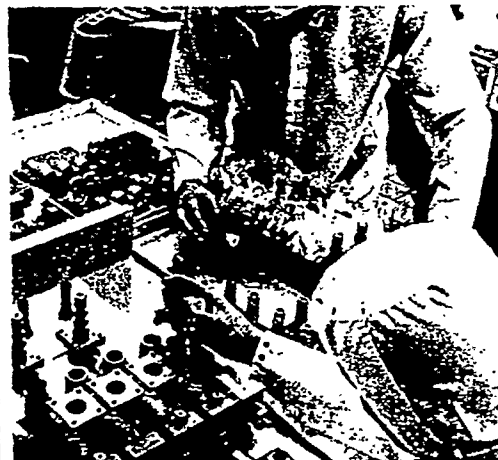
Fluid
and
Pollution
Control



Steel



Building
Products



Aerospace and
Aircraft Products

To our Shareholders:

Sales and net income for 1974 set an all-time record of \$1,144,031,000 and \$56,133,000, respectively, compared with \$947,093,000 and \$20,577,000 in 1973. Net income per share on primary earnings was \$11.05, compared with \$3.93 in 1973. The profit margin on sales was 4.9 per cent compared with 2.2 per cent in 1973.

Crane's record performance during 1974 came principally from three of the four basic business areas served: fluid and pollution control, steel and aerospace. This was attributable to increased production and demand for valves and steel, the removal of price controls and elimination of unprofitable operations. Building products experienced the effects of a tail-off in construction activity during the second half, particularly in housing.

The Company's backlog of orders at year end amounted to \$340,000,000, compared with \$241,000,000 at the end of 1973. Demand for valve and steel products used by energy-related and other heavy industries is expected to continue strong for some time to come.

During 1974, \$45,828,000 was expended on capital improvements, principally at CF&I Steel Corporation. Over the past five years, substantial modernization and cost reduction have been accomplished. Particular emphasis has been placed on eliminating unprofitable and marginal areas and strengthening the productivity and performance of ongoing operations. During 1974, the Roebling, N.J., plant of CF&I Steel Corporation was closed and disposed of, as was a domestic hydronic heating plant. The improvements made during this period enabled Crane to satisfy the unusually strong demand for its products.

In August of 1974, the regular quarterly cash dividend of \$.25 was increased to \$.35 per share, and an extra cash dividend of \$.20 per share was paid in December, 1974. This raised the total cash dividends to \$1.40 for 1974, compared with \$.93 in 1973, an increase of approximately 50 per cent.

In accordance with the Company's previously established policy, a 2 per cent stock dividend was paid on February 21, 1975.



T. M. Evans, Chairman



D. C. Fabiani, President

On February 19, 1975, the Company announced that it was contemplating an exchange offer for any and all outstanding common stock of Inspiration Consolidated Copper Company, other than 132,200 shares owned by its subsidiary, CF&I Steel Corporation. The terms of the offering, contemplated to be made by a new subsidiary of the Company, will be contained in a prospectus presently intended to be filed for registration.

On behalf of the Board of Directors, we wish to express our thanks to the shareholders, employees, customers and suppliers for their contributions toward a truly outstanding year.

Respectfully submitted

A handwritten signature of D. C. Fabiani.

D. C. Fabiani
President

A handwritten signature of T. M. Evans.

T. M. Evans
Chairman

February 25, 1975

Contents

- 1 Financial highlights
- 2 Letter to shareholders
- 3 Financial statements
- 8 Financial review
- 12 Analysis of summary of operations
- 14 Review of operations

Crane Serves

Industrial markets with—

Fluid and Pollution Control Products
Valves
Fittings
Pumps
Water conditioning systems
Filtration equipment

Steel Products

Rails and accessories
Oil casing and tubular products
Merchant shapes and structurals
Wire and wire products

Aerospace and Aircraft Products

Skid-control braking systems
Valves, pumps, controls and other
aerospace accessories and systems

Building and construction markets with—

Building Products
Plumbing
Building materials
Cutting edges
Structurals

Annual Meeting

The Crane Co. 1975 annual meeting will be held Monday, April 21, 1975, at the First Floor Meeting Room, Bankers Trust Company, 280 Park Avenue, New York City, at 10 A.M.

Form 10-K

Copies of Form 10-K for the year 1974 which are to be filed with the Securities and Exchange Commission are available without charge to each shareholder of the Company upon written request made to the Secretary, 300 Park Avenue, New York, N.Y. 10022.

Cover

The scope of Crane's interests is shown in part on the cover—valves to control the flow of cooling water in a refinery, steel products, clean room assembly of components for a jumbo jet's braking system, and a branch in the Company's distribution system for building products.

United States Operations

Crane-U.S.A.
New York, New York
R. L. Bitler, *Vice President & General Manager*

Hydro-Aire Division
Burbank, California
B. J. Barnes, *Vice President & General Manager*

CF&I Steel Corporation
Pueblo, Colorado
C. C. Crawford, *President*

Huttig Sash & Door Company
St. Louis, Missouri
R. F. Eson, *President*

Canadian Operations

Crane Canada Limited
Montreal, Canada
R. S. Reade, *President*

International Operations

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

Crane Ltd.
London, England
Leslie V. Chater, *Chairman*
J. M. Fraser, *Managing Director*

Crane S.A.
Paris, France
Leon Skarniak, *President*

Crane-Deming de Mexico S.A.
Monterrey, Mexico
Luis Obeso, *General Manager*

Crane Nederland N.V.
Deventer, The Netherlands
G. J. de Horn, *Managing Director*

Crane-FISA, S.A.
Bilbao, Spain
A. J. Pijuán, *General Manager*

120th Anniversary

This year Crane marks its 120th Anniversary. Richard Teller Crane built the "R. T. Crane Brass & Bell Foundry" in Chicago in 1855 and, on July 4th that year, poured his first heat. From this 14 x 24 foot foundry specializing in brass castings, the Company has grown to employ 25,000 people in 46 plants in eight countries and over 100 company-owned wholesale outlets in North America.

Trane Co. Annual Report 1974

Financial Highlights

	1974	1973
Sales	\$1,144,031,000	\$947,093,000
Income before income taxes	97,354,000	32,558,000
Net income	56,133,000	20,577,000
Cash dividends	7,221,000	4,940,000
Net working capital	180,717,000	146,942,000
Total assets	607,947,000	587,266,000
Common shareholders' equity	219,556,000	174,112,000
Common shares outstanding at year end	5,030,491	5,007,965

Ratios at year end:

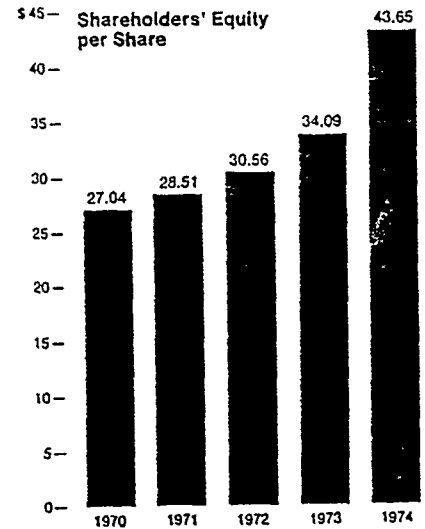
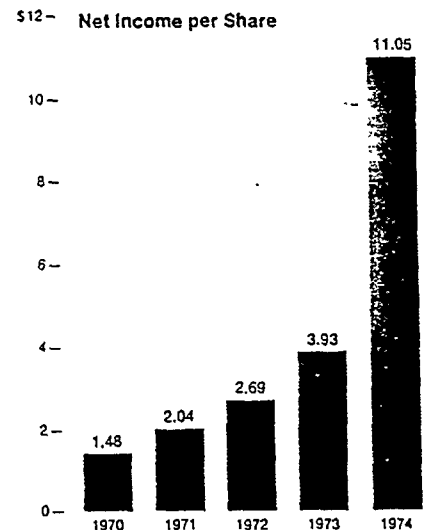
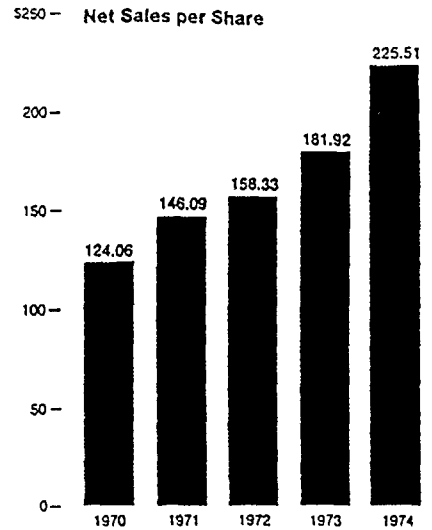
Net income to sales	4.9%	2.2%
Common shareholders' income to average equity	28.5%	12.2%
Current ratio	2.1	2.0

Per Common Share:

Net income	\$11.05*	\$3.93†
Cash dividends	1.40	.93†
Common shareholders' equity	43.65	34.09†

*Net income per common share would amount to \$8.67 (\$3.08 in 1973) assuming conversion of subordinated debentures.

