FORM 8-K

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CRANE CO /DE/

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Mailing Address	Business Address
CRANE CO.	*CRANE CO.*
100 FIRST STAMFORD PLACE	*100 FIRST STAMFORD PLACE*
STAMFORD CT 06902	*STAMFORD CT 06902*
	203-363-7300

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): January 26, 2009

CRANE CO.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation)

1-1657	**13-1952290**
(Commission File Number)	**(IRS Employer Identification No.)**
100 First Stamford Place, Stamford, CT	**06902**
(Address of principal executive offices)	**(Zip Code)**

Registrant' s telephone number, including area code: (203) 363-7300

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

SECTION 2 – FINANCIAL INFORMATION

Item 2.02 Results of Operations and Financial Condition.

On January 26, 2009, Crane Co. announced its results of operations for the quarter ended December 31, 2008. Copies of the related press release and quarterly financial data supplement are being furnished as Exhibits 99.1 and 99.2 to this Form 8-K.

The information furnished under Item 2.02 of this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, is not deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

SECTION 5 – CORPORATE GOVERNANCE AND MANAGEMENT

Item 5.03(a) Amendment to By-laws.

On January 26, 2009, the Board of Directors voted to amend Article II, Section 9 (“Stockholders−Voting and Proxies”) of the Company’ s By-laws to provide that, in an uncontested election for director, a nominee shall be elected if the votes cast for the nominee’ s election exceed the votes cast against the nominee’ s election. The Board also amended the Company’ s Corporate Governance Guidelines to provide that any director who fails to obtain such a majority of votes will tender his or her resignation from the Board within five days after certification of the shareholder vote, and the Nominating and Governance Committee would then be charged with making a recommendation to the Board as to whether the Board should accept the resignation.

A copy of the text of the amendment is attached to this Current Report on Form 8-K as Exhibit 3.1. Pursuant to the rules of the Securities and Exchange Commission, the complete text of the By-laws as amended will be filed as an exhibit to the Company’ s next periodic report, the 2008 Annual Report on Form 10-K.

SECTION 8 – OTHER EVENTS

Item 8.01 Other Events

Asbestos Liability

Information Regarding Claims and Costs in the Tort System

As of December 31, 2008, the Company was a defendant in cases filed in various state and federal courts alleging injury or death as a result of exposure to asbestos. Activity related to asbestos claims during the periods indicated was as follows:

	Year Ended December 31,		
	2008	2007	2006
Beginning claims	80,999	85,941	89,017
New claims	4,671	3,417	4,853
Settlements*	(1,236)	(1,441)	(1,043)
Dismissals	(9,562)	(6,918)	(6,886)
Ending claims **	74,872	80,999	85,941

* Includes Norris judgment.

** Does not include 36,389 maritime actions that were filed in the United States District Court for the Northern District of Ohio and transferred to the Eastern District of Pennsylvania pursuant to an order by the Federal Judicial Panel on Multi-District Litigation

("MDL"). These claims have been placed on the inactive docket of cases that are administratively dismissed without prejudice in the MDL.

Of the 74,872 pending claims as of December 31, 2008, approximately 25,200 claims were pending in New York, approximately 24,300 claims were pending in Mississippi, approximately 9,300 claims were pending in Texas and approximately 3,600 claims were pending in Ohio, all jurisdictions in which legislation or judicial orders restrict the types of claims that can proceed to trial on the merits.

Substantially all of the claims the Company resolves are concluded through settlements. To date, the Company has paid one judgment arising from an adverse jury verdict in an asbestos matter. That payment, in the amount of $2.54 million, was made on July 14, 2008, approximately two years after the adverse verdict, in the *Joseph Norris* matter in California, after the Company had exhausted all post-trial and appellate remedies. Such judgment amounts are not included in the Company' s incurred costs until available appeals are exhausted and the final payment amount is determined.

During the fourth quarter of 2007 and the first quarter of 2008, the Company tried several cases resulting in defense verdicts by the jury or directed verdicts for the defense by the court. However, on March 14, 2008, the Company received an adverse verdict in the James Baccus claim in Philadelphia, Pennsylvania, with compensatory damages of $2.45 million and additional damages of $11.9 million. The Company' s post-trial motions were denied by order dated January 5, 2009. The Company intends to pursue all available rights to appeal the verdict.

On May 16, 2008 the Company received an adverse verdict in the Chief Brewer claim in Los Angeles, California. The amount of the judgment entered was approximately $679,000 plus interest and costs. The Company is pursuing an appeal in this matter.

The gross settlement and defense costs incurred (before insurance recoveries and tax effects) for the Company in the years ended December 31, 2008, 2007 and 2006 totaled $97.1 million, $87.5 million, $69.1 million, respectively. In contrast to the recognition of settlement and defense costs that reflect the current level of activity in the tort system, cash payments and receipts generally lag the tort system activity by several months or more, and may show some fluctuation from quarter to quarter. Cash payments of settlement amounts are not made until all releases and other required documentation are received by the Company, and reimbursements of both settlement amounts and defense costs by insurers may be uneven due to insurer payment practices, transitions from one insurance layer to the next excess layer and the payment terms of certain reimbursement agreements. The Company' s total pre-tax payments for settlement and defense costs, net of funds received from insurers, in the years ended December 31, 2008, 2007 and 2006 totaled $58.1 million, $10.2 million (reflecting the receipt of $31.5 million in previously escrowed funds from Equitas Limited ("Equitas") in January 2007 and the receipt of $10.0 million for full policy buyout from Employers Reinsurance Company ("ERC") in April 2007), and $40.6 million, respectively. Detailed below are the comparable amounts for the periods indicated.

