
NEWS RELEASE



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(CSL) Carlisle Companies Reports Second Quarter Results

SYRACUSE, NEW YORK, July 16, 2001... Carlisle Companies Incorporated (NYSE:CSL) reported record second quarter sales of \$490 million over second quarter 2000. Net earnings were \$16.6 million, or \$.54 per share (diluted), a decrease versus second quarter 2000 earnings of \$31.9 million, or \$1.04 per share.

For the six-month period ended June 30, 2001, sales increased 4% to \$954 million from \$913 million in 2000. Net earnings of \$6.4 million include the \$24.0 million after tax restructuring charge taken in the first quarter of 2001. After factoring out the effect of the restructuring charge, net earnings from operations were \$30.4 million or \$1.00 per share. This result compares to net earnings of \$57.4 million or \$1.87 per share in 2000.

Second quarter sales were driven by increased volume in the Construction Materials segment and acquisitions in the General Industry segment. The reduction in operating earnings reflects the continued weakness in some of the Company's markets. Diminished absorption of fixed costs on lower production, continued pricing pressures to maintain market share, higher utility and raw material costs were the primary factors responsible for the lower gross margin. Over the last several months actions have been taken to adjust to the slowdown in the economy, and strengthen the operations to take advantage of a future upturn in the economy.

Richmond McKinnish, Carlisle's President and CEO said, "The second quarter results were disappointing, which demonstrates that Carlisle is not immune to the negative economic conditions facing most manufacturing operations this year. However, the current business cycle has provided the opportunity to improve our businesses. Significant internal improvements have been made, but were more than offset by weakness in our transportation, telecommunications and lawn and garden markets. We are committed to improving our competitive position without limiting our ability to grow."

Carlisle is a diversified manufacturer of products serving construction materials, industrial components, automotive components and general industry markets.

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CARLISLE COMPANIES INCORPORATED

June 30, 2001

FINANCIAL RESULTS

(In millions, except per share data)

		<u>2001</u>	<u>2000</u>	<u>% Change</u>
Second Quarter				
Sales	\$	490.4	\$ 479.4	2%
Net Earnings		16.6	31.9	-48%
Basic E.P.S.	\$	0.55	\$1.06	-48%
Diluted E.P.S.	\$	0.54	\$1.04	-48%

		<u>2001</u>	<u>2000</u>	<u>% Change</u>
Six Months				
Sales	\$	953.6	\$ 913.4	4%
Net Earnings		6.4	57.4	-89%
Basic E.P.S.	\$	0.21	\$1.90	-89%
Diluted E.P.S.	\$	0.21	\$1.87	-89%

2001 SEGMENT FINANCIAL DATA

(In millions)

JUNE - QTR

	<u>2001</u>			<u>2000</u>		
	<u>Sales</u>	<u>EBIT</u>	<u>% Sales</u>	<u>Sales</u>	<u>EBIT</u>	<u>% Sales</u>
Construction Materials	\$ 129.7	\$ 17.5	13.5%	\$ 100.8	\$ 16.1	16.0%
Industrial Components	168.6	11.2	6.6%	184.0	26.4	14.3%
Automotive Components	71.4	4.2	5.8%	81.0	7.0	8.6%
General Industry /All Other	120.7	5.0	4.1%	113.6	11.1	9.8%
Subtotal	490.4	37.9	7.7%	479.4	60.6	12.6%
Corporate/Elims	--	(4.0)	--	--	(2.9)	--
Total	\$ 490.4	\$ 33.9	6.9%	\$ 479.4	\$ 57.7	12.0%

JUNE - YTD

	<u>2001</u>			<u>2000</u>		
	<u>Sales</u>	<u>EBIT</u>	<u>Assets</u>	<u>Sales</u>	<u>EBIT</u>	<u>Assets</u>
Construction Materials	\$ 221.5	\$ 26.4	\$ 307.7	\$ 188.4	\$ 25.0	\$ 240.6
Industrial Components	360.4	29.9	529.5	346.9	50.8	465.4
Automotive Components	140.2	7.4	135.1	164.5	14.2	179.1
General Industry /All Other	231.5	8.3	365.5	213.6	18.9	312.0
Subtotal	953.6	72.0	\$ 1,337.8	913.4	108.9	\$ 1,197.1
Corporate/Elims	--	(45.9)	48.8	--	(5.6)	52.5
Total	\$ 953.6	\$ 26.1	\$ 1,386.6	\$ 913.4	\$ 103.3	\$ 1,249.6