†Adjusted for 2% stock dividend in February, 1974.



**Consolidated Statement of Income
for Years Ended December 31**

	1974	1973
Net Sales	\$1,144,030,532	\$947,093,335
Operating Costs and Expenses including depreciation of \$34,879,959 (\$30,162,531 in 1973):		
Cost of sales	921,266,824	807,808,174
Selling, general and administrative	101,878,527	88,311,712
	<u>1,023,145,351</u>	<u>896,119,886</u>
Operating Profit	120,885,181	50,973,449
Other Income (Deductions):		
Interest—net	(14,280,565)	(16,328,030)
Gain or (loss) on disposal of capital assets—net	(8,159,582)	6,697
Dividend income on investments	1,181,285	1,084,751
Miscellaneous—net	(2,271,713)	(3,178,949)
	<u>(23,530,575)</u>	<u>(18,415,531)</u>
Income Before Income Taxes	97,354,606	32,557,918
Provision for Income Taxes	41,221,204	11,981,098
Net Income	\$ 56,133,402	\$ 20,576,820
Net income per common share:		
On average shares outstanding	\$11.05	\$3.93
Assuming conversion of debentures	8.67	3.08

**Consolidated Statement of Earned Surplus
for Years Ended December 31**

	1974	1973
Balance at Beginning of Year	\$ 104,083,802	\$ 91,330,197
Net Income	56,133,402	20,576,820
	<u>160,217,204</u>	<u>111,907,017</u>
Dividends:		
Preferred shares—\$3.75 per share	97,073	106,120
Common shares:		
Cash—\$1.40 per share (\$.93 in 1973)	7,123,585	4,833,542
Stock—2%, market value of 99,944 shares (101,281 in 1973)	1,764,011	2,122,850
Excess of Cost Over Par Value of Reacquired Shares—Net:		
1,081 preferred (1,995 in 1973) and 433,888 common (170,000 in 1973) reacquired, less 36,324 issued under stock options (260 in 1973)	6,639,041	760,703
	<u>15,623,710</u>	<u>7,823,215</u>
Balance at End of Year	\$ 144,593,494	\$104,083,802

See Financial Review.

**Consolidated Balance Sheet
at December 31**

	1974	1973
ASSETS		
Current Assets:		
Cash	\$ 14,369,156	\$ 15,492,229
Short-term investments	37,470,229	22,468,552
Accounts receivable, less allowances of \$2,550,489 (\$2,110,053 in 1973)	131,293,660	126,449,350
Inventories, less LIFO reserves of \$47,307,087 (\$35,007,170 in 1973), at lower of cost or market:		
Finished goods	71,018,203	69,657,563
Work in process	54,678,894	36,429,335
Raw materials and supplies	34,730,354	24,547,981
	<u>160,427,451</u>	<u>130,634,879</u>
Prepaid expenses	3,112,336	2,641,833
Total current assets	346,672,832	297,686,843
Investments and Other Assets:		
Investments at cost:		
Southern Pacific Company, 300,000 common shares (500,000 in 1973)	13,173,146	21,480,599
Outlying lands	1,241,874	1,244,581
Miscellaneous	366,152	342,556
	<u>14,781,172</u>	<u>23,067,736</u>
Other assets	2,361,743	2,754,115
	<u>17,142,915</u>	<u>25,821,851</u>
Property, Plant and Equipment at Cost:		
Land	18,198,017	16,755,412
Buildings and improvements	124,993,970	124,108,618
Machinery and equipment	401,248,313	433,382,207
	<u>544,440,300</u>	<u>574,246,237</u>
Less accumulated depreciation	300,308,885	310,488,671
	<u>244,131,415</u>	<u>263,757,566</u>
	<u>\$607,947,162</u>	<u>\$587,266,260</u>

	1974	1973
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ 4,768,981	\$ 6,311,987
Loans payable to banks	18,991,121	25,089,348
Accounts payable	55,111,853	66,303,607
Accrued payrolls, taxes and other liabilities	48,669,613	49,994,040
U.S. and foreign taxes on income	<u>38,414,115</u>	<u>3,045,378</u>
Total current liabilities	165,955,683	150,744,360
Long-Term Debt (see details on page 7)	175,150,939	211,887,774
Deferred Income Taxes	7,001,044	6,118,342
Reserves and Other Liabilities	24,641,434	20,649,525
Minority Interest in Subsidiaries	10,745,496	18,749,750
Shareholders' Equity:		
Preference stock of Glenfield & Kennedy Holdings Limited, 5½ %	2,320,000	2,320,000
Cumulative preferred shares, 3¾ %, par value \$100 (redeemable): Authorized—55,144 shares (60,509 in 1973); outstanding—25,761 shares (26,842 in 1973) after deducting 29,383 shares in treasury (33,667 in 1973)	2,576,100	2,684,200
Serial preferred shares, par value \$5: Authorized—600,000 shares	—	—
Common shareholders' equity:		
Common shares, par value \$12.50: Authorized—20,000,000 shares; outstanding—5,030,491 shares (5,007,965 in 1973) after deducting 1,244,236 shares in treasury (810,348 in 1973)	62,881,138	62,599,562
Capital surplus	12,081,834	7,428,945
Earned surplus—\$33,163,027 (\$8,680,801 in 1973) is not restricted under a long-term debt indenture	<u>144,593,494</u>	<u>104,083,802</u>
Total common shareholders' equity	219,556,466	174,112,309
Total shareholders' equity	<u>224,452,566</u>	<u>179,116,509</u>
	<u>\$607,947,162</u>	<u>\$587,266,260</u>

See Financial Review.

**Consolidated Statement of Capital Surplus
for Years Ended December 31**

	1974	1973
Balance at Beginning of Year	\$ 7,428,945	\$ 6,571,800
Excess of subordinated debentures converted over par value of 320,146 common shares issued (19 in 1973) .	4,138,178	308
Excess of market value over par value of common shares issued as 2% stock dividend	514,711	856,837
Balance at End of Year	<u>\$12,081,834</u>	<u>\$ 7,428,945</u>

**Consolidated Statement of Changes in Financial Position
for Years Ended December 31**

	1974	1973
Source of Funds:		
Operations:		
Net Income	\$56,133,402	\$ 20,576,820
Depreciation	34,879,959	30,162,531
Other, net	4,035,959	6,944,145
	<u>95,049,320</u>	<u>57,683,496</u>
Reduction in investments	8,286,564	523,175
Disposals of property, plant and equipment	30,574,163	15,959,706
	<u>133,910,047</u>	<u>74,166,377</u>
Application of Funds:		
Additions to property, plant and equipment	45,827,971	48,314,953
Reduction in long-term debt	36,736,835	32,815,794
Reacquisition of shares less options exercised and stock issued for converted debentures	3,576,687	3,111,409
Cash dividends	7,220,658	4,939,662
Reduction in reserves, minority interest and other	6,773,230	2,536,022
	<u>100,135,381</u>	<u>91,717,840</u>
Net Source (Application) of Funds	<u>\$33,774,666</u>	<u>\$(17,551,463)</u>
Increase (Decrease) in Components of Working Capital:		
Current assets:		
Cash and short-term investments	\$13,878,604	\$ 6,831,123
Accounts receivable	4,844,310	7,428,811
Inventories	29,792,572	(5,613,254)
Prepaid expenses	470,503	656,541
	<u>48,985,989</u>	<u>9,303,221</u>
Current liabilities:		
Current maturities of long-term debt	(1,543,006)	(266,113)
Loans payable to banks	(6,098,227)	7,361,964
Accounts payable	(11,191,754)	18,007,967
Accrued payrolls, taxes and other liabilities	(1,324,427)	1,520,185
U.S. and foreign taxes on income	35,368,737	230,681
	<u>15,211,323</u>	<u>26,854,684</u>
Increase (Decrease) in Working Capital	<u>\$33,774,666</u>	<u>\$(17,551,463)</u>

See Financial Review.

