

Crane Group Limited

(ABN 91 008 410 302)

Appendix 4E

Preliminary Final Report

Financial year ended 30 June 2010

RESULTS FOR ANNOUNCEMENT TO THE MARKET

		<u>\$000</u>
Total revenue	Down 12.0% to	<u>1,863,399</u>
Profit attributable to members of Crane Group Limited		
Profit after tax but before significant items attributable to members	Down 34.7% to	<u>36,835</u>
Significant item (losses)/gains after tax attributable to members		<u>(4,938)</u>
Net profit after tax attributable to members	Down 26.8% to	<u>31,897</u>

Dividends on ordinary securities

	Record date	Payment date	Amount per security	Franked amount per security (at 30%)	Total Dividend \$'000
Final 2010 dividend*	16 Aug 2010	30 Sept 2010	22.0 cents	22.0 cents	17,223
Final 2009 dividend - previous corresponding period			28.0 cents	28.0 cents	21,592

* The last date for receipt of election notices to participate in the Crane Group Limited Dividend Reinvestment Plan ("DRP") for the current dividend is 16 August 2010. The DRP share price will be determined over the period 19 August to 1 September 2010 inclusive and the DRP discount will be 2.5%. There is no foreign conduit income attributed to the dividend.

Explanation of results

Please refer to the separate "Commentary on preliminary full year results to 30 June 2010" dated 2 August 2010 for an explanation of the results for the current year.



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(ABN 91 008 410 302)

Appendix 4E

Preliminary Final Report

For the year ended

30 June 2010



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Consolidated income statement
For the year ended 30 June

	Note	2010 \$000	2009 \$000
Revenue		1,863,399	2,118,349
Expenses	3	<u>(1,801,382)</u>	<u>(2,048,452)</u>
Result from operating activities		62,017	69,897
Financial income		397	1,053
Financial expense		<u>(19,850)</u>	<u>(30,912)</u>
Net financing costs		(19,453)	(29,859)
Share of profit of equity accounted investments (net of tax)	7	<u>5,707</u>	15,930
Profit before tax for the year		48,271	55,968
Income tax expense	4	<u>(16,345)</u>	<u>(12,369)</u>
Profit for the year		31,926	43,599
Profit for the year attributable to:			
Equity holders of Crane Group Limited		31,897	43,566
Minority interest		<u>29</u>	<u>33</u>
Profit for the year		31,926	43,599
Earnings per security (EPS)			
Basic EPS attributable to ordinary equity holders (cents per share)		<u>41.7</u>	<u>63.9</u>
Diluted EPS attributable to ordinary equity holders (cents per share)		<u>40.9</u>	<u>62.8</u>

The consolidated income statement is to be read in conjunction with the condensed notes to the preliminary final report.



Consolidated statement of comprehensive income
For the year ended 30 June

	2010 \$000	2009 \$000
Profit for the year	31,926	43,599
Other comprehensive income, net of income tax		
Net movement in hedging reserve	3,423	(4,745)
Defined benefit plan actuarial gain/(loss)	286	(849)
Gain on sale of treasury shares	-	33
Foreign currency difference on translation	940	2,922
Total other comprehensive income for the year	4,649	(2,639)
Total comprehensive income for the year	36,575	40,960
Total comprehensive income for the year attributable to:		
Equity holders of Crane Group Limited	36,541	40,919
Minority interest	34	41
Total comprehensive income for the year	36,575	40,960

The consolidated statement of comprehensive income is to be read in conjunction with the condensed notes to the preliminary final report.