	Year Ended December 31,			**Cumulative to Date Through December 31,**
(in millions)	**2008**	**2007**	**2006**	**2008**
Settlement / indemnity costs incurred (1)	$45.2	$41.6	$26.3	$ 169.3
Defense costs incurred (1)	51.9	45.9	42.8	214.3
Total costs incurred	$97.1	$87.5	$69.1	$ 383.6
Pre-tax cash payments (2)	$58.1	$10.2	$40.6	$ 194.0

(1) Before insurance recoveries and tax effects.

(2) Net of payments received from insurers, including a $31.5 million payment from Equitas in January 2007 and $10.0 million from ERC in April 2007. Cumulative amounts include certain legal fees and expenses related to the terminated MSA in 2005.

The amounts shown for settlement and defense costs incurred, and cash payments, are not necessarily indicative of future period amounts, which may be higher or lower than those reported.

Effects on the Condensed Consolidated Financial Statements

The Company has retained the firm of Hamilton, Rabinovitz & Associates, Inc. ("HR&A"), a nationally recognized expert in the field, to assist management in estimating the Company' s asbestos liability in the tort system. HR&A reviews information provided by the Company concerning claims filed, settled and dismissed, amounts paid in settlements and relevant claim information such as the nature of the asbestos-related disease asserted by the claimant, the jurisdiction where filed and the time lag from filing to disposition of the claim. The methodology used by HR&A to project future asbestos costs is based largely on the Company' s experience during the two full preceding calendar years (and additional quarterly periods to the estimate date) for claims filed, settled and dismissed. The Company' s experience is then compared to the results of previously conducted epidemiological studies estimating the number of individuals likely to develop asbestos-related diseases. Those studies were undertaken in connection with national analyses of the population of workers believed to have been exposed to asbestos. Using that information, HR&A estimates the number of future claims that would be filed against the Company, as well as the related settlement or indemnity costs that would be incurred to resolve those claims. This methodology has been accepted by numerous courts. After discussions with the Company, HR&A augments its liability estimate for the costs of defending asbestos claims in the tort system using a forecast from the Company which is based upon discussions with its defense counsel. Based on this information, HR&A compiles an estimate of the Company' s asbestos liability for pending and future claims, based on claim experience over the past two to three years and covering claims expected to be filed through the indicated period. Although the methodology used by HR&A will also show claims and costs for subsequent periods (up to and including the endpoint of the asbestos studies referred to above), management believes that the level of uncertainty regarding the various factors used in estimating future asbestos costs is too great to provide for reasonable estimation of the number of future claims, the nature of such claims or the cost to resolve them for years beyond the indicated estimate.

In the Company' s view, the forecast period used to provide the best estimate for asbestos claims and related liabilities and costs is a judgment based upon a number of trend factors, including the number and type of claims being filed each year, the jurisdictions where such claims are filed and the effect of any legislation or judicial orders in such jurisdictions restricting the types of claims that can proceed to trial on the merits and the likelihood of any comprehensive asbestos legislation at the federal level. In addition, the dynamics of asbestos litigation in the tort system have been significantly affected over the past five to ten years by the substantial number of companies that have filed for bankruptcy protection, thereby staying any asbestos claims against them until the conclusion of such proceedings, and the establishment of a number of post-bankruptcy trusts for asbestos claimants, which are estimated to provide $25 billion for payments to current and future claimants. These trend factors have both positive and negative effects on the dynamics of asbestos litigation in the tort system and the related best estimate of the Company' s asbestos liability, and these effects do not move in a linear fashion but rather change over multi-year periods. Accordingly, the Company' s management monitors these trend factors over time and periodically assesses whether an alternative forecast period is appropriate.

Liability Estimate. With the assistance of HR&A, effective as of September 30, 2007, the Company updated and extended its estimate of the asbestos liability, including the costs of settlement or indemnity payments and defense costs relating to currently pending claims and future claims projected to be filed against the Company through 2017. The Company' s previous estimate was for asbestos claims filed through 2011. As a result of this updated estimate, the Company recorded an additional liability of $586 million as of September 30, 2007. The Company' s decision to take this action at such date was based on several factors. First, the number of asbestos claims being filed against the Company has moderated substantially over the past several years, and in the Company' s opinion, the outlook for asbestos claims expected to be filed and resolved in the forecast period is reasonably stable. Second, these claim trends are particularly true for mesothelioma claims, which although constituting only 5% of the Company' s total pending asbestos claims, have accounted for approximately 90% of the Company' s aggregate settlement and defense costs over the past five years. Third, federal legislation that would significantly change the nature of asbestos litigation failed to pass in 2006, and in the Company' s opinion, the prospects for such legislation at the federal level are remote. Fourth, there have been significant actions taken by certain state legislatures and courts over the past several years that have reduced the number and types of claims that can proceed to trial, which has been a significant factor in stabilizing the asbestos claim activity. Fifth, the Company has now entered into coverage-in-place agreements with a majority of its excess insurers, which enables the Company to project a more stable relationship between settlement and defense costs paid by the Company and reimbursements from its insurers. Taking all of these factors into account, the Company believes that it can reasonably estimate the asbestos liability for pending claims and future claims to be filed through 2017. While it is probable that the Company will incur additional charges for asbestos liabilities and defense costs in excess of the amounts currently provided, the Company does not believe that any such amount can be reasonably estimated beyond 2017. Accordingly, no accrual has been recorded for any costs which may be incurred for claims made subsequent to 2017.