**Details of Long-Term Debt
at December 31**

	1974	1973
Crane Co.:		
6½% Sinking fund debentures due 1992, \$2,000,000 due annually, after deducting \$5,246,000 in treasury in 1974	\$ 30,754,000	\$ 33,848,000
Miscellaneous	<u>317,167</u>	<u>475,910</u>
	31,071,167	34,323,910
Subordinated debentures:		
7% Sinking fund debentures due 1993, up to \$1,000,000 due annually, after deducting \$3,897,000 in treasury in 1974	15,307,400	17,978,400
7% Debentures due 1994	52,077,000	52,077,000
5% Convertible debentures due 1993, convertible at \$25 per share (289,616 common shares reserved in 1974), after deducting \$5,844,000 in treasury in 1974	7,240,400	16,072,600
5% Convertible debentures due 1994, convertible at \$28.75 per share (664,532 common shares reserved in 1974), after deducting \$31,377,000 in treasury in 1974 .	<u>19,105,300</u>	<u>32,766,000</u>
	<u>93,730,100</u>	<u>118,894,000</u>
	124,801,267	153,217,910
CF&I Steel Corporation:		
8% First mortgage and collateral trust bonds, sinking fund series due 1983, \$1,000,000 due quarterly	33,000,000	37,000,000
4¾% Convertible sinking fund debentures due 1977 (called for redemption in 1974)	<u>—</u>	<u>3,692,500</u>
	33,000,000	40,692,500
Huttig Sash & Door Company:		
8½% Notes payable to banks	—	1,500,000
Foreign Subsidiaries:		
Crane Canada Limited sinking fund debentures:		
5¾% (collateralized by a general claim on property and assets), due 1985, \$440,000 due annually, after deducting \$36,000 in treasury in 1974	6,600,000	7,004,000
Crane Ltd. (England):		
13¾% bank term loan due 1977, fluctuating with bank rate (14¾% in 1973)	4,176,000	4,176,000
13¾% bank term loan due 1978, fluctuating with bank rate	1,740,000	—
Glenfield & Kennedy Holdings Limited:		
5¾% unsecured loan stock due 1982	2,931,021	3,355,581
Miscellaneous	<u>1,902,651</u>	<u>1,941,783</u>
	<u>17,349,672</u>	<u>16,477,364</u>
	\$175,150,939	\$211,887,774

Financial Review and Accounting Policies

Consolidation

The consolidated financial statements include all subsidiaries. International balance sheet and operating accounts have been translated at current rates except for fixed asset and equity accounts which were translated at historical rates. Unrealized exchange gains or losses are credited or charged to a reserve for future foreign currency valuation, which reserve was decreased by \$32,000 during 1974 and increased by \$558,000 in 1973.

Extraordinary after-tax losses of \$7,777,000 incurred in 1973 in connection with closing certain plants by CF&I Steel Corporation, a consolidated subsidiary, were charged against the deferred credit from acquisition reserve, established at the time of acquisition, and minority interest, and thereby excluded from Crane's consolidated net income. In 1973, \$2,633,000 of the deferred credit from the CF&I Steel Corporation acquisition was amortized to cost of sales.

Subsidiaries operating outside the United States and Canada had net sales of \$82,367,000 in 1974 compared with \$75,762,000 in 1973. In 1974, net income from foreign operations amounted to \$42,000 compared with \$1,509,000 in 1973. These subsidiaries represented 12.9 per cent of shareholders' equity in 1974, down from 15.9 per cent in 1973.

Plant Improvement

In 1974, \$45,828,000 was invested in improving production facilities, principally at the Pueblo, Colorado steel mill and other domestic facilities.

The cost of property, plant and equipment is depreciated over estimated useful lives on the straight-line method. Generally, for income tax purposes, depreciation is determined by accelerated depreciation methods as permitted under tax regulations and deferred income taxes are recognized for the difference.

Research and Development

The Company's research and development activities are directed primarily toward improvement of existing products and development of new products in the Company's lines of business. Costs incurred in the development of new products and of changes to existing products are expensed as incurred.

Pensions

Pension costs charged against operations for the retirement plans maintained by the Company and its subsidiaries were \$38,945,000 for 1974 compared with \$23,715,000 for 1973.

In connection with a CF&I Steel plant closing during 1974, \$11,500,000 of vested pension liability was charged to "Gain or (loss) on disposal of capital assets - net". This charge was partially offset by \$3,033,000, representing the excess of equity over cost of minority shares purchased.

The increase in pension costs is due to higher benefits granted to employees and retirees during the year and to an acceleration of amortization of prior service costs to a 10-year basis, the effect of which increased pension costs by \$4,550,000 before income taxes. Current service and interest costs are funded annually, and prior service costs are funded on a 10-year basis.

At December 31, 1974, vested benefits exceeded the total of pension plan assets and balance sheet accruals by \$172,000,000 (\$97,000,000 at December 31, 1973) before future income tax benefits. This increase was principally caused by the full application of the benefits vested as a result of the August 1, 1974 CF&I Steel labor contract.

Miscellaneous Deductions

Components are as follows:

	1974	1973
	(in thousands)	
Minority interest	\$1,722	\$1,780
Loss on disposal of investments	2,148	—
Start-up and phase-out costs	—	2,577
Other	89	28
	<u>3,957</u>	<u>4,383</u>
Gain on repurchase of debentures	<u>(1,685)</u>	<u>(1,204)</u>
	<u>\$2,272</u>	<u>\$3,179</u>

Long- and Short-Term Financing

Long-term debt was reduced by \$36,737,000 during 1974 compared with a net amount of \$32,816,000 during 1973. The 1974 decrease was accounted for principally by conversion of debentures of \$8,141,000, and repurchases of debentures of \$23,803,000.

At December 31, 1974, the principal amounts of long-term debt repayments required for the next five years were \$4,769,000 in 1975; \$4,812,000 in 1976; \$9,741,000 in 1977; \$8,390,000 in 1978; and \$7,097,000 in 1979.

At December 31, 1974, there were \$71,000,000 of unused short-term credit lines available with various domestic and foreign banks, and such lines are subject to annual review. The Company's cash management system is such that cash balances recorded in its accounts are substantially less than actual cash on deposit in banks. This excess, commonly referred to as float, is used by the Company to satisfy its informal practice of maintaining compensating balances on deposit with banks.

Reserves and Other Liabilities

A summary of reserves and other liabilities follows:

	1974	1973
	(in thousands)	
Pension and wage benefits	\$20,728	\$16,358
Relining and rebuilding of blast furnaces	1,499	2,047
Future foreign currency valuation	689	721
Deferred credit from acquisition	—	211
Miscellaneous	1,725	1,313
	<u>\$24,641</u>	<u>\$20,650</u>

The increase in the reserve for pension and wage benefits was due principally to recording the vested pension liability arising from the disposal of a plant.

Income Taxes

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

	1974	1973
	(in thousands)	
Income before income taxes	\$97,354	\$32,558
Permanent tax adjustments:		
Depletion	1,571	1,292
Original issue bond discount	1,015	1,080
Nontaxable credit on excess of equity over cost of minority shares acquired	3,033	2,633
Nontaxable domestic dividends	793	921
Nontaxable pension reserve	926	1,587
Minority interest	(1,722)	(1,780)
Other	156	989
	<u>5,772</u>	<u>6,722</u>
Taxable income for accounting purposes	91,582	25,836
Tax @ 50% (composite rate)	45,791	12,918
Less investment tax credit realized	4,570	937
Provision for income taxes	<u>\$41,221</u>	<u>\$11,981</u>

The provision for income taxes is composed of the following:

	1974	1973
	(in thousands)	
Deferred taxes:		
Tax effect of timing differences:		
Depreciation	\$ 3,983	\$ 3,504
Pension expenses	—	1,111
Loss carryforward	—	2,900
Plant closing costs	(2,946)	—
Other	(60)	231
Total deferred taxes	977	7,746
Current income taxes paid or payable	40,244	4,235
Provision for income taxes	<u>\$41,221</u>	<u>\$11,981</u>

The above provisions include foreign taxes of \$5,319,000 and \$3,209,000, and state taxes of \$3,288,000 and \$1,115,000 in 1974 and 1973, respectively.

United States income taxes have not been provided on undistributed earnings of foreign subsidiaries, since foreign tax credits available on any portion of these earnings not required for indefinite reinvestment are such that no significant tax would be payable upon distribution.