Consolidated balance sheet
As at 30 June

	Note	2010 \$000	2009 \$000
Current assets			
Cash and cash equivalents		41,735	59,084
Receivables		283,208	273,133
Inventories		300,454	300,869
Prepayments		4,577	10,505
Current tax assets		-	1,027
Total current assets		629,974	644,618
Non-current assets			
Receivables		852	403
Investments	7	37,857	36,550
Property, plant and equipment		225,140	242,949
Intangible assets	8	303,281	307,447
Deferred tax assets		34,883	37,298
Total non-current assets		602,013	624,647
Total assets		1,231,987	1,269,265
Current liabilities			
Payables		303,373	280,956
Loans and borrowings		64,998	38,994
Employee benefits		32,740	33,983
Current tax liabilities		11,854	-
Provisions		14,758	16,439
Total current liabilities		427,723	370,372
Non-current liabilities			
Loans and borrowings		130,986	236,497
Employee benefits		15,543	16,765
Deferred tax liabilities		-	-
Provisions		1,376	1,373
Total non-current liabilities		147,905	254,635
Total liabilities		575,628	625,007
Net assets		656,359	644,258
Equity			
Issued capital	9	519,053	509,991
Reserves		(1,670)	(8,267)
Retained earnings		138,352	141,944
Total equity attributable to equity holders of Crane Group Limited		655,735	643,668
Minority interests		624	590
Total equity		656,359	644,258

The consolidated balance sheet is to be read in conjunction with the condensed notes to the preliminary final report.



Consolidated statement of changes in equity
For the year ended 30 June

	Reserves								
	Issued capital	Treasury shares	Foreign currency translation	Hedging reserve	Equity compensation reserve	Total reserves	Retained earnings	Minority interests	Total equity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2010									
Balance at 1 July 2009	524,559	(14,568)	(7,114)	(5,215)	4,062	(8,267)	141,944	590	644,258
Comprehensive income for the year									
Net profit for the year	-	-	-	-	-	-	31,897	29	31,926
Net movement in hedging reserve	-	-	-	3,423	-	3,423	-	-	3,423
Gain on sale of treasury shares	-	-	-	-	-	-	-	-	-
Defined benefit plan actuarial (loss)/gain	-	-	-	-	-	-	286	-	286
Foreign currency translation differences	-	-	956	(21)	-	935	-	5	940
Total comprehensive income for the year	-	-	956	3,402	-	4,358	32,183	34	36,575
Transactions with owners recorded directly in equity									
Shares issued *	10,871	-	-	-	-	-	-	-	10,871
Share based payments	-	(1,809)	-	-	2,239	2,239	(180)	-	250
Dividends to equity holders	-	-	-	-	-	-	(35,595)	-	(35,595)
Total transactions with owners	10,871	(1,809)	-	-	2,239	2,239	(35,775)	-	(24,474)
Balance at 30 June 2010	535,430	(16,377)	(6,158)	(1,813)	6,301	(1,670)	138,352	624	656,359
2009									
Balance at 1 July 2008	442,428	(14,675)	(9,905)	(593)	4,708	(5,790)	146,246	549	568,758
Comprehensive income for the year									
Net profit for the year	-	-	-	-	-	-	43,566	33	43,599
Net movement in hedging reserve	-	-	-	(4,745)	-	(4,745)	-	-	(4,745)
Gain on sale of treasury shares	-	-	-	-	-	-	33	-	33
Defined benefit plan actuarial (loss)/gain	-	-	-	-	-	-	(849)	-	(849)
Foreign currency translation differences	-	-	2,791	123	-	2,914	-	8	2,922
Total comprehensive income for the year	-	-	2,791	(4,622)	-	(1,831)	42,750	41	40,960
Transactions with owners recorded directly in equity									
Shares issued *	82,131	-	-	-	-	-	-	-	82,131
Share based payments	-	107	-	-	(646)	(646)	492	-	(47)
Dividends to equity holders	-	-	-	-	-	-	(47,544)	-	(47,544)
Total transactions with owners	82,131	107	-	-	(646)	(646)	(47,052)	-	34,540
Balance at 30 June 2009	524,559	(14,568)	(7,114)	(5,215)	4,062	(8,267)	141,944	590	644,258

* Refer to Note 9 for details of shares issued during the current and prior year.

The consolidated statement of changes in equity is to be read in conjunction with the condensed notes to the preliminary final report.