Management has made its best estimate of the costs through 2017 based on the analysis by HR&A completed in October 2007. A liability of $1,055 million was recorded as of September 30, 2007 to cover the estimated cost of asbestos claims now pending or subsequently asserted through 2017. The liability is reduced when cash payments are made in respect of settled claims and defense costs. The liability was $930 million as of December 31, 2008, approximately 68% is attributable to settlement and defense costs for future claims projected to be filed through 2017. It is not possible to forecast when cash payments related to the asbestos liability will be fully expended; however, it is expected such cash payments will continue for a number of years past 2017, due to the significant proportion of future claims included in the estimated asbestos liability and the lag time between the date a claim is filed and when it is resolved.

Insurance Coverage and Receivables. Prior to 2005, a significant portion of the Company' s settlement and defense costs were paid by its primary insurers. With the exhaustion of that primary coverage, the Company began negotiations with its excess insurers to reimburse the Company for a portion of its settlement and defense costs as incurred. To date, the Company has entered into agreements providing for such reimbursements, known as "coverage-in-place", with nine of its excess insurer groups. Under such coverage-in-place agreements, an insurer' s policies remain in force and the insurer undertakes to provide coverage for the Company' s present and future asbestos claims on specified terms and conditions that address, among other things, the share of asbestos claims costs to be paid by the insurer, payment terms, claims handling procedures and the expiration of the insurer' s obligations. On March 3, 2008, the Company reached agreement with certain London Market Insurance Companies, North River Insurance Company and TIG Insurance Company, confirming the aggregate amount of available coverage under certain London policies and setting forth a schedule for future reimbursement payments to the Company based on aggregate indemnity and defense payments made. In addition, with four of its excess insurer groups, the Company entered into policy buyout agreements, settling all asbestos and other coverage obligations for an agreed sum, totaling $61.3 million in aggregate. The most recent of these buyouts was reached in October 2008 with Highlands Insurance Company, which currently is in receivership in the State of Texas. The settlement agreement with Highlands was formally approved by the Texas receivership court on December 8, 2008, and Highlands paid the full settlement amount, $14.5 million, to Crane Co. on January 12, 2009. Reimbursements from such insurers for past and ongoing settlement and defense costs allocable to their policies have been made as coverage-in-place and other agreements are reached with such insurers. All of these agreements include provisions for mutual releases, indemnification of the insurer and, for coverage-in-place, claims handling procedures. The Company is in discussions with or expects to enter into additional coverage-in-place or other agreements with other of its solvent excess insurers not currently subject to a settlement agreement whose policies are expected to respond to the aggregate costs included in the updated liability estimate. If it is not successful in concluding such coverage-in-place or other agreements with such insurers, then the Company anticipates that it would pursue litigation to enforce its rights under such insurers' policies.

In conjunction with developing the aggregate liability estimate referenced above, the Company also developed an estimate of probable insurance recoveries for its asbestos liabilities. In developing this estimate, the Company considered its coverage-in-place and other settlement agreements described above, as well as a number of additional factors. These additional factors include the financial viability of the insurance companies, the method by which losses will be allocated to the various insurance policies and the years covered by those policies, how settlement and defense costs will be covered by the insurance policies and interpretation of the effect on coverage of various policy terms and limits and their interrelationships. In addition, the timing and amount of reimbursements will vary because the Company' s insurance coverage for asbestos claims involves multiple insurers, with different policy terms and certain gaps in coverage. In addition to consulting with legal counsel on these insurance matters, the Company retained insurance consultants to assist management in the estimation of probable insurance recoveries based upon the aggregate liability estimate described above and assuming the continued viability of all solvent insurance carriers. After considering the foregoing factors and consulting with legal counsel and such insurance consultants, the Company determined its probable insurance reimbursement rate for the aggregate liability recorded as of September 30, 2007 to be 33%. An asset of $351 million was recorded as of September 30, 2007 representing the probable insurance reimbursement for such claims. The asset is reduced as reimbursements and other payments from insurers are received. The asset was $302 million as of December 31, 2008.

Uncertainties. Estimation of the Company' s ultimate exposure for asbestos-related claims is subject to significant uncertainties, as there are multiple variables that can affect the timing, severity and quantity of claims. The Company cautions that its estimated liability is based on assumptions with respect to future claims, settlement and defense costs based on recent experience during the last few years that may not prove reliable as predictors. A significant upward or downward trend in the number of claims filed, depending on the nature of the alleged injury, the jurisdiction where filed and the quality of the product identification, or a significant upward or downward trend in the costs of defending claims, could change the estimated liability, as would substantial adverse verdicts at trial. A legislative solution or a revised structured settlement transaction could also change the estimated liability.

The same factors that affect developing estimates of probable settlement and defense costs for asbestos-related liabilities also affect estimates of the probable insurance payments, as do a number of additional factors. These additional factors include the financial viability of the insurance companies, the method by which losses will be allocated to the various insurance policies and the years covered by those policies, how settlement and defense costs will be covered by the insurance policies and interpretation of the effect on coverage of various policy terms and limits and their interrelationships. In addition, due to the uncertainties inherent in litigation matters, no assurances can be given regarding the outcome of any litigation, if necessary, to enforce the Company' s rights under its insurance policies.

Many uncertainties exist surrounding asbestos litigation, and the Company will continue to evaluate its estimated asbestos-related liability and corresponding estimated insurance reimbursement as well as the underlying assumptions and process used to derive these amounts. These uncertainties may result in the Company incurring future charges or increases to income to adjust the carrying value of recorded liabilities and assets, particularly if the number of claims and settlement and defense costs change significantly or if legislation or another alternative solution is implemented; however, the Company is currently unable to estimate such future changes. Although the resolution of these claims may take many years, the effect on results of operations and financial position in any given period from a revision to these estimates could be material.

SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01. Financial Statements and Exhibits.

(a) None

(b) None

(c) None

(d) Exhibits

3.1 Amendment to By-laws.

99.1 Earnings Press Release dated January 26, 2009, issued by Crane Co.

99.2 Crane Co. Quarterly Financial Data Supplement for the quarter ended December 31, 2008

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CRANE CO.

Dated: January 26, 2009

By: /s/ Timothy J. MacCarrick

Timothy J. MacCarrick

Vice President, Finance and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
3.1	Amendment to By-laws.
99.1	Earnings Press Release dated January 26, 2009, issued by Crane Co.
99.2	Crane Co. Quarterly Financial Data Supplement for the quarter ended December 31, 2008.

Exhibit 3.1

The following is the text of an amendment to the By-laws of Crane Co., effective January 26, 2009. Deleted matter is struck through; new matter is shown in bold face and underlined.

ARTICLE II

Stockholders

Section 9. Voting and Proxies. Each holder of Common Stock shall be entitled to one vote per share held of record upon each matter on which stockholders generally are entitled to vote.

At all meetings of stockholders, a stockholder entitled to vote may vote in person or by proxy executed in writing by the stockholder or by his duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting. Unless otherwise provided by law, all questions touching the validity or sufficiency of the proxies shall be decided by the Secretary.

~~Directors shall be elected by a plurality of the votes cast at an election.~~

Except as provided in Section 3 of Article III of these By-laws, a nominee for director shall be elected if the votes cast for such nominee' s election exceed the votes cast against such nominee' s election; provided, however, that the directors shall be elected by a plurality of the votes cast at any meeting of stockholders for which (i) the Secretary of the Corporation receives a notice that a stockholder has nominated a person for election to the Board of Directors in compliance with the advance notice requirements for stockholder nominees for director set forth in Section 12 of Article II of these By-laws and (ii) such nomination has not been withdrawn by such stockholder on or prior to the fourteenth day preceding the date the Corporation first mails its notice of meeting for such meeting to the stockholders.

All other action (unless a greater plurality is required by law or by the Certificate of Incorporation or by these By-laws) shall be authorized by a majority of the votes cast by the holders of shares entitled to vote thereon, present in person or represented by proxy, and where a separate vote by class is required, by a majority of the votes cast by stockholders of such class, present in person or represented by proxy.

Crane Co. **NEWS**

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CRANE CO. REPORTS FOURTH QUARTER '08 RESULTS; PROVIDES 2009 EPS GUIDANCE OF $2.10 TO $2.40

STAMFORD, CONNECTICUT – January 26, 2009 - Crane Co. (NYSE: CR), a diversified manufacturer of highly engineered industrial products, reported a fourth quarter 2008 net loss of $8.3 million, or $0.14 per diluted share, compared with fourth quarter 2007 net income of $45.2 million, or $0.74 per share. Fourth quarter 2008 results were adversely impacted by an after-tax restructuring charge of $25.7 million ($0.44 per share) and an after-tax environmental provision of $15.8 million ($0.27 per share), as detailed below. Excluding special items in both years, fourth quarter 2008 net income was $33.2 million, or $0.56 per diluted share, compared to $47.3 million, or $0.77 per diluted share in the fourth quarter of 2007. (Please see the attached Non-GAAP Financial Measures table.)

Fourth quarter 2008 sales decreased $76.7 million, or 12%, including a core business decline of $46.3 million (7%) and unfavorable foreign currency translation of $41.2 million (6%), partially offset by an increase in sales from acquired businesses of $10.8 million (1%).

Net income for the full year 2008 was $135.2 million, or $2.24 per diluted share. For the full year 2007, the Company reported a net loss of $62.3 million, or $1.04 per share, which included certain special items including a provision of $4.22 per share to extend its asbestos liability from 2011 to 2017. Excluding special items in 2007 and 2008, full year 2008 net income was $176.7 million, or $2.93 per diluted share, compared to $195.1 million, or $3.19 per diluted share in 2007. (Please see the attached Non-GAAP Financial Measures table.)

Total sales in 2008 were $2.6 billion, essentially flat with 2007 levels. Full year 2008 core business sales decreased $51.7 million (2%) partially offset by an increase in sales from acquired businesses of $31.9 million (1%) and favorable foreign currency translation of $5.0 million.

Order backlog at December 31, 2008 was $782 million, slightly higher than the September 30, 2008 backlog of $779 million and 9% higher than the December 31, 2007 backlog of $720 million.

Special Items in Fourth Quarter 2008

In October 2008, the Company announced it would take steps to reduce costs, and that such actions could result in a fourth quarter pretax charge of up to $25 million (the "Restructuring Program"). In light of further deterioration in the U.S. and global economy and its impact on Crane's end markets during the fourth quarter, the Company expanded the scope and size of the Restructuring Program, resulting in a charge of $40.7 million pretax ($25.0 million cash and $15.7 million non-cash; $25.7 million after-tax, or $0.44 per share). The restructuring actions reflect a broad-based program to align the Company's cost base to market conditions, and include several facility consolidations, severance and other related costs. The Company expects to record approximately $15 million pretax ($10 million after-tax, $0.16 per share) of additional charges in 2009 associated with the 2008 Restructuring Program and integration expenses associated with the

Krombach acquisition. During the fourth quarter, the Company also increased its environmental liability for its Superfund site in Goodyear, Arizona, by $24.3 million pretax ($15.8 million after-tax or $0.27 per share) reflecting additional remediation costs through 2014, resulting from changed site conditions during the latter part of 2008. (Please see the Non-GAAP Financial Measures table for additional details on special items.)