Leases

Rental expense was as follows for all leases for the years ended December 31, 1974 and 1973:

	1974	1973
	(in thousands)	
Rentals on noncapitalized financing leases:		
Minimum	\$ 4,847	\$ 5,440
Contingent	701	438
Rentals on operating leases:		
Minimum	8,137	7,859
Contingent	311	1,084
	<u>\$13,996</u>	<u>\$14,821</u>

Rental expense has been reduced by rental income from subleases of \$1,514,000 during 1974 and \$1,363,000 during 1973.

Financing leases are defined as those in which the initial term of the lease substantially covers the useful economic life of the property or assures recovery of the lessors' investment. All others are considered operating leases.

The Company and subsidiaries lease buildings and equipment under noncancelable leases providing for annual rentals as follows:

	<u>Total</u>	<u>Operating Leases</u>		<u>Financing Leases</u>	
		<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>
			(in thousands)		
1975	\$ 7,887	\$1,742	\$1,441	\$ 813	\$ 3,891
1976	6,990	1,497	715	1,099	3,679
1977	6,187	1,260	232	1,274	3,421
1978	5,497	1,037	42	1,338	3,080
1979	5,342	860	9	1,513	2,960
1980-84	22,767	3,042	6	6,964	12,755
1985-89	20,052	1,593	—	5,872	12,587
1990-94	14,229	21	—	3,109	11,099
1995-beyond	4,306	—	—	2,559	1,747

The above amounts have been reduced for rental income from noncancelable subleases by approximately \$1,209,000 in 1975 and lesser amounts thereafter (total reduction \$4,166,000).

Certain of the leases may be renewed for periods of from 3 to 20 years and provide for an option to purchase or for annual rental payments of minimal amounts.

The estimated present values of the net fixed minimum rental commitments for all noncancelable financing leases, net of noncancelable subleases, are as follows:

	<u>December 31</u>	
	<u>1974</u>	<u>1973</u>
	(in thousands)	
Buildings	\$15,617	\$16,268
Machinery and equipment	31,626	31,797
Subleases	(2,108)	(2,807)
Net present value	<u>\$45,135</u>	<u>\$45,258</u>

The weighted average interest rate used in the computation was 6¼ per cent and ranged from 4½ per cent to 14½ per cent.

If all financing leases had been capitalized, net income for the years ended December 31, 1974 and 1973 would not have been significantly affected.

Stock Options

A summary of option transactions under all plans follows:

	<u>Number of Shares</u>	<u>Price per Share</u>
Outstanding January 1, 1974	85,952	\$14.90-26.16
2% Stock dividend	1,647	
Options granted	46,750	19.00-31.25
Options expired	(13,179)	16.82-26.68
Options exercised	(36,324)	14.90-24.26
Outstanding December 31, 1974	<u>84,846</u>	<u>\$15.44-31.25</u>

At December 31, 1974, options for 29,139 shares were exercisable and 4,018 shares were available for grant. In 1973, options for 11,000 shares were granted and options for 260 shares were exercised. All shares and per share statistics have been adjusted for the 2 per cent stock dividend in 1974. None of these are compensatory plans requiring charges to income.

Litigation

The litigation with American Standard, Inc. arising out of the merger of Westinghouse Air Brake Company continues. In December, 1974, the Court of Appeals reversed a lower court decision and held Crane without liability to American Standard, Inc. for so-called "insider profits" arising out of Crane's forced sale of Standard stock received on consummation of the merger of Westinghouse Air Brake Company. There also remains pending the lawsuit brought by Crane against American Standard and Blyth & Company, Inc., in which the court has previously found violations of the Securities Exchange Act of 1934 by the defendants and directed the District Court to make an assessment of damages.

Report of Independent Accountants

To the Shareholders of Crane Co.

We have examined the consolidated balance sheet of Crane Co. and subsidiaries as of December 31, 1974 and 1973, and the related consolidated statements of income, earned surplus, capital surplus and changes in financial position for the years then ended. 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. We did not examine the financial statements of CF&I Steel Corporation, a consolidated subsidiary, which statements were examined by other independent certified public accountants whose reports thereon have been furnished to us. Total assets and net sales of CF&I Steel Corporation constituted approximately 47% and 38%, respectively, of the related consolidated totals in 1974 (49%

and 36% in 1973). Our opinion expressed herein, insofar as it is related to the amounts included for the foregoing subsidiary, is based solely upon the reports of the other independent certified public accountants.

In our opinion, based upon our examinations and the aforementioned reports of other independent certified public accountants, the financial statements referred to above present fairly the consolidated financial position of Crane Co. and subsidiaries at December 31, 1974 and 1973, and the consolidated results of their operations and changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Ernst & Ernst

New York, N.Y.
January 27, 1975

Quarterly Results for the Year (in thousands of dollars)

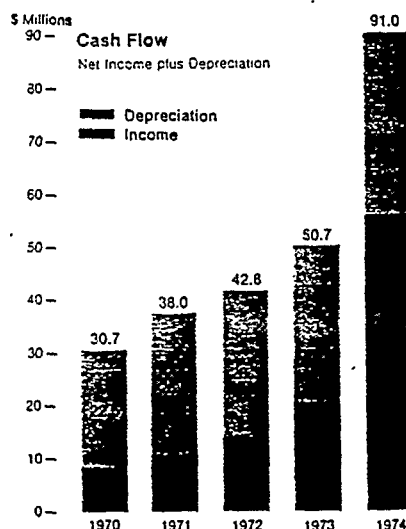
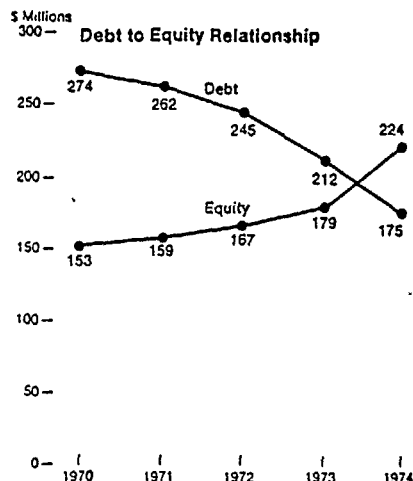
Quarter	Sales		Net Income		Net Income per Common Share	
	1974	1973	1974	1973	1974	1973*
1st	\$ 257,910	\$ 214,916	\$ 7,130	\$ 2,649	\$ 1.40	\$0.50
2nd	306,214	239,958	15,746	5,345	3.10	1.01
3rd	290,792	244,068	16,275	5,180	3.20	.99
4th	289,115	248,151	16,982	7,403	3.35	1.43
	<u>\$1,144,031</u>	<u>\$ 947,093</u>	<u>\$56,133</u>	<u>\$20,577</u>	<u>\$11.05</u>	<u>\$3.93</u>

Market and Dividend Information—Common Shares

Quarter	New York Stock Exchange Price per Share				Dividends per Share	
	1974		1973		1974	1973*
	High	Low	High	Low		
1st	\$19½	\$15	\$22½	\$18½	\$.25	\$.20
2nd	26	18½	19	14¼	.25	.20
3rd	34	21½	20½	15¼	.35	.20
4th	33	24¼	19½	15½	.55	.33
					<u>\$1.40†</u>	<u>\$.93†</u>

* Adjusted for 2% stock dividend in February, 1974.

† Includes a special dividend of \$0.20 in the 4th quarter (\$0.10 in 1973).



Analysis of Summary of Operations

Crane's basic businesses have been substantially broadened since 1968 by the acquisitions of CF&I Steel Corporation in 1969 and Huttig Sash & Door Company in 1970. Prior to that time Crane was primarily involved in the manufacture and distribution of fluid and pollution control, aerospace and building products in North America, and in the manufacture of fluid and pollution control products, principally in Europe and Australia.

The acquisition of CF&I Steel Corporation in 1969 established Crane in the domestic steel business, serving primarily the Rocky Mountain area. At the end of 1974 CF&I Steel operated a fully integrated mill in Pueblo, Colorado with its own iron ore, coal, limestone and dolomite mines to supply the basic steelmaking facility. At the end of 1974 Huttig Sash & Door Company operated twenty-seven branch warehouses in the south, southeast, midwest and southwest. Its principal customers are building material dealers and residential and apartment building contractors.

Since 1969 the basic Crane business has made several changes. The investment in building products has been reduced with the discontinuance of heating and air conditioning products and cast iron bathtubs. The fluid and pollution control investment has been increased so that capacity at the end of 1974, particularly steel valve capacity, has been increased approximately 50 per cent. Crane Supply, the distribution arm of Crane manufacturing, has emphasized marketing of industrial products and distributing products to commercial building rather than residential building markets.