Consolidated statement of cash flows
For the year ended 30 June

	Note	2010 \$000	2009 \$000
Cash flows from operating activities			
Cash receipts from customers		2,044,750	2,414,526
Cash payments to suppliers and employees		<u>(1,932,361)</u>	<u>(2,284,279)</u>
Cash generated from operations		112,389	130,247
Interest received		397	798
Interest paid		(19,454)	(30,184)
Income taxes received/(paid)		<u>1,622</u>	<u>(37,809)</u>
Net cash inflow from operating activities		<u>94,954</u>	<u>63,052</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(9,774)	(27,159)
Proceeds from sale of non-current assets		464	281
Acquisition of equity accounted investment	7	-	(21,000)
Dividend from equity accounted investment	7	4,400	20,400
Acquisition of subsidiaries and businesses (net of cash acquired)	10	-	(7,184)
Deferred consideration paid		-	(2,856)
Loans repaid by joint venture entity		-	5,848
Other loans repaid/(extended)		<u>9</u>	<u>(45)</u>
Net cash outflow from investing activities		<u>(4,901)</u>	<u>(31,715)</u>
Cash flows from financing activities			
Proceeds from borrowings		24,062	96,730
Repayment of borrowings		(102,730)	(135,937)
Purchase of treasury shares		(2,322)	(2,676)
Proceeds from sale of treasury shares		-	696
Proceeds from share issue (net of transaction costs)		-	62,368
Dividends paid (net of reinvested dividends)		<u>(24,724)</u>	<u>(27,781)</u>
Net cash outflow from financing activities		<u>(105,714)</u>	<u>(6,600)</u>
Net (decrease)/increase in cash held		(15,661)	24,737
Cash and cash equivalents at beginning of year		57,103	31,639
Foreign currency movements on cash		<u>293</u>	<u>727</u>
Cash and cash equivalents at end of year		<u>41,735</u>	<u>57,103</u>
Cash and cash equivalents comprise:			
Cash and cash equivalents		41,735	59,084
Bank overdraft		<u>-</u>	<u>(1,981)</u>
		<u>41,735</u>	<u>57,103</u>

The consolidated statement of cash flows is to be read in conjunction with the condensed notes to the preliminary final report.



Condensed Notes to the Preliminary Final Report

Note 1: Extract of significant accounting policies

a. Reporting entity

Crane Group Limited (the “Company”) is a company domiciled in Australia. The consolidated preliminary final report of the Company comprises the Company and its subsidiaries (the “consolidated entity”) and the consolidated entity’s interest in associates and jointly controlled entities.

b. Statement of compliance

The consolidated preliminary final report was authorised for issue by the directors on 2 August 2010.

The preliminary final report is an extract of Crane Group Limited’s annual financial report for the year ended 30 June 2010, which is in the process of being audited.

This preliminary final report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (A-IFRS) and other mandatory professional reporting requirements for the purpose of fulfilling the Group’s obligation under the Australian Securities Exchange (ASX) listing rules and does not include all notes of the type normally included within the annual financial report, upon which this report is based. As a result, this report should be read in conjunction with the 30 June 2009 annual financial report of Crane Group Limited, together with any public announcements made by the Company during the year ended 30 June 2010.

c. Basis of preparation and measurement

The preliminary final report is presented in Australian dollars, which is the Company’s functional currency and the functional currency of the majority of the entities within the Group.

The preliminary final report has been prepared on the basis of historical cost, except for the following material items in the balance sheet:

- derivative financial instruments are measured at fair value
- the defined benefit asset is measured as the net total of the plan assets, plus unrecognised past service cost and actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation.

Assets and liabilities have been allocated into current and non-current portions. Current assets are cash and other assets that would in the ordinary course of business be consumed or converted into cash within 12 months. Current liabilities are liabilities that would in the ordinary course of business be due and payable within 12 months.

d. Rounding of amounts

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission relating to rounding off of amounts in the financial report and report of the directors. Unless otherwise stated, amounts have been rounded to the nearest thousand dollars.

e. Accounting estimates and judgements

The preparation of the preliminary final report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The development, selection and disclosure of the consolidated entity’s critical accounting policies and estimates and the application of these policies and estimates are approved by the Audit and Risk Management Committee.