Cash Flow and Financial Position

Cash provided by operating activities was $60.9 million in the fourth quarter of 2008, compared to $86.5 million in the fourth quarter of 2007. During the quarter, the Company repurchased 1,333,406 shares of its common stock ($20.0 million), completed the acquisition of the Krombach group ($48.5 million), made capital expenditures ($11.5 million) and paid a quarterly dividend ($11.7 million).

The Company' s cash position was $232 million at December 31, 2008, down from $283 million at December 31, 2007. Significant cash flow items for 2008 were: cash provided by operating activities ($191.4 million), capital expenditures ($45.1 million), payments for acquisitions ($76.5 million), dividends paid ($45.2 million), common shares acquired on the open market ($60.0 million), and the unfavorable effect of exchange rates on cash and cash equivalents ($29.6 million). (Please see the Condensed Statement of Cash Flows and the Non-GAAP Financial Measures table.)

"Crane, like many of our peer companies, saw significant deterioration in demand across several segments of our businesses in the fourth quarter as a result of the worldwide recession," said Crane Co. president and chief executive officer Eric C. Fast.

“Excluding special items, our full year 2008 earnings per share slightly exceeded our October guidance range of $2.75-$2.90, and our free cash flow of $146 million exceeded our guidance of $130 million. We have taken and will continue to take important steps to reduce costs, and we estimate that the Restructuring Program, together with an anticipated reduction in Aerospace engineering spending and other general cost efforts will result in pretax year-over-year savings approaching $75 million in 2009.

“With $232 million in cash, $300 million available under our revolving bank credit agreement, and no near-term debt maturities, we have a strong liquidity position as we enter 2009. This will allow us to continue to fund targeted internal growth opportunities and make selective acquisitions, such as our recently completed Delta Fluid Products and Krombach acquisitions, which strengthen our existing businesses. The wide range of our 2009 earnings per share guidance of $2.10 - $2.40 reflects considerable uncertainty about the global economy.”

Segment Results All comparisons detailed in this section refer to the fourth quarter 2008 versus the fourth quarter 2007, excluding restructuring charges.

Aerospace & Electronics

(dollars in millions)	Fourth Quarter 2008	Fourth Quarter 2007	Change	
Sales	$154.6	$161.3	$(6.7)	(4)%
Operating Profit Before Restructuring	$10.8	$17.7	$(6.9)	(39)%
Profit Margin before Restructuring	7.0 %	11.0 %		

The fourth quarter 2008 sales decrease of $6.7 million reflected a sales decrease of $1.7 million in the Aerospace Group and a decrease of $5.0 million in the Electronics Group. Segment operating profit declined by $6.9 million primarily as a result of a $7.1 million increase in engineering expenses related to products for the Boeing 787 and Airbus A400M programs.

The Aerospace & Electronics segment backlog was $418 million at December 31, 2008, flat to $418 million on September 30, 2008 and an increase of 6% over $393 million at December 31, 2007.

Engineered Materials

(dollars in millions)	Fourth Quarter 2008	Fourth Quarter 2007	Change	
Sales	$41.5	$74.8	$(33.3)	(45)%
Operating Profit (Loss) Before Restructuring	$(0.8)	$8.6	$(9.4)	(110)%
Profit (Loss) Margin Before Restructuring	(2.0)%	11.5%		

Reflecting further weakening demand from recreational vehicle, transportation and, to a lesser extent, building products end markets, segment sales were down $33.3 million, or 45%. The operating loss of $0.8 million in the fourth quarter reflected significantly lower sales. As a result of declining demand during 2008, employment has been reduced by 34% compared to year-end 2007 levels and other cost reduction initiatives are being implemented as part of the Restructuring Program.

Merchandising Systems

	Fourth Quarter		Change	
(dollars in millions)	**2008**	**2007**		
Sales	$78.2	$91.8	$(13.6)	(15)%
Operating Profit Before Restructuring	$2.8	$8.4	$(5.6)	(67)%
Profit Margin Before Restructuring	3.6 %	9.1 %		

Because of the economic downturn, total Merchandising Systems sales declined $13.6 million, or 15%, reflecting a sharp decline in Vending sales during the quarter and, to a lesser extent, a sales decline in the Payment Solutions businesses. While margins in Payment Systems improved, operating profit decreased $5.6 million primarily as a result of the sales decline in Vending.

Fluid Handling

(dollars in millions)	Fourth Quarter 2008	2007	Change	
Sales	$278.7	$300.9	$(22.2)	(7)%
Operating Profit before Restructuring	$38.8	$38.2	$0.6	2 %
Profit Margin before Restructuring	13.9 %	12.7 %		

Fourth quarter 2008 sales decreased $22.2 million, or 7%, including unfavorable foreign currency translation of $32.3 million (11%) and a decline of $0.7 million of core sales, partially offset by sales from acquired businesses, net of $10.8 million (4%). Profit margins increased to 13.9% from 12.7%, as pricing discipline, productivity and a favorable sales mix more than offset the effects of unfavorable foreign exchange and slightly lower core sales volume.

In December 2008, the Company purchased all of the capital stock of the Krombach group, of Kreuztal, Germany, a leading manufacturer of specialty valve flow solutions for the power, oil and gas, and chemical markets. The purchase price was $51 million in cash and the assumption of approximately $18 million of net debt. In addition to a manufacturing and headquarters location in Germany, Krombach has foundry, machining and assembly facilities in Slovenia and China. Krombach' s full-year 2008 sales were approximately $100 million. This acquisition will significantly strengthen and broaden Crane' s product offering in our global power and energy infrastructure business, particularly for larger diameter, highly-engineered valves.