Wage and price controls were imposed during 1971, at a time when valve and steel prices were depressed. Thereafter, only partial recovery of cost increases was permitted, so the improved margins were not completely realized until controls were completely removed on April 30, 1974.

Demand for steel has been high since 1972. In late 1973, valve plants increased production to meet strong demand. Consolidated sales increased 12.2 per cent over the prior year, principally in building and steel products. Aerospace business also increased due to an acquisition.

In 1974, consolidated sales increased 20.8 per cent over 1973, due principally to the cessation of price controls on valve and steel products and strong demand for other industrial products manufactured and distributed by Crane. This increase was net of reduced sales for building products and operations closed during the year.

Depreciation expense increased 6.7 per cent between 1972 and 1973 and 15.6 per cent between 1973 and 1974. This reflects, in part, the Company's authorized \$236,000,000 capital program, of which approximately \$166,000,000 was spent in the steel business over the past five years.

Operating profit increased 45.4 per cent between 1972 and 1973, and 137.2 per cent between 1973 and 1974. In 1973, this improvement resulted from the strong demand for steel products and building products. The 1974 improvement was primarily due to elimination of price controls, combined with heavy demand for valve and steel products by energy-related and other heavy industries, and elimination of unprofitable and marginal operations. The decline in building products during the second half of 1974 only slightly reduced the improved operating margins.

Income before taxes increased 87.6 per cent between 1972 and 1973, and 199 per cent between 1973 and 1974 as a direct consequence of the improvements in sales and operating profits.

Income taxes increased 144.5 per cent between 1972 and 1973, and 244.1 per cent between 1973 and 1974. Income taxes for 1973 were 36.8 per cent and for 1974 were 42.3 per cent of income before taxes. Permanent tax savings are essentially at a fixed amount so that as income before income taxes increases, the percentage of tax to income increases.

Five Year Summary of Operations
(in thousands)

	1970	1971	1972	1973	1974
Net Sales (1)	\$680,207	\$791,508	\$844,395	\$947,093	\$1,144,031
Depreciation	22,459	26,837	28,277	30,163	34,880
Operating Profit	20,039	30,656	35,050	50,973	120,885
Interest Expense	20,639	20,430	19,476	19,406	18,933
Income Before Income Taxes	2,841	13,458	17,354	32,558	97,354
Income Taxes	5,414	(3,169)	(4,901)	(11,981)	(41,221)
Income Before Extraordinary Credits	8,255	10,289	12,453	20,577	56,133
Extraordinary Credits	—	873	2,020	—	—
Net Income	<u>\$ 8,255</u>	<u>\$ 11,162</u>	<u>\$ 14,473</u>	<u>\$ 20,577</u>	<u>\$ 56,133</u>
Income per Common Share (2) (3)					
Primary					
Income Before Extraordinary Credit	\$ 1.48	\$ 1.88	\$ 2.31	\$ 3.93	\$11.05
Extraordinary Credit	—	.16	.38	—	—
Net Income	<u>\$ 1.48</u>	<u>\$ 2.04</u>	<u>\$ 2.69</u>	<u>\$ 3.93</u>	<u>\$11.05</u>
Average Number of Shares	5,483	5,418	5,333	5,206	5,073
Assuming Conversion of Debentures					
Income Before Extraordinary Credit	\$ 1.21	\$ 1.54	\$ 1.86	\$ 3.08	\$ 8.67
Extraordinary Credit	—	.12	.28	—	—
Net Income	<u>\$ 1.21</u>	<u>\$ 1.66</u>	<u>\$ 2.14</u>	<u>\$ 3.08</u>	<u>\$ 8.67</u>
Average Number of Shares	7,817	7,466	7,329	7,060	6,522
Dividends per Common Share					
Cash (3)	\$.75	\$.77	\$.80	\$.93	\$ 1.40
Stock	2%	2%	—	2%	2%

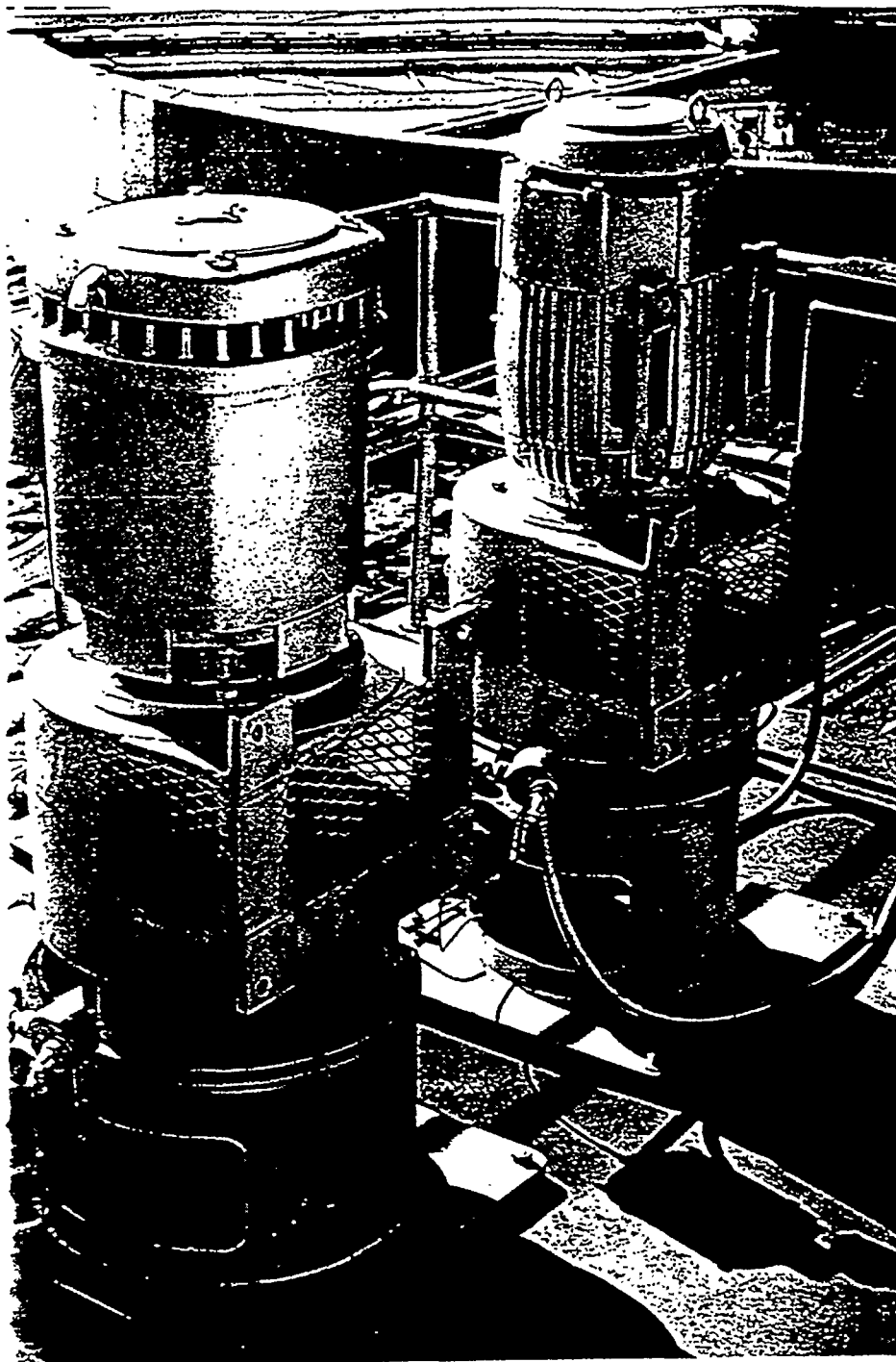
(1) In early 1971 the Company's investment in Huttig Sash and Door Company was increased from 55 per cent to 87 per cent and from 1971 this subsidiary was included in the consolidated financial statements, whereas previously the equity in the earnings was reported. The contribution in 1971 was \$70,530,000 of net sales and \$2,011,000 of net income, compared to equity in 1970 net income of \$525,000.

(2) After Preferred Dividends.

(3) Adjusted for stock dividends and the 2 for 1 stock split in 1972.