Discussion of Results

Summary

Carlisle Companies Incorporated reported record sales of \$490.4 million, up 2% over 2000. Net earnings were \$16.6 million or \$0.54 per share (diluted), compared to \$1.04 per share in the second quarter 2000. Second quarter sales were driven by increased volume in the Construction Materials segment and growth through acquisition in the General Industry segment. The reduction in earnings is primarily attributable to the continued decline in demand at operations serving transportation, telecommunications, and outdoor power equipment markets. As the slow market conditions experienced in the beginning of the year continued into the second quarter, Carlisle management reduced production at several manufacturing operations in order to control inventory levels. Diminished absorption of fixed costs on lower production, continued pricing pressures to maintain market share, and higher utility and raw material costs were the primary factors responsible for the lower gross margin. Manufacturing costs continued to receive the utmost attention and cost reduction programs continued. However, the favorable impact of these initiatives was more than offset by lower production levels. Acquisitions made in the last twelve months contributed \$27 million of sales growth and \$.4 million of earnings.

Net sales in the first half of 2001 were \$953.6 million, a 4% increase over 2000. Current year to date net earnings of \$6.4 million or \$0.21 per share, include the \$24.0 million or \$0.79 per share, after tax restructuring charge recorded in the first quarter. After factoring out the effect of the restructuring charge, net earnings from operations were \$30.4 million or \$1.00 per share. This result compares to \$1.87 per share over the same period in 2000.

Construction Materials sales of \$130 million in the second quarter increased 29% over 2000 first quarter sales of \$101 million. The increase was primarily in the domestic roofing market on higher shipments of rubber membrane and accessories, thermoplastic polyolefin (TPO) roofing membrane, and insulation shipments. Although operating earnings improved 9% over last year the increase did not keep pace with sales. Steps implemented in 2000 to reduce selling and administrative costs had a positive impact on current year operating costs, but did not offset the market pressures on selling prices and increased raw material costs. Comparative results were also impacted by stronger sales of lower margin products.

Industrial Component sales decreased 8% from the second quarter 2000 with operating earnings down 58%. Most of the change was the result of lower sales and earnings at Carlisle Tire & Wheel Company. Shipments to original equipment customers were significantly off when compared to a year ago, particularly in the lawn and garden markets. As a result of the sharp decline in orders from these customers, CT&W reduced production throughout many of its operations. In addition, competitive pricing pressures in other markets, and rising energy and raw material costs negatively impacted operating earnings. Carlisle Industrial Brake & Friction and Motion Control also reported lower sales and earnings. The market softness experienced during the first quarter in the heavy duty truck, heavy construction and mining equipment markets continued into the second quarter. Sales at Tensolite were up in the second quarter as a result of the acquisition of UniTrek, in July 2000, and Connecting Devices, Inc., in March of this year. Tensolite earnings continued to be negatively impacted by softness in the telecommunications market.

Automotive Components sales for the quarter were down 12%, which reflect lower automotive build levels. Operating earnings of \$4.2 million, decreased 39% as compared to the same period last year as production levels were adjusted to coincide with softer demand. The benefits of reduced overhead and labor costs, as a result of the restructuring charge recorded in the first quarter, were more than offset by the under absorption of fixed costs due to lower production levels.

General Industry sales of \$121 million were up 6% over the second quarter 2000, while operating earnings were down 55%. Reduced production volume at most of the operations in this business segment was the primary factor behind the deterioration in earnings. Excluding the contribution of acquisitions, Transportation Products net sales were below the second quarter 2000, and earnings declined due to competitive pricing, unabsorbed fixed costs associated with lower production levels, and increased utility costs. Carlisle FoodService sales and earnings were down from last year as consumer discretionary spending continued to be limited due to the uncertainty in the economy. Lower sales, coupled with production cutbacks are the primary factors causing the decrease in earnings. Sales at Carlisle Systems & Equipment increased primarily as a result of acquisitions completed over the last nine months. Earnings in this business have been negatively impacted by depressed conditions in the perishable food delivery markets served by Johnson Truck Bodies.

Cash Flows

Cash flow from operations in the second quarter was \$37 million, up from \$35 million in 2000. For the six months ended June 30, 2001, cash generated from operations of \$56 million was equal to a year ago. The increase for the quarter was attributable to working capital improvements as demonstrated by a \$28 million reduction in inventory. Higher receivable balances, principally due to special dating programs in the roofing business, dampened working capital improvements.

Backlog

The June 30, 2001 backlog of \$290 million was 10% over June 30, 2000 of \$264 million. Improved backlog positions at Tensolite and Carlisle Systems & Equipment were driven by acquisitions and increased market demand.

Overall

Carlisle continues to be affected by the manufacturing slowdown evidenced throughout most of the manufacturing community. We have taken appropriate steps to reduce costs and maintain inventories in line with sales projections. Although the decisions to reduce production, invest in cost reduction programs and upgrade our capabilities are detrimental to our short-term results, we are confident that these actions will strengthen our competitive position to take advantage of more favorable economic conditions.