These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions used in the preparation of the financial statements are reviewed continually based on historical experience and various other factors. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

f. Changes in accounting policies

From 1 July 2009, the Group has changed its accounting policies in the following areas:

- Determination and presentation of operating segments in accordance with AASB 8 *Operating Segments*;
- Presentation of Financial Statements in accordance with revised AASB 101 *Presentation of Financial Statements*;
- Accounting for business combinations in accordance with revised AASB 3 *Business Combinations (2008)*; and
- Accounting for borrowing costs in accordance with AASB 123 *Borrowing Costs (2007)*.

There has been no impact on the financial results of the Group for the year ended 30 June 2010 as a result of adopting any of the above accounting standards.



Note 2: Segment reporting

The Group has four reportable segments, as described below, which derive from the Group's three strategic business units. The strategic business units offer different products and services and are managed separately. For each of the strategic business units, the Managing Director reviews internal management reports on at least a quarterly basis. The following summary describes the operations of each of the Group's reportable segments:

Reportable Segment	Products and services
Pipelines	Australasia's largest manufacturer and supplier of plastic pipeline systems. It operates manufacturing facilities in Australia and New Zealand and supplies pipeline solutions to the building products, civil/infrastructure, irrigation, mining, and telecommunications markets. It also holds equity accounted investments in two pipeline construction companies – refer Note 7.
Trade Distribution - Tradelink	Part of the Trade Distribution strategic business unit. A leading distributor of plumbing supplies and associated products in Australia.
Trade Distribution - CDNZ	Part of the Trade Distribution strategic business unit. New Zealand's leading commercial supplier of plumbing, pipelines, electrical and safety products.
Industrial Products	An importer and distributor of copper, copper alloy, aluminium and stainless steel products to a wide range of customers in the manufacturing industry. Also a manufacturer and distributor of copper tube extrusions for the plumbing, refrigeration and OEM markets.

As detailed in Note 1, the new accounting standard AASB 8 *Operating Segments* has been applied as of 1 July 2009. The basis of segmentation of the Group's operations (as required by the new accounting standard AASB 8 *Operating Segments*) has been considered during the year, resulting in the identification of the operating segments presented above.

Since 1 July 2009, the previous Metals Distribution and Crane Copper tube business units have been merged to form a new Industrial Products business reporting segment within Crane Group. The merger involves the integration of the management team and other business functions, saving costs and improving flexibility for both businesses. As a result of this operational and internal reporting realignment, the results of the Industrial Products business are now reported as one operating segment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before financing costs and income tax as included in the internal management reports that are reviewed by the Group's Managing Director. Management believes that this measure is the most relevant in evaluating the segment results relative to other entities that operate within these industries. Other key points to note in relation to segment disclosures include:

- Inter-segment pricing is determined on an arms-length basis;
- Unallocated items mainly comprise corporate expenses, assets and liabilities; and
- Financing costs have not been split into income and expense components. Further, net financing costs have not been allocated to reportable segments. Any allocation of financing costs would be arbitrary and such costs are only reviewed on a net basis at a group level by the Managing Director.



Note 2: Segment reporting (continued)