The Fluid Handling segment backlog was $303 million at December 31, 2008, an increase of 6% from $286 million at September 30, 2008, and an increase of 25% over $243 million at December 31, 2007, in large part reflecting the backlog associated with the Krombach acquisition in December 2008.

Controls

(dollars in millions)	Fourth Quarter 2008	Fourth Quarter 2007	Change	
Sales	$36.3	$37.1	$(0.8)	(2)%
Operating Profit Before Restructuring	$3.8	$1.6	$2.2	142%
Profit Margin before Restructuring	10.5%	4.2 %		

Fourth quarter 2008 sales declined $0.8 million. Operating profit increased $2.2 million primarily reflecting margin expansion in certain Controls businesses and the absence of integration expenses related to the acquisition of the Mobile Rugged Business division of Kontron America, Inc. in 2007.

Full Year 2009 Guidance

Core revenue for 2009 is expected to decline approximately 7%, with lower demand anticipated across each of the five business segments.

Our 2009 earnings per share guidance of $2.10 - $2.40 reflect considerable uncertainty about the global economy and the timing and ultimate impact of worldwide fiscal and monetary stimulus packages. Free cash flow is expected to exceed the $146 million achieved in 2008. (Please see Non-GAAP table) The guidance reflects headwinds from pension expense and foreign exchange, and assumes an estimated annual tax rate of approximately 30%. The guidance includes an expected additional charge in 2009 of approximately $15 million pretax ($10 million after-tax, $0.16 per share, all cash) related to the Restructuring Program, and integration costs associated with the Krombach acquisition. The guidance also assumes that development activities in connection with the current design of the Boeing 787 brake control system will be substantially completed in the spring of 2009 resulting in a decrease in Aerospace engineering spending. The Company noted that its earnings in the first half of 2009 are expected to be substantially lower than the second half of the year reflecting the very difficult current economic conditions and because the full benefit of the cost savings initiatives, restructuring efforts and the anticipated reduction in Aerospace engineering spending will not be realized until the latter part of 2009.

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

Conference Call

Crane Co. has scheduled a conference call to discuss the fourth quarter' s financial results on Tuesday, January 27, 2009 at 10:00 A.M. (Eastern). All interested parties may listen to a live webcast of the call at http://www.craneco.com. An archived webcast will also be available to replay this conference call directly from the Company' s website.

Crane Co. Investor Day

The Company will hold its annual investor conference on Thursday, February 19 in New York City from 8:30 am to noon. It will be available on the web at www.craneco.com.

Crane Co. is a diversified manufacturer of highly engineered industrial products. Founded in 1855, Crane provides products and solutions to customers in the aerospace, electronics, hydrocarbon processing, petrochemical, chemical, power generation, automated merchandising, transportation and other markets. The Company has five business segments: Aerospace & Electronics, Engineered Materials, Merchandising Systems, Fluid Handling, and Controls. Crane has approximately 12,000 employees in North America, South America, Europe, Asia and Australia. Crane Co. is traded on the New York Stock Exchange (NYSE:CR). For more information, visit www.craneco.com.

This press release may contain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These statements present management's expectations, beliefs, plans and objectives regarding future financial performance, and assumptions or judgments concerning such performance. Any discussions contained in this press release, except to the extent that they contain historical facts, are forward-looking and accordingly involve estimates, assumptions, judgments and uncertainties. There are a number of factors that could cause actual results or outcomes to differ materially from those addressed in the forward-looking statements. Such factors are detailed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 and subsequent reports filed with the Securities and Exchange Commission.

(Financial Tables Follow)

Exhibit 99.2

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

	Three Months Ended December 31, 2008	Three Months Ended December 31, 2007	Twelve Months Ended December 31, 2008	Twelve Months Ended December 31, 2007
Net Sales:				
Aerospace & Electronics	$154,563	$161,296	$638,658	$628,859
Engineered Materials	41,550	74,850	255,434	331,030
Merchandising Systems	78,229	91,838	401,577	388,227
Fluid Handling	278,666	300,860	1,161,887	1,135,843
Controls	36,271	37,119	146,751	135,212
Total Net Sales	$589,279	$665,963	$2,604,307	$2,619,171
Operating Profit (Loss)*:				
Aerospace & Electronics	$10,760	$17,695	$56,138	$86,176
Engineered Materials	(825)	8,626	23,339	58,339
Merchandising Systems	2,785	8,386	45,146	39,684
Fluid Handling	38,809	38,154	165,042	140,168
Controls	3,801	1,570	11,925	9,901
Corporate**	(9,034)	(9,837)	(39,056)	(51,945)

Restructuring	(40,703)	19,083	(40,703)	19,083
Environmental Provision	(24,342)	(18,912)	(24,342)	(18,912)
Asbestos Provision	–	0	–	(390,150)
Total Operating Profit (Loss)	(18,749)	64,765	197,489	(107,656)
Interest Income	1,884	2,422	10,263	6,259
Interest Expense	(6,563)	(6,790)	(25,799)	(27,404)
Miscellaneous- Net	21	6,313	1,899	9,906
Income (Loss) Before Income Taxes	(23,407)	66,710	183,852	(118,895)
Provision for Income Taxes	(15,096)	21,483	48,694	(56,553)
Net Income (Loss)	$(8,311)	$45,227	$135,158	$(62,342)
Share Data:				
Net Income (Loss) per Diluted Share	$(0.14)	$0.74	$2.24	$(1.04)
Average Diluted Shares Outstanding	59,165	61,221	60,298	60,037
Average Basic Shares Outstanding	59,165	60,093	59,667	60,037
Supplemental Data:				
Operating Profit (Loss) amounts include restructuring				
Cost of Sales - Operations	$408,476	$454,597	$1,751,036	$1,776,157
Asbestos Provision	–	–	–	390,150

Environmental Provision	24,342	18,912	24,342	18,912
Restructuring Loss (Gain)	40,703	(19,083)	40,703	(19,083)
Selling, General & Administrative	134,507	146,772	590,737	560,691
Depreciation and Amortization***	13,197	16,570	57,162	61,310
Stock Compensation Expense	2,880	4,074	13,327	15,247

* Segment and Corporate operating profit excludes restructuring charges totaling $40.7 million recorded in the three and twelve months ended December 31, 2008 and a restructuring gain of $19.1 million recorded in the three and twelve months ended December 31, 2007.