Analysis of Net Sales and Operating Profit
(in thousands)

	1970		1971		1972		1973		1974	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales										
Crane Domestic	\$285,443	42	\$291,515	37	\$299,389	36	\$319,423	34	\$ 377,312	33
CF&I Steel Corporation	242,300	35	261,719	33	282,039	33	342,814	36	438,721	38
Huttig Sash & Door Company	—	—	70,530	9	84,300	10	93,904	10	89,762	8
Crane Canada Limited	86,301	13	98,337	12	102,324	12	115,190	12	155,869	14
International Operations	66,163	10	69,407	9	76,343	9	75,762	8	82,367	7
Total Net Sales	<u>\$680,207</u>	<u>100</u>	<u>\$791,508</u>	<u>100</u>	<u>\$844,395</u>	<u>100</u>	<u>\$947,093</u>	<u>100</u>	<u>\$1,144,031</u>	<u>100</u>
Operating Profit										
Crane Domestic	\$ 5,163	20	\$ 6,136	17	\$ 7,776	20	\$ 9,433	17	\$ 28,532	22
CF&I Steel Corporation	13,696	54	17,193	49	15,304	38	27,016	48	75,261	59
Huttig Sash & Door Company	—	—	4,527	13	6,419	16	9,062	16	7,253	6
Crane Canada Limited	2,161	9	3,706	10	5,112	13	6,452	11	13,437	11
International Operations	4,156	17	3,955	11	5,202	13	4,551	8	3,025	2
	<u>25,176</u>	<u>100</u>	<u>35,517</u>	<u>100</u>	<u>39,813</u>	<u>100</u>	<u>56,514</u>	<u>100</u>	<u>127,508</u>	<u>100</u>
Corporate	(5,137)		(4,861)		(4,763)		(5,541)		(6,623)	
Total Operating Profit	<u>\$ 20,039</u>		<u>\$ 30,656</u>		<u>\$ 35,050</u>		<u>\$ 50,973</u>		<u>\$ 120,885</u>	



Fluid and Pollution Control

In fluid and pollution control markets, Crane offers one of the broadest lines of valves, pumps and water and waste treatment equipment available from any manufacturer today. These products are used by industries and municipalities throughout the world to control, govern, transfer, filter and clarify the flow of all types of fluids.

Crane Domestic

Sales and earnings hit an all-time high in 1974 for Crane products used in fluid and pollution control markets. The demand for energy-related and heavy industrial products increased sharply during the year. The petroleum, chemical, steel, power, and pulp and paper markets were particularly active.

Valve sales were the highest in the Company's history. The extremely strong demand for steel valves and improvements made in several production facilities during the past two years were the main reasons for the excellent performance.

Increased capital spending by the chemical process industry resulted in a significant rise in orders for Chem-pump leakproof pumps. This product line is also finding growing acceptance in nuclear power and general industrial applications.

Deming sales to municipalities and industrial pump markets were also up. New products introduced included sewage pumps which strengthened Deming's position in the pollution control market.

Orders and shipments from the Cochrane Environmental Systems operation were at a record high. There is a growing demand for pollution control equipment by municipalities and industry, and interest in ozonation is increasing rapidly. A Cochrane ozonator was introduced, and initial orders were received. A packaged waste treatment system for industrial applications was also developed.

Crane Supply Company serves industrial markets in the United States through its 59 branches, distributing

Crane supplied 139 Deming pumps for a new pollution control system installed at an aircraft manufacturing plant. These pumps handle oils, acids and other chemical wastes, transferring fluids from one stage of treatment to the next. Some of the pumps meter fluids and feed chemicals into various treatment stages.

Crane valves, pumps and fittings as well as related products purchased from other manufacturers. During recent years this Division has steadily improved its performance and registered record sales and earnings in 1974.

Overall, capital spending in principal market areas is expected to remain strong in 1975. Since Crane offers products to handle the majority of pollution control requirements as well as valves and pumps used in the systems, the Company is in a position to increase its participation in this field. The outlook for Crane valves and pumps is favorable in the chemical processing and petroleum industries. In the nuclear power field, Crane is a major source of a broad line of products built to nuclear standards. The Company's high backlog of orders and strong markets for major product lines should result in another good performance in 1975.

Crane Canada

Canadian operations had a record year in 1974 as the country's economy remained at a good level despite a tightening money supply and rising interest rates. Demand for iron, steel and brass valves was strong, reflecting the activity in municipal waterworks, shipbuilding and industrial construction. Crane Supply Division, the wholesaling operation which serves these markets, also showed substantially increased sales and earnings.

Capital spending is expected to remain strong throughout 1975, providing a good market for valves and other industrial products in Canada.

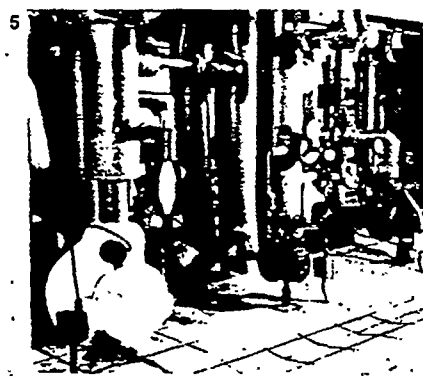
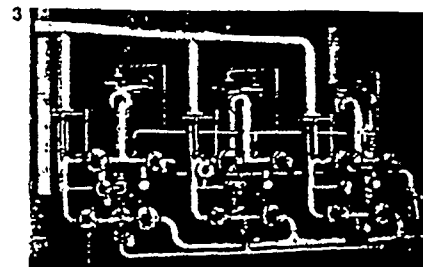
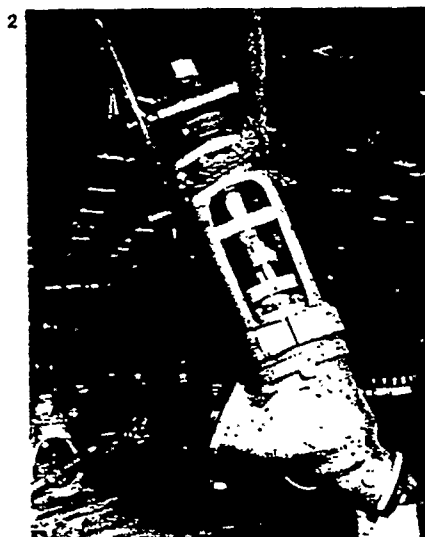
Crane International

In the United Kingdom, Crane Ltd. suffered from inflation, price controls, high interest rates and labor problems. However, the Company has a strong backlog, particularly in steel valves. With some easing of price controls and an improved labor climate, 1975 should show a favorable recovery.

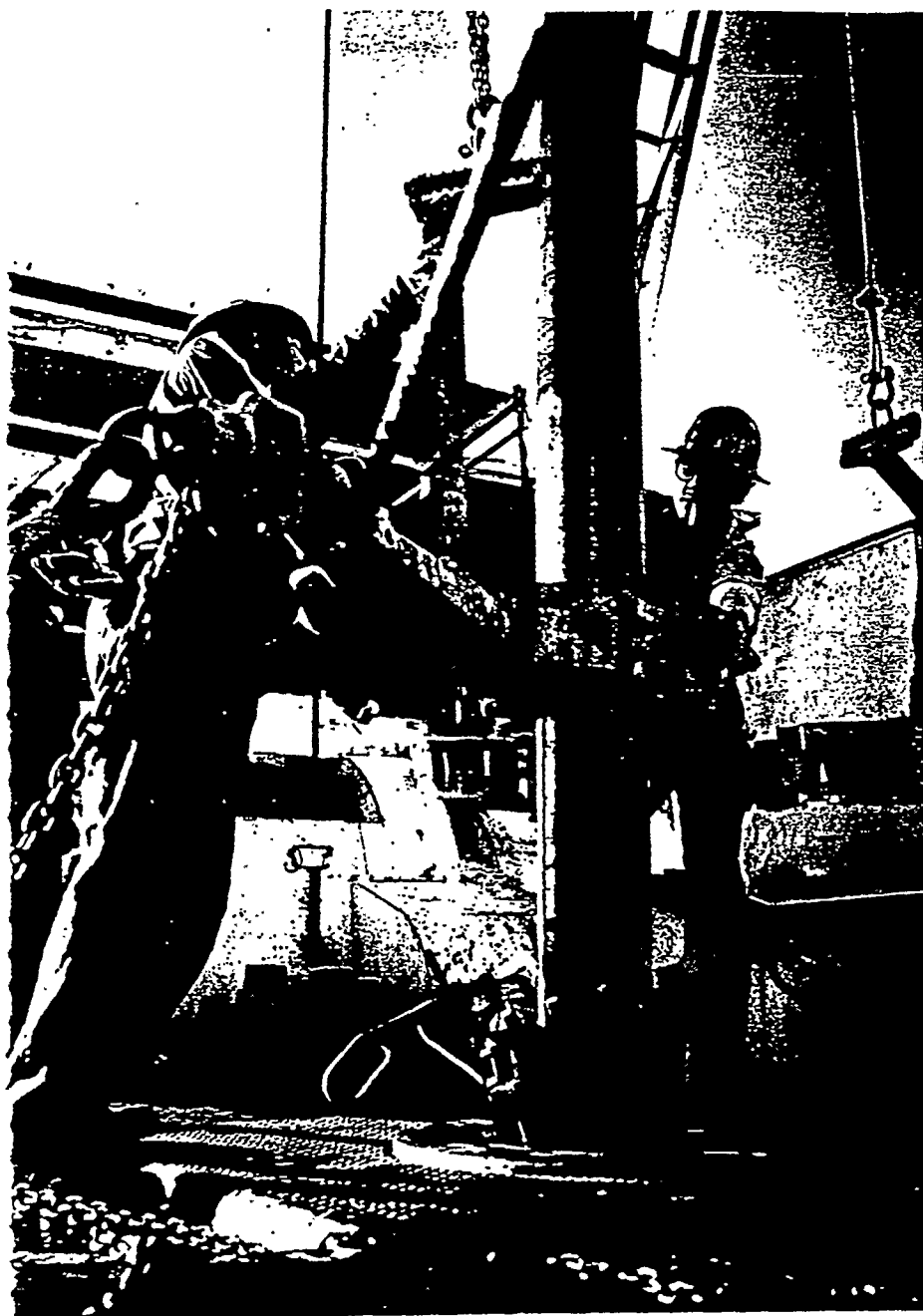
Inflationary pressures were felt throughout the European operations last year. An unprecedented worldwide