For the year ended 30 June 2010

Operating segments	Pipelines \$000	Trade Distribution		Industrial Products \$000	Total Reportable Segments \$000	Inter- Segment Eliminations \$000	Unallocated \$000	Total \$000
		Tradelink \$000	CDNZ \$000					
Segment revenue	504,526	902,390	300,710	299,820	2,007,446	(144,047)	-	1,863,399
Segment result								
Earnings before significant items, financing costs and tax	31,409	41,012	806	8,070	81,297	-	(16,587)	64,710
Significant item losses/(gains) before tax	-	-	(2,850)	(377)	(3,227)	-	534	(2,693)
Result from operating activities	31,409	41,012	(2,044)	7,693	78,070	-	(16,053)	62,017
Net financing costs								(19,453)
Share of profit of equity accounted investments (net of tax)	5,707	-	-	-	5,707	-	-	5,707
Profit before tax for the year								48,271
Equity accounted investments (Note 7)	37,857	-	-	-	37,857	-	-	37,857
Segment assets	559,948	333,303	138,187	128,293	1,159,731	(13,681)	85,937	1,231,987
Segment liabilities	93,319	157,391	46,437	57,164	354,311	(13,681)	234,998	575,628
Capital expenditure	3,843	3,972	928	304	9,047	-	727	9,774
Depreciation/amortisation	16,625	8,411	3,607	1,143	29,786	-	2,323	32,109
Impairment losses	-	-	374	-	374	-	-	374

The basis for determining Crane Group's operating segments and the products/services they provide is detailed on page 9.



Note 2: Segment reporting (continued)

For the year ended 30 June 2009

Operating segments	Pipelines \$000	Trade Distribution		Industrial Products \$000	Total Reportable Segments \$000	Inter- Segment Eliminations \$000	Unallocated \$000	Total \$000
		Tradelink \$000	CDNZ \$000					
Segment revenue	680,816	912,417	346,752	325,040	2,265,025	(146,676)	-	2,118,349
Segment result								
Earnings before significant items, financing costs and tax	61,436	34,704	3,324	5,834	105,298	-	(17,284)	88,014
Significant item losses before tax	(6,459)	(4,462)	(3,475)	(2,901)	(17,297)	-	(820)	(18,117)
Result from operating activities	54,977	30,242	(151)	2,933	88,001	-	(18,104)	69,897
Net financing costs								(29,859)
Share of profit of equity accounted investments (net of tax)	15,930	-	-	-	15,930	-	-	15,930
Profit before tax for the year								55,968
Equity accounted investments (Note 7)	36,550	-	-	-	36,550	-	-	36,550
Segment assets	573,041	323,912	145,004	127,353	1,169,310	(13,653)	113,608	1,269,265
Segment liabilities	95,028	149,896	46,946	41,034	332,904	(13,653)	305,756	625,007
Capital expenditure	14,633	7,457	2,283	893	25,266	-	1,893	27,159
Depreciation/amortisation	16,941	8,783	3,989	1,172	30,885	-	3,073	33,958
Impairment losses	-	960	591	81	1,632	-	-	1,632

The basis for determining Crane Group's operating segments and the products/services they provide is detailed on page 9.



Note 2: Segment reporting (continued)

Reconciliation of reportable segment revenues and profit

(i) Reconciliation of reportable segment revenue and profit

The segment revenue and profit and loss items presented on pages 10 – 11 agree to the Consolidated Income Statement (after including inter-segment revenue eliminations and corporate costs).

	2010 \$000	2009 \$000
(ii) Reconciliation of reportable segment assets		
Total assets for reportable segments	1,159,731	1,169,310
Elimination of inter-group balances	(13,681)	(13,653)
Corporate/centralised assets		
Cash - Consolidated	41,735	59,084
Deferred tax assets - Consolidated	34,883	37,298
Current tax assets - Consolidated	-	1,027
Other assets - Corporate	9,319	16,199
Consolidated total assets	<u>1,231,987</u>	<u>1,269,265</u>

(iii) Reconciliation of reportable segment liabilities

Total liabilities for reportable segments	354,311	332,904
Elimination of inter-group balances	(13,681)	(13,653)
Corporate/centralised liabilities		
External borrowings - Consolidated	195,984	273,510
Bank overdraft - Consolidated	-	1,981
Current tax liabilities - Consolidated	11,854	-
Other liabilities - Corporate	27,160	30,265
Consolidated total liabilities	<u>575,628</u>	<u>625,007</u>

Geographical segments

The following table presents information on the geographical distribution of segment revenues and non-current assets. The Group's operations are conducted in Australia and New Zealand. In presenting this information, segment revenue is based upon the geographical location of the selling entity. Segment non-current assets are based upon the geographical location of the assets. In accordance with Accounting Standards, the non-current assets disclosures below exclude financial instruments, deferred tax assets and post-employment benefit assets.