** Operating profit for the twelve months of 2007 includes a $7.6 million provision for a legal settlement.

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

CRANE CO.
Condensed Balance Sheets
(in thousands)

	December 31, 2008	December 31, 2007
ASSETS		
Current Assets		
Cash and Cash Equivalents	$231,840	$283,370
Accounts Receivable	334,263	345,176
Current Insurance Receivable - Asbestos	41,300	33,600
Inventories	349,926	327,719
Other Current Assets	63,911	47,757
Total Current Assets	1,021,240	1,037,622
Property, Plant and Equipment	290,814	289,683
Long-Term Insurance Receivable - Asbestos	260,660	306,557
Long-Term Deferred Tax Assets	233,165	220,370
Other Assets	187,377	256,510
Goodwill	781,232	766,550
Total Assets	$2,774,488	$2,877,292
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		

Notes Payable and Current Maturities of Long-Term Debt	$16,622	$548
Accounts Payable	182,147	177,978
Current Asbestos Liability	91,000	84,000
Accrued Liabilities	246,915	230,295
Income Taxes	1,980	731
Total Current Liabilities	538,664	493,552
Long-Term Debt	398,479	398,301
Deferred Tax Liability	22,971	31,880
Long-Term Asbestos Liability	839,496	942,776
Other Liabilities	229,057	117,586
Minority Interest	7,759	8,394
Shareholders' Equity	738,062	884,803
Total Liabilities and Shareholders' Equity	$2,774,488	$2,877,292

CRANE CO.

Condensed Statements of Cash Flows

(in thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008	2007	2008	2007
Operating Activities:				
Net income (loss)	$(8,311)	$45,227	$135,158	$(62,342)
Asbestos provision	–	–	–	390,150
Environmental provision	24,342	18,912	24,342	18,912
Restructuring - Non Cash	15,745	(27,838)	15,745	(27,838)
Gain on sale of joint venture	–	(4,144)	–	(4,144)
Income from joint venture	–	(1,524)	–	(5,322)
(Gain) loss on divestitures	–	–	(932)	975
Depreciation and amortization	13,197	16,570	57,162	61,310
Stock-based compensation expense	2,880	4,074	13,327	15,247
Deferred income taxes	(56,558)	27,602	(33,919)	(112,641)
Cash provided by (used for) operating working capital	52,995	32,210	17,560	(7,322)
Other	39,806	(7,065)	21,032	(23,954)
Subtotal	84,096	104,024	249,475	243,031
Asbestos related payments, net of insurance recoveries	(23,168)	(17,509)	(58,083)	(10,198)
Total provided by operating activities	60,928	86,515	191,392	232,833

Investing Activities:				
Capital expenditures	(11,478)	(13,757)	(45,136)	(47,169)
Proceeds from sale of equity investment	–	32,996	–	32,996
Proceeds from disposition of capital assets	1,143	36,827	1,871	48,437
Proceeds from divestitures	–	–	2,106	2,005
Payment for acquisition, net of cash acquired	(48,518)	(332)	(76,527)	(65,498)
Total (used for) provided by investing activities	(58,853)	55,734	(117,686)	(29,229)
Financing Activities:				
Dividends paid	(11,682)	(10,823)	(45,203)	(39,651)
Reacquisition of shares on the open market	(20,001)	–	(60,001)	(50,001)
Stock options exercised - net of shares reacquired	251	4,955	8,955	15,057
Excess tax benefit from stock-based compensation	608	2,897	1,996	6,978
Net decrease in short-term debt	(1,782)	(24,184)	(1,371)	(8,992)
Total used for financing activities	(32,606)	(27,155)	(95,624)	(76,609)
Effect of exchange rate on cash and cash equivalents	(16,060)	6,028	(29,612)	17,768
Increase (decrease) in cash and cash equivalents	(46,591)	121,122	(51,530)	144,763
Cash and cash equivalents at beginning of period	278,431	162,248	283,370	138,607
Cash and cash equivalents at end of period	$231,840	$283,370	$231,840	$283,370

CRANE CO.
Order Backlog
(in thousands)

	December 31, 2008	September 30, 2008	December 31, 2007
Aerospace & Electronics	$ 418,382	$ 418,317	$ 392,822
Engineered Materials	6,942	11,035	14,802
Merchandising Systems	23,407	25,676	34,093
Fluid Handling	302,653	285,988	242,591
Controls	30,509	37,816	35,273
Total Backlog	$ 781,893	$ 778,832	$ 719,581

CRANE CO.
Non-GAAP Financial Measures
(in thousands, except for per share amounts)

