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## Crane Co. Q2 2008 Earnings Call

### Question-and-Answer Session

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Thank you. [Operator Instructions]. We'll go first to Shannon O'Callaghan with Lehman Brothers.

**Shannon O'Callaghan - Lehman Brothers**

Good morning, guys.

**Eric C. Fast - President and Chief Executive Officer**

Good morning, Shannon.

**Shannon O'Callaghan - Lehman Brothers**

Eric, first on the guidance. I think you said in your remarks that it includes \$0.97 in 2Q, I mean I guess I would have thought, you called out the nickel benefit and talked about \$0.93 as an adjusted number. Is there a reason why you're including this in the annual guidance?

**Eric C. Fast - President and Chief Executive Officer**

Well a couple of things first off, we had a big debate here whether or not to include it in the [Indiscernible] and do the non-GAAP table, and I just felt that they were large enough that given our transparency we should include them.

Secondly, we worked really hard on the recoveries and they do represent a cost that we previously had in the past.

And thirdly, in the future, going forward there will be some albeit, modest cost that get recovered on a going forward basis, probably not enough to break out. And in addition, we have some planned expenditures for remediation activity that will be expensed going forward. So as we looked at it, our judgment was to look at the \$0.97.

**Shannon O'Callaghan - Lehman Brothers**

Okay. And I mean as you look forward to give? what the expenses in the future, I guess benefits, I mean is this going to be a number that moves considerably year-to-year?

**Eric C. Fast - President and Chief Executive Officer**

No. In fact, I don't, the expenditures that we're going to have or going to recover in the next couple of years could be up to a couple of million dollars for example. But I am not going to break them out.

**Shannon O'Callaghan - Lehman Brothers**

Okay.

**Eric C. Fast - President and Chief Executive Officer**

It's a judgment call and we just felt we had to be transparent about it. But we worked hard to get to recoveries.

**Shannon O'Callaghan - Lehman Brothers**

Okay. On Merchandising Systems, I mean those margins obviously really strong. I mean were they... can you talk about a little bit of the drivers behind that and were they a surprise to you?

**Eric C. Fast - President and Chief Executive Officer**

I would not characterize them as a surprise to us. We are continuing to see very good global demand for our Payment Solutions business. As I mentioned, we haven't got any adverse regulatory changes, we're seeing excellent acceptance of our new products. And that business is a much higher... has been historically and continues to be a much higher margin business than our... of any business.

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