	2010		2009	
	Revenues \$000	Non-Current Assets \$000	Revenues \$000	Non-Current Assets \$000
Australia	1,487,664	454,377	1,666,827	470,779
New Zealand	375,735	111,932	451,522	116,204
Total	<u>1,863,399</u>	<u>566,309</u>	<u>2,118,349</u>	<u>586,983</u>



Note 3: Expenses and Significant items

	2010 \$000	2009 \$000
(a) Expenses excluding net financing costs and before income tax expense comprise:		
Cost of goods sold	1,366,450	1,541,191
Selling and distribution	329,840	374,336
General and administration	105,092	132,925
	<u>1,801,382</u>	<u>2,048,452</u>
(b) Depreciation, amortisation and impairment		
Depreciation and amortisation	32,109	33,958
Impairment - Plant, equipment and leasehold improvements	374	1,145
Impairment - Goodwill	-	487
Total impairment	<u>374</u>	<u>1,632</u>
Total depreciation, amortisation and impairment	<u>32,483</u>	<u>35,590</u>
(c) Significant items		
Significant item losses/(gains) included in profit after tax are:		
Inventory write downs - product range rationalisation	1,052	-
Restructure and redundancy costs	1,267	16,485
Impairment (refer Note 3(b))	<u>374</u>	<u>1,632</u>
	2,693	18,117
Income tax benefit relating to above items	(808)	(5,289)
Income tax expense - Change in New Zealand company tax rate	298	-
Income tax expense - Change in New Zealand building depreciation tax legislation	<u>2,755</u>	<u>-</u>
Total significant item losses after tax	<u>4,938</u>	<u>12,828</u>

The inventory write down during the year was charged to cost of goods sold. All other pre-tax significant items during the current and previous year have been charged to general and administration costs.

The New Zealand income tax legislation changes relate to the restatement of deferred tax balances arising from the reduction in the company tax rate from 30% to 28% and the elimination of building depreciation for tax purposes. Both changes are effective 1 July 2011.

Note 4: Income tax

(a) Total income tax expense/(benefit)

Income tax expense recognised in the income statement - Note 4(b)	16,345	12,369
Income tax expense/(benefit) recognised in other comprehensive income	1,609	(2,603)
Deferred tax expense/(benefit) recognised directly in equity	<u>(77)</u>	<u>16</u>
	<u>17,877</u>	<u>9,782</u>

(b) Income tax expense - recognised in the income statement

Reconciliation of income tax expense included in the income statement with income tax calculated on the profit before tax:

Profit before tax	48,271	55,968
Income tax expense calculated at 30% (2009: 30%)	<u>14,481</u>	<u>16,790</u>
Increase/(decrease) in income tax expense due to:		
Change in New Zealand company tax rate	298	-
Change in New Zealand building depreciation tax legislation - Note 3(c)	2,755	-
Entertainment	562	736
Equity accounted profit	(1,712)	(4,779)
Impairment of non-current assets	-	146
New Zealand note issue	(1,227)	(773)
Under/(over) provided in prior year	(204)	(762)
Other	<u>1,392</u>	<u>1,011</u>
	<u>16,345</u>	<u>12,369</u>