	Three Months Ended December 31,		Twelve Months Ended December 31,		Percent Change December 31, 2008	
	2008	2007	2008	2007	Three Months	Twelve Months
INCOME ITEMS:						
Net Sales	$589,279	$665,963	$2,604,307	$2,619,171	-11.5 %	-0.6 %
Operating Profit (Loss)	(18,749)	64,765	197,489	(107,656)		
Special Items impacting Operating Profit:						
Asbestos Provision - Pre-Tax (a)				390,150		
Government Settlement - Pre-Tax (b)				7,600		
Restructuring Charge - Pre-Tax (c)	40,703		40,703			
Foundry Restructuring - Pre-Tax (d)		(19,083)		(19,083)		
Environmental Provision - Pre-Tax (e)	24,342	18,912	24,342	18,912		
Operating Profit before Special Items	$46,296	$64,594	$262,534	$289,923	-28.3 %	-9.4 %
Percentage of Sales	*7.9 %*	*9.7 %*	*10.1 %*	*11.1 %*		
Net Income (Loss)	$(8,311)	$45,227	$135,158	$(62,342)		
Per Share	*$(0.14)*	*$0.74*	*$2.24*	*$(1.04)*		
Special Items impacting Net Income:						
Asbestos Provision - Net of Tax (a)		3,597		253,597		

Per Share		*$0.06*		*$4.22*		
Government Settlement - Net of Tax (b)				5,396		
Per Share				*$0.09*		
Restructuring Charge - Net of Tax (c)	25,737		25,737			
Per Share	*$0.44*		*$0.43*			
Foundry Restructuring - Net of Tax (d)		(18,402)		(18,402)		
Per Share		*$(0.30)*		*$(0.31)*		
Environmental Provision - Net of Tax (e)	15,822	12,293	15,822	12,293		
Per Share	*$0.27*	*$0.20*	*$0.26*	*$0.20*		
Gain on Sale of Partnership Interest - Net of Tax (f)		(5,846)		(5,846)		
Per Share		*$(0.10)*		*$(0.10)*		
Tax Provision on Undistributed Foreign Earnings (g)		10,400		10,400		
Per Share		*$0.17*		*$0.17*		
Net Income before Special Items	$33,248	$47,269	$176,717	$195,096	-29.7 %	-9.4 %
Per Basic Share	*$0.56*	*$0.79*	*$2.96*	*$3.25*		
Per Diluted Share	*$0.56*	*$0.77*	*$2.93*	*$3.19*		

In the three months ended December 31, 2008 and the twelve months ended December 31, 2007, Average Shares Outstanding excluding the effect of diluted stock options were used to compute the per share amounts since both periods were in a loss position. Had net income been reported for these periods, Average Shares Outstanding would have included the effect of diluted stock options when computing per share amounts (see chart below).

Average Basic Shares Outstanding	59,165	60,037
Effect of Diluted Stock Options	152	1,093
Average Shares Outstanding including the effect of Stock Options	59,317	61,130

When considering the effect of dilutive stock options on shares outstanding, Net Income before Special Items is $0.56 per share for the three months ended December 31, 2008 and $3.19 for the twelve months ended December 31, 2007, respectively.

(a) During the three months ended September 30, 2007, the Company recorded an Asbestos Provision.

(b) During the three months ended June 30, 2007, the Company recorded a settlement with the US Government.

(c) During the three months ended December 31, 2008, the Company recorded a restructuring charge in connection with initiatives to reduce its cost structure.

(d) During the three months ended December 31, 2007, the Company recorded a net restructuring gain related to the consolidation of its remaining foundry operations in the UK and Canada.

(e) During the three months ended December 31, 2008 and 2007, the Company recorded a charge related to an increase in the Company' s expected liability at its Goodyear, AZ Superfund site.

(f) During the three months ended December 31, 2007, the Company recorded a gain on the sale of its share of the Industrial Motion Control, LLC joint venture.

(g) During the three months ended December 31, 2007, the Company recorded an income tax provision related to the potential repatriation of foreign cash.

CRANE CO.

Non-GAAP Financial Measures

(in thousands, except for per share amounts)

	December 31, 2008	December 31, 2007
BALANCE SHEET ITEMS		
Notes Payable and Current Maturities of Long-Term Debt	$16,622	$548
Long-Term Debt	398,479	398,301
Total Debt	415,101	398,849
Less: Cash and Cash Equivalents	(231,840)	(283,370)
Net Debt	183,261	115,479
Shareholders' Equity	738,062	884,803
Net Capitalization	$921,323	$1,000,282
Percentage of Net Debt to Net Capitalization	19.9 %	11.5 %

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008	2007	2008	2007
CASH FLOW ITEMS				
Cash Provided from Operating Activities before Asbestos - Related Payments	$84,096	$104,024	$249,475	$243,031
Asbestos Related Payments, Net of Insurance Recoveries	(23,168)	(17,509)	(58,083)	(41,698)
Equitas Receipts	–	–	–	31,500
Cash Provided from Operating Activities	60,928	86,515	191,392	232,833
Less: Capital Expenditures	(11,478)	(13,757)	(45,136)	(47,169)

Free Cash Flow	$49,450	$72,758	$146,256	$185,664

Certain non-GAAP measures have been provided to facilitate comparison with the prior year.

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that non-GAAP financial measures which exclude certain non-recurring items present additional useful comparisons between current results and results in prior operating periods, providing investors with a clearer view of the underlying trends of the business. Management also uses these non-GAAP financial measures in making financial, operating, planning and compensation decisions and in evaluating the Company' s performance. In addition, Free Cash Flow provides supplemental information to assist management and investors in analyzing the Company' s ability to generate positive cash flow. Non-GAAP financial measures, which may be inconsistent with similarly captioned measures presented by other companies, should be viewed in addition to, and not as a substitute for, the Company' s reported results prepared in accordance with GAAP.