

## Seeking Alpha $\alpha$

# Crane Co. Q1 2009 Earnings Call Transcript

## Question-and-Answer Session

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### Operator

(Operator Instructions) Our first question comes from Shannon O'Callaghan – Barclays.

### Shannon O'Callaghan – Barclays

Can you give us a little more flavor on your new expectation for core sales? You're saying worse than the down seven-year expected, but you mentioned, 1Q down 16. It sounds like the orders were down more than that. Do you expect that kind of trend to continue? Do you expect it to get worse from 1Q, better from 1Q and what drives that?

### Eric Fast

We're not going to give out a specific on [guidance] but our view is that we – our thinking is that the rate of decline was slow as we go through the year. That's what we currently have pretty much in our forecast, and we're adjusting our cost base to accommodate that.

### Shannon O'Callaghan – Barclays

You mentioned a few markets that are in fluid handling, where are you seeing the biggest drop off?

### Eric Fast

We are globally seeing delays in significant major projects, and we're seeing a reduction in our daily MRO out flows both in Europe and here in the U. S.

### Shannon O'Callaghan – Barclays

Any particular end-markets that are weaker than others?

### Eric Fast

No. Pretty much across the board. Pretty much across the board. Refineries, if you think about it, spreads are thin in refineries, the chemical plants, power plants. It's pretty much across the board because of the downturn in demand and the credit [space].

### Shannon O'Callaghan – Barclays

On aerospace, we've got two things going in opposite directions a little bit. On the one hand, it sounds like you've got this modification hanging out there which may require you to do more work. On the other hand, you're apparently ahead of plan on the existing set of breaks because you're

reducing the R&D. So can you flush that out a little bit? Any more color on what's driving this required modification? I mean is the version you've done really completely up to customer requirements? Are there still issues with that? Where do you stand?

**Eric Fast**

Our version that we're currently working on meets all of the originally specified requirements. We're going to meet first flight. It's TIA. We're in solid shape there. The differences on the new request for a new [break] control which has new requirements and our position remains the same that we're not prepared to do without customer funding. There's not really been a change in this since our last quarterly call or our February update.

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