Note 5: Dividends

Dividends declared and paid during the year:	Record date	Payment date	Amount per security	Franked amount per security (at 30%)	Total Dividend \$'000
Declared & paid - year ended 30 June 2010					
Final 2009 dividend - ordinary shares	21 Aug 2009	24 Sep 2009	28.0 cents	28.0 cents	21,592
Final 2009 dividend - preference shares	21 Aug 2009	24 Sep 2009	2.5 cents	2.5 cents	10
Final 2009 dividend - Total					<u>21,602</u>
Interim 2010 dividend - ordinary shares	1 Mar 2010	9 Apr 2010	18.0 cents	18.0 cents	13,983
Interim 2010 dividend - preference shares	1 Mar 2010	9 Apr 2010	2.5 cents	2.5 cents	10
Interim 2010 dividend - Total					<u>13,993</u>
					<u>35,595</u>
Declared & paid - year ended 30 June 2009					
Final 2008 dividend - ordinary shares	22 Aug 2008	30 Sept 2008	36.0 cents	36.0 cents	23,962
Final 2008 dividend - preference shares	22 Aug 2008	30 Sept 2008	2.5 cents	2.5 cents	10
Final 2008 dividend - Total					<u>23,972</u>
Interim 2009 dividend - ordinary shares	27 Feb 2009	31 Mar 2009	35.0 cents	35.0 cents	23,562
Interim 2009 dividend - preference shares	27 Feb 2009	31 Mar 2009	2.5 cents	2.5 cents	10
Interim 2009 dividend - Total					<u>23,572</u>
					<u>47,544</u>

Dividends declared but not recognised in the financial statements:

Since the end of the year, the directors declared the following dividends. The financial effect of these dividends has not been brought to account in the Group financial statements for the year ended 30 June 2010, and will be recognised in subsequent financial reports.

	Record date	Payment date	Amount per security	Franked amount per security (at 30%)	Total Dividend \$'000
Final 2010 dividend - ordinary shares*	16 Aug 2010	30 Sept 2010	22.0 cents	22.0 cents	17,223
Final 2010 dividend - preference shares	16 Aug 2010	30 Sept 2010	2.5 cents	2.5 cents	10
Final 2010 dividend - total					<u>17,233</u>

* The dividend plan in operation is the Crane Group Limited Dividend Reinvestment Plan ("DRP"). The last date for receipt of election notices to participate in the Crane Group Limited DRP for the current dividend is 16 August 2010. The DRP share price will be determined over the period 19 August to 1 September 2010 inclusive and the DRP discount will be 2.5%. There is no foreign conduit income attributed to the dividend.

Note 6: NTA backing

	2010	2009
Net tangible asset backing per ordinary security	<u>\$4.50</u>	<u>\$4.35</u>



Note 7: Equity accounted investments

Entity and business activity	Ownership interest		Dividends received		Investment carrying amount	
	2010	2009	2010	2009	2010	2009
	%	%	\$000	\$000	\$000	\$000
Mitchell Water Australia Pty Ltd (Pipeline construction)	40	40	4,400	20,400	37,591	36,271
Mitchell Water (Vic) Pty Ltd (Pipeline construction)	70	70	-	-	266	279
			4,400	20,400	37,857	36,550

Reconciliation

Carrying amount at beginning of year	36,550	20,020
Acquisition of equity accounted investments	-	21,000
Share of profit of equity accounted investments	5,707	15,930
Dividend from equity accounted investment - fully franked	(4,400)	(20,400)
Carrying amount at end of year	37,857	36,550

Crane Group acquired, via its 100% owned subsidiary Iplex Pipelines Australia Pty Limited, a 20% equity interest in Mitchell Water Australia Pty Limited on 31 July 2007. On 14 August 2008, Crane Group paid \$21 million to increase this equity interest from 20% to 40%. Mitchell Water Australia Pty Limited is involved in the construction of large diameter pipeline systems.

Crane Group holds a 70% effective equity interest in Mitchell Water (Vic) Pty Ltd (50% directly and 20% indirectly via Mitchell Water Australia Pty Limited). Crane Group only maintains a 50% representation on the board. As such, this entity is not deemed to be a subsidiary but rather an equity accounted investment.