CARLISLE COMPANIES INCORPORATED

Consolidated Statement of Earnings

For the periods ended June 30,
(In thousands except per share data)

	Second Quarter			Six Months		
	2001	2000	% Change	2001	2000	% Change
Net sales	\$490,433	\$479,430	2.3%	\$953,591	\$913,448	4.4%
Cost and expenses:						
Cost of goods sold	399,790	371,894	7.5%	778,336	708,422	9.9%
Selling and administrative expenses	52,521	46,526	12.9%	104,034	95,449	9.0%
Research and development expenses	4,467	4,075	9.6%	8,472	8,166	3.7%
Restructuring charges and other	-	-	--	37,694	-	100.0%
Other (income) & expense, net	(246)	(717)	-65.7%	(1,090)	(1,906)	-42.8%
Earnings before interest & income taxes	33,901	57,652	-41.2%	26,145	103,317	-74.7%
Interest expense, net	7,898	6,989	13.0%	16,112	12,167	32.4%
Earnings before income taxes	26,003	50,663	-48.7%	10,033	91,150	-89.0%
Income taxes	9,411	18,723	-49.7%	3,630	33,750	-89.2%
Net earnings	\$16,592	\$31,940	-48.1%	\$6,403	\$57,400	-88.8%
% of Net Sales	3.4%	6.7%		0.7%	6.3%	
Basic earnings per share	\$0.55	\$1.06	-48.1%	\$0.21	\$1.90	-88.9%
Average shares outstanding (000's) - basic	30,262	30,255		30,259	30,223	
Diluted earnings per share	\$0.54	\$1.04	-48.1%	\$0.21	\$1.87	-88.8%
Average shares outstanding (000's) - dilut	30,494	30,615		30,499	30,592	
Dividends	\$6,059	\$5,446		\$12,106	\$10,889	
Per share	\$0.20	\$0.18	11.1%	\$0.40	\$0.36	11.1%

CARLISLE COMPANIES INCORPORATED

Comparative Balance Sheet

As of June 30,

(In thousands)

	2001	2000
Assets		
Current Assets		
Cash and cash equivalents	\$ 9,225	\$ 7,828
Receivables	285,622	272,167
Inventories	247,489	242,068
Prepaid expenses and other	79,318	71,160
Total current assets	621,654	593,223
Property, plant and equipment, net	397,579	392,827
Other assets	367,394	263,508
	\$1,386,627	\$1,249,558
Liabilities and Shareholders' Equity		
Current Liabilities		
Short-term debt, including current maturities	\$206,480	\$111,421
Accounts payable	139,114	121,053
Accrued expenses	150,153	139,253
Total current liabilities	495,747	371,727
Long-term debt	283,199	282,594
Other liabilities	72,707	76,877
Shareholders' equity	534,974	518,360
	\$1,386,627	\$1,249,558

CARLISLE COMPANIES INCORPORATED
Comparative Consolidated Statement of Cash Flows

For the periods ended June 30,
(In thousands)

	Second Quarter		Six Months	
	2001	2000	2001	2000
Operating activities				
Net earnings	\$16,592	\$31,940	\$6,403	\$57,400
Reconciliation of net earnings to cash flows:				
(Gain) Loss on property, equipment & business	(8)	-	29,525	-
Depreciation and amortization	18,002	15,913	36,097	29,917
Working capital	2,226	(11,348)	(12,539)	(30,571)
Other	367	(1,469)	(3,365)	(923)
Net cash provided by operating activities	37,179	35,036	56,121	55,823
Investing activities				
Capital expenditures	(15,940)	(13,577)	(36,955)	(26,451)
Acquisitions, net of cash	-	(124,691)	(37,934)	(129,619)
Proceeds from sale of property, equipment and busines	261	32	6,635	32
Other	(1,480)	7,728	(4,699)	4,463
Net cash used in investing activities	(17,159)	(130,508)	(72,953)	(151,575)
Financing activities				
Net change in short-term debt	(12,243)	108,945	32,718	109,428
Proceeds from long-term debt	-	-	-	-
Reductions of long-term debt	903	(1,520)	(122)	(1,885)
Dividends	(6,059)	(5,446)	(12,106)	(10,889)
Purchases of treasury shares	(2,723)	(2,303)	(3,400)	(3,491)
Net cash (used in) provided by financing activit	(20,122)	99,676	17,090	93,163
Change in cash and cash equivalents	(102)	4,204	258	(2,589)
Cash and cash equivalents				
Beginning of period	9,327	3,624	8,967	10,417
End of period	\$9,225	\$7,828	\$9,225	\$7,828