need for valves used in petroleum processing led to excellent performance in France and Spain despite sharp cost increases. With a strong order backlog, both operations should have good results in 1975.

Crane Australia turned in a strong performance due to increased capital spending in that country, and the forecast for the coming year is good. Sales and earnings were up in Mexico, and continued growth and expansion are expected there.



1. This specially engineered spherical steel slide valve, designed to withstand temperatures up to 1450°F, will divert production gases into a de-polluting unit at a Texas oil refinery.
2. Manufactured in France, this 2500 psi stop check valve is for water service at a power plant in Italy.
3. Iron and copper are removed from boiler condensate with three Cochrane filter and ion exchange units installed at a pulp and paper mill in Nova Scotia. Crane steel valves are used to control flow.
4. Crane gate valves regulate the flow of fuel oil to the burners at a glass-making plant in England.
5. The use of Chempump pumps to circulate freon through a heat exchanger in this refrigeration system eliminated leakage.

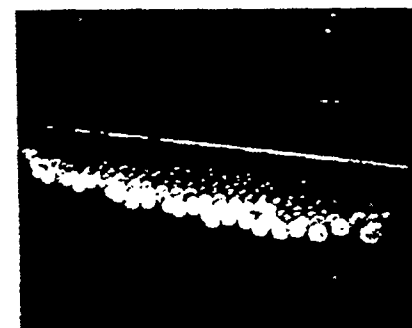
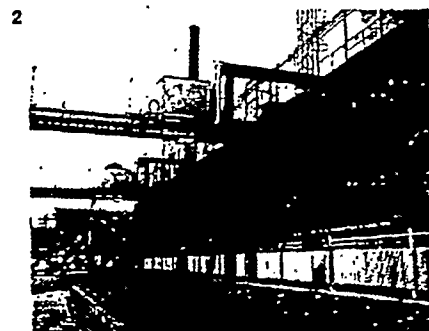


Steel

CF&I Steel Corporation serves the transportation, construction, petroleum, mining, metalworking and farming and ranching markets, primarily in the rapidly growing Rocky Mountain area. A vertically integrated steel company, CF&I operates its own mines and quarries to supply coking coal, iron ore, limestone and dolomite. The Company owns over 350,000 acres of outlying lands in the Rocky Mountain area.

CF&I Steel Corporation

CF&I established record highs in sales and earnings in 1974, with capacity production at the Pueblo plant reflecting the tremendous demand for steel products.



1. In 1974, CF&I's tonnage of high strength oil country casing and tubing booked and shipped was approximately 30 per cent higher than in any previous year.
2. Smokeless charging is a major environmental feature of the new coke ovens.
3. Heat treating of grinding balls determines the steel's microstructure for hardness and wearing quality.

CRTX 0322

Sales of rail and accessories rose, and are expected to remain strong. There is a growing demand for improved track performance, and the development of energy sources in the eastern half of the United States, CF&I's primary market area, requires new rail lines. The increasing use of unit trains, with heavier loads and higher speeds, also adds to the need for track structure improvement.

The demand for oil country casing and tubing used by the oil and gas industries in exploration and drilling was at a high level, and the outlook for 1975 is good. CF&I's policy of supplying independent oil operators through distributor stocks has met with wide approval.

Continued increase in the tonnage of ores processed in the United States resulted in rising sales for grinding balls and grinding rods. Use of grinding balls by the cement industry remained at record levels and CF&I maintained an excellent share of this market.

Sales of hot rolled bars for manufactured products used in agriculture, mining and petroleum operations are expected to continue strong.

There was also high demand for the entire wire product line, and with CF&I's strong position in the agriculture market, the outlook continues to be excellent.

Facilities

Facilities installed during CF&I's 1968-73 capital spending program reached full production in 1974. The new electric furnace shop, coke ovens and improved sinter plant achieved or exceeded rated performance early in the year and contributed significantly to improved profit performance.

Expenditures of \$29,927,000 were made during 1974 to further ensure continued profitable operation.

CF&I continued its program to improve air and water quality in the Pueblo area, resulting in an expenditure of \$3,834,000. This included a basic oxygen furnace emission control system and the start-up of a new coke battery. Water brought into the Pueblo plant is reused several times, then treated to meet all state and federal standards before it is discharged.

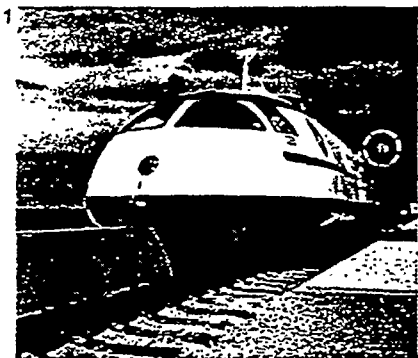
In 1974 CF&I ordered its first continuous caster. It is expected to produce 300,000 tons of billets annually and will be tied in directly to the 125-ton electric furnace that went into operation late in 1973. A second electric furnace, identical to the first in size and capacity, has also been ordered and is expected to come on-line late in 1976.

CF&I's blast furnaces were modified to use coke plant tar as a fuel, thereby fully utilizing energy produced within the Pueblo operations. The rod mill was also modified to operate on oil as well as natural gas and coke oven gas. This provides additional flexibility in the event of future fuel shortages.

Subsidiaries

The development of Minnequa Industrial Park progressed at Pueblo. One new industry started operations and another is expanding its facilities.

CF&I Engineers, Inc., which designs and manufactures machinery used by the sugar industry in this country and overseas, had a good year. Demand for equipment to provide additional capacity and better overall recovery of sugar from beets and cane continues strong.



1. CF&I rail, tie plates and other accessories are used throughout the Department of Transportation's High Speed Ground Test Center in Colorado where research is conducted on advanced ground transportation equipment.

2. When the new electric furnace went into production late in 1973, it replaced the open hearth furnaces built in 1902. These were razed last year, yielding 15,000 tons of steel scrap to be charged into CF&I furnaces.



Building Products

Crane manufactures and distributes plumbing products in the United States and Canada and heating in The Netherlands. It also distributes heating products in North America. Its subsidiaries, Huttig Sash & Door Company and CF&I Steel Corporation, also serve the building and construction industry.

Crane Domestic

During the first half of 1974 plumbing sales were at a high level. Although the commercial plumbing market remained relatively strong throughout the year, total business during the second half declined, reflecting the sharp drop in new housing starts.

During the year Crane introduced a complete line of fiberglass bathing units and a heavier enameled steel tub. Initial customer reaction to these new products has been good.

Crane Supply Company distributes Crane manufactured plumbing and valve products as well as plumbing accessories, heating and other related items for the building and construction markets. Its activities are proportionately greater in the commercial building field, and thus the 1974 results were not seriously affected by the slump in housing starts.