Note 8: Intangible assets

	2010	2009
	\$000	\$000
Goodwill at cost	272,338	271,729
Accumulated impairment losses	(1,262)	(1,262)
	271,076	270,467
Trade names at cost	22,015	21,923
Accumulated impairment losses	(4,185)	(4,144)
	17,830	17,779
Development expenditure:		
ERP system and computer software at cost	46,443	46,348
Accumulated amortisation and impairment losses	(32,068)	(27,147)
	14,375	19,201
	303,281	307,447

Net movements during the current and prior financial year include:

	Goodwill	Trade Names	Development Expenditure	Total
	\$000	\$000	\$000	\$000
Balance at 1 July 2008	268,959	17,703	24,049	310,711
Amortisation	-	-	(4,963)	(4,963)
Impairment expense	(487)	-	-	(487)
Business acquisitions (Note 10)	868	-	-	868
Foreign currency translation	1,127	76	115	1,318
Balance at 1 July 2009	270,467	17,779	19,201	307,447
Amortisation	-	-	(4,851)	(4,851)
Foreign currency translation	609	51	25	685
Balance at 30 June 2010	271,076	17,830	14,375	303,281



Note 9: Issued capital

	2010		2009	
	Number of Shares	Value \$000	Number of Shares	Value \$000
Ordinary shares (fully paid)				
Balance at 1 July	77,112,579	524,159	66,560,731	442,028
Issued pursuant to DRP for Final 2009 (2008) dividend	571,644	5,848	760,632	10,109
Issued pursuant to DRP for Interim 2010 (2009) dividend	602,204	5,023	1,417,602	9,654
Issued via private placement	-	-	5,333,334	40,000
Issued pursuant to a share purchase plan	-	-	3,040,280	22,802
Share issue transaction costs (net of tax)	-	-	-	(434)
Balance at 30 June	78,286,427	535,030	77,112,579	524,159
Preference shares (fully paid, non redeemable)				
Balance at beginning and end of period	400,000	400	400,000	400
Treasury shares - issued ordinary shares				
Balance at 1 July	1,217,235	(14,568)	1,177,048	(14,675)
Purchased during the year	300,000	(2,322)	350,000	(2,676)
GESP(NZ) shares sold on-market	-	-	(52,693)	454
Vested during the year	(58,249)	513	(257,120)	2,329
Balance at 30 June	1,458,986	(16,377)	1,217,235	(14,568)
Total issued capital (net of treasury shares)		519,053		509,991

Note 10: Business acquisitions

There were no business acquisitions effected during the current year ended 30 June 2010.

Details of business acquisitions effected during the year ended 30 June 2009 by the consolidated entity are summarised below:

Business acquisitions - year ended 30 June 2009	Date acquired	Interest acquired	Cash outflow on acquisition \$000	Fair value of net tangible assets acquired \$000	Goodwill arising on acquisition \$000	Total cost of acquisition \$000
Stoddart Metals	2-Mar-09	100%	7,184	6,316	868	7,184



Note 11: Contingent liabilities

The estimated maximum amounts of contingent liabilities not provided for in the financial statements as at 30 June 2010 are set out below. The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required, or the amount is not capable of reliable measurement.

	2010 \$000	2009 \$000
Contingent liabilities		
Bank guarantees in favour of customers and suppliers	5,678	11,302

In the ordinary course of business, the Group is involved in various claims and legal proceedings. Where appropriate, Crane Group takes legal advice. A liability has been recognised for any known losses expected to be incurred where such losses are capable of reliable measurement. Crane Group does not consider that the outcome of any claims or legal proceedings not provided for in the financial statements are likely to have a material effect on its operations or financial position.

Note 12: Subsequent events

Information regarding the final 2010 dividend declared subsequent to 30 June 2010 is detailed in Note 5.

Other than dividends declared after 30 June 2010, no matter or circumstance has arisen since the end of the year which, in the opinion of the directors, has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Note 13: Basis of preparation

This preliminary final report has been prepared in accordance with Australian Stock Exchange listing rule 4.3 A and is based upon accounts which are in the process of being audited.

The annual general meeting will be held as follows:

Place	The Sydney Mint 10 Macquarie Street Sydney, NSW
Time	11.00 am
Date	29 October 2010
Approximate date the annual report will be available	24 September 2010