Although some improvement in housing starts may occur in 1975, it is difficult to predict the timing of any major upswing in the residential market.

Crane Canada

Residential, commercial and institutional building activity held up well during 1974 despite a decline in housing starts and new construction awards during the second half. Several new plumbing fixtures were introduced, including a wheelchair lavatory and a fiberglass sitz bath for hospital and paraplegic use.

The performance of the Crane Supply Division in the building products field was outstanding. Results in 1975 will depend on the level of activity in the Canadian construction market,

Crane plumbing was chosen for the Blue Cross, Blue Shield building in Denver, Colorado.

CRTX 0324

which appears to be stronger than in the United States.

Crane International

Sales of malleable fittings and central home heating in The Netherlands are down last year because of the recession in that country. A low level of activity is expected to continue through the first half of 1975.

Huttig Sash & Door Company

The major portion of Huttig's business is in the manufacture and distribution of millwork and building products for residential and apartment construction. The Company's branches are located in the south, southeast, midwest and southwest. Sales and earnings were slightly below the 1973 record results because of the decline in housing starts.

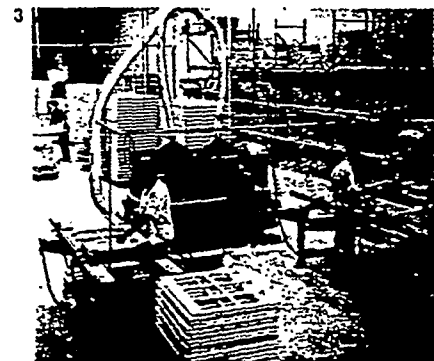
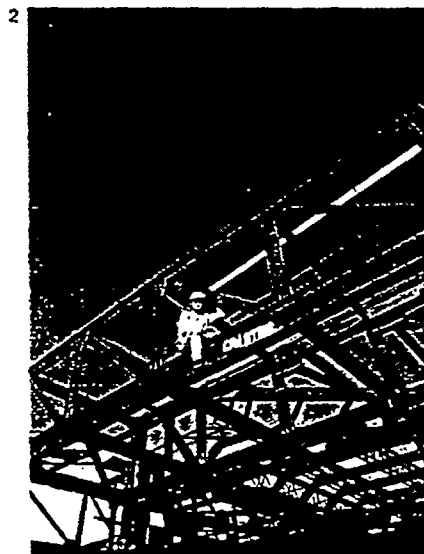
Huttig is giving increased attention to the sale of products that relate to energy savings, such as insulated windows and insulated steel entrance systems. These are gaining wider acceptance and are expected to add significantly to sales volume in the future.

While the long-term outlook for Huttig is favorable, 1975 results will depend upon the availability and cost of mortgage funds for residential and apartment construction.

CF&I Steel Corporation

CF&I supplies structural steel and dozer and scraper blades to the building and construction industry in the western United States through dealers and original equipment manufacturers. Dealer sales were up, and a moderate increase is expected this year.

Fountain Sand & Gravel Company results were disappointing because construction activity was down during the second half of the year. This CF&I subsidiary began construction of a lightweight aggregate plant in Pueblo, and will utilize coal washery wastes from the steel mill in this new product line.



1. Crane Supply Company furnished all the plumbing fixtures in the new St. Joseph Hospital East in Memphis, Tennessee.
2. CF&I Steel supplies a variety of hot rolled bar and structural products used in commercial and industrial construction throughout the Rocky Mountain area.
3. Window units are assembled and finished at Huttig's Rocky Mount, North Carolina, facility.

Aerospace and Aircraft Products

The Hydro-Aire Division designs and manufactures brake control systems, fuel and hydraulic pumps, controls and other accessories and systems used throughout the aerospace industry.

Crane Domestic

Hydro-Aire posted its second consecutive year of record sales and earnings in 1974 despite serious material shortages, higher costs and longer lead times. New foreign sales accounted for the major portion of the increase in business from both military and commercial airplane manufacturers. This also stimulated spare parts sales to support overseas flight operations.

The small twin jet and turboprop aircraft sector of the general aviation market is expanding 15 to 20 per cent yearly, spurred by sales to developing nations and new applications in petroleum exploration, geodetic research and interurban transportation. Hydro-Aire's foothold in this market is firmly established and growing, particularly with certification during 1974 of the new Invermotor fuel pump and combination power brake and anti-skid system on several aircraft.

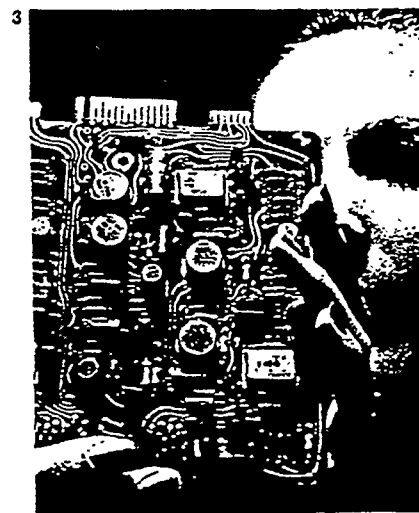
Selection of Hydro-Aire's brake control system for the NASA Space Shuttle was one of the Division's most significant accomplishments during the year. In addition, Hytrol Mark III anti-skid systems were installed in five U.S. military aircraft which are undergoing flight tests. The Boeing 737 and 747 aircraft and the latest Douglas DC9 aircraft are also fitted with these systems. The Douglas DC10 is undergoing certification for selected deceleration and



automatic braking, which provide for smooth, automatic stopping of the aircraft after landing. It is an important safety system when bad weather and short fields are involved.

Continuing its search for new products applicable to the safe operation of aircraft, Hydro-Aire has developed a new wheels-rolling and take-off monitor for large multi-wheel aircraft. This system will monitor the performance of wheels and brakes during take-off, and notify operational personnel of potential problems so that immediate corrective action can be taken.

A high level of new project activity and a healthy backlog portend another successful year for this Division for 1975.



1. The Space Shuttle, under development by NASA as a workhorse spacecraft, will incorporate Hydro-Aire brake and skid control sub-system equipment that controls its stopping capability during the landing after a mission in orbit.

2. Over 85 per cent of the parts Hydro-Aire manufactures are fabricated with tape control machinery. This provides accuracy that meets the aerospace industry's close tolerances.

3. A component of the auto-brake and anti-skid system installed in the Boeing 747.

Directors

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

Thomas M. Evans
Chairman of the Company

Thomas M. Evans, Jr.
Partner, Freiday & Co.
Stockbrokers

Dante C. Fabiani
President of the Company

John D. Garrison
Partner, Lord, Day & Lord
Attorneys at Law

Ruace A. Gimbel
Chairman, Gimbel Brothers, Inc.
Department and Specialty Stores

Lawis B. Harder
Chairman, International Mining Corporation
Mining

James A. Lapham
Director, Bankers Trust New York Corp.,
Bankers Trust Company, H. J. Heinz Co.,
Mobil Oil Corp., and other companies.

Frederic A. Potts
Director and member of Executive Committee,
The Philadelphia National Bank
Banking

Joseph V. Quarles
President, Simmons Company
Manufacturing

Samuel R. Sutphin
Personal Investments

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Chairman

Dante C. Fabiani
President

B. Jack Barnes
Vice President & General Manager—
Hydro-Aire Division

Rudolph L. Biller
Vice President & General Manager—
Crane-U.S.A.

William C. Dackis
Vice President &
Assistant to the President

Robert S. Evans
Vice President—International Operations

Eugene L. Hannon, Jr.
Vice President & General Manager—
Crane Supply Company

Jack L. Huss
Vice President & General Manager—
Plumbing Division

John C. Klein
Vice President & General Manager—
Engineered Products Division

James F. O'Brien, Jr.
Vice President—Finance

Norman Pacun
Vice President, Secretary &
General Counsel

William H. Roberts
Vice President & General Manager—
Valves & Fittings Division

Mark R. Weil
Vice President—Facilities & Real Estate

Jonathan C. Henshaw
Treasurer

R. Kenneth Whitley
Controller

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Continental Illinois National Bank and
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Chicago, Illinois 60690

Registrars of Stock

The Chase Manhattan Bank, N.A.
New York, New York 10015

The First National Bank of Chicago
Chicago, Illinois 60690

Bond Trustees and Disbursing Agents

First National City Bank
New York, New York 10015

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

Auditors

Ernst & Ernst
New York, New York 10005

Executive Offices

Crane Co., 300 Park Avenue
New York, New York 10022

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