
NEWS RELEASE



CSL00019

7/18/00 8:00 AM

(CSL) Carlisle Companies Reports Record Results

SYRACUSE, NEW YORK, July 18, 2000...Carlisle Companies Incorporated (NYSE:CSL) reported record second quarter earnings of \$31.9 million, or \$1.04 per share (diluted) an increase of 14% versus second quarter 1999 earnings of \$28.0 million, or \$.91 per share. Sales of \$479 million were up 13% over 1999. Both sales and earnings were a record for any quarter.

For the six-month period ended June 30, 2000, sales increased 12% to \$913 million from \$816 million in 1999. Net earnings for the same period rose 15%, to \$57.4 million or \$1.87 per share, exceeding 1999 year-to-date earnings of \$49.8 million, or \$1.62 per share.

During the second quarter, the Company announced five acquisitions, the largest being the Tire and Wheel consumer products Division of Titan International, Inc. Since the close of the quarter, the Company has announced the acquisition of UniTrek, Inc., a manufacturer of microwave and radio frequency cable assemblies. Additionally, in July, the Company expects to complete the purchase of a 25% interest in Icopal a/s, Europe's leading roofing systems company.

Stephen P. Munn, Carlisle's Chairman and CEO said, "We are pleased by the record results for the quarter. Once again internal programs and previously completed acquisitions drove performance gains. This year has seen significant acquisition activity with nine completed and two announced acquisitions, as well as the minority investment in Icopal. These investments, added to our strong core businesses, will sustain our growth even in a moderating domestic industrial market."

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

CONTACT: Dennis J. Hall
Vice Chairman
Carlisle Companies Incorporated
(315) 474-2500

<http://www.carlisle.com>

CARLISLE COMPANIES INCORPORATED
FINANCIAL RESULTS

As of June 30, 2000

(In millions, except per share data)

	<u>2000</u>	<u>1999</u>	<u>% Change</u>
Second Quarter			
Sales	\$ 479.4	\$ 425.8	13%
Net Earnings	\$ 31.9	\$ 28.0	14%
Basic E.P.S.	\$ 1.06	\$ 0.93	14%
Diluted E.P.S.	\$ 1.04	\$ 0.91	14%

	<u>2000</u>	<u>1999</u>	<u>% Change</u>
Six Months			
Sales	\$ 913.4	\$ 815.8	12%
Net Earnings	\$ 7.4	\$ 49.8	15%
Basic E.P.S.	\$ 1.90	\$ 1.65	15%
Diluted E.P.S.	\$ 1.87	\$ 1.62	15%

2000 SEGMENT FINANCIAL DATA

(In millions)

JUNE - QTR	<u>2000</u>			<u>1999</u>		
	<u>Sales</u>	<u>EBIT</u>	<u>% Sales</u>	<u>Sales</u>	<u>EBIT</u>	<u>% Sales</u>
Construction Materials	\$100.8	\$16.1	16.0%	\$111.2	\$16.6	14.9%
Industrial Components	184.0	26.4	14.3%	143.9	20.0	13.9%
Automotive Components	81.0	7.0	8.6%	83.4	6.1	7.4%
General Industry /All Other	<u>113.6</u>	<u>11.1</u>	9.8%	<u>87.3</u>	<u>10.5</u>	12.0%
Subtotal	479.4	60.6	12.6%	425.8	53.2	12.5%
Corporate/Elims	<u>-</u>	<u>(2.9)</u>	- -	<u>- -</u>	<u>(2.9)</u>	- -
	=					
Total	\$479.4	\$57.7	12.0%	\$425.8	\$50.3	11.8%

JUNE -YTD	<u>2000</u>			<u>1999</u>		
	<u>Sales</u>	<u>EBIT</u>	<u>Assets</u>	<u>Sales</u>	<u>EBIT</u>	<u>Assets</u>
Construction Materials	\$188.4	\$25.0	\$240.6	\$187.5	\$24.9	\$238.0
Industrial Components	346.9	50.8	465.4	289.0	40.4	336.5
Automotive Components	164.5	14.2	179.1	165.3	12.8	215.7
General Industry /All Other	<u>213.6</u>	<u>18.9</u>	<u>312.0</u>	<u>174.0</u>	<u>17.9</u>	<u>236.8</u>
Subtotal	913.4	108.9	1,197.1	815.8	96.0	1,027.0
Corporate/Elims	<u>-</u>	<u>(5.6)</u>	<u>52.5</u>	<u>- -</u>	<u>(5.6)</u>	<u>52.3</u>
Total	\$913.4	\$103.3	\$1,249.6	\$815.8	\$90.4	\$1,079.3

Carlisle Companies Incorporated
July, 2000

Discussion of Results

Summary

Carlisle Companies Incorporated reported record sales for the quarter of \$479 million, up 13% over 1999, and net earnings of \$31.9 million or \$1.04 per share (diluted), an increase of 14% versus second quarter 1999 earnings of \$.91 per share. Carlisle Tire & Wheel, Tensolite, Motion Control and Carlisle Industrial Brake & Friction (Industrial Components), Carlisle Engineered Products (Automotive Components), and Carlisle Systems & Equipment (General Industry) recorded strong earnings growth for the quarter. The impact of acquisitions made in 1999 and earlier this year, coupled with improved operating margins were responsible for the favorable results.

For the six-month period ended June 30, 2000, sales rose 12% to \$913 million and net earnings increased 15%, to \$57.4 million or \$1.87 per share, over the same period in 1999. Carlisle Tire & Wheel (Industrial Components), Carlisle Engineered Products (Automotive Components), and Carlisle Systems & Equipment (General Industry) were the primary contributors to the sales and earnings growth for the year.

Construction Materials sales for the second quarter 2000 were down 9% from 1999. The decrease, primarily in the domestic roofing markets, is attributable to sales pulled into the first quarter in anticipation of the April 1, 2000 price increase. Although EBIT margins improved, EBIT for the quarter was down slightly from last year. Favorable product mix and lower warranty expense were offset by the impact of lower sales.

Industrial Components sales increased 28% over the second quarter of 1999 while EBIT increased 32%. All businesses in this segment added positively to the results. Sales and earnings at Carlisle Tire & Wheel fueled much of this segment's growth, with Tensolite, Motion Control, and Carlisle Industrial Brake & Friction contributing to the positive results. Sales at Carlisle Tire & Wheel were aided by the acquisition of the consumer tire and wheel business of Titan International, which was completed in April of 2000. The Company continues to realize synergies from its acquisition integration strategies and will see further improvements as the Titan integration progresses. Strengthening demand at Tensolite's cable assembly and specialty electronic cable businesses, coupled with favorable product mix and operational improvements contributed to this segment's improvement in sales and earnings over 1999. On July 5, 2000, Tensolite announced the acquisition of UniTrek, a manufacturer of radio frequency and microwave cable assemblies and complex wire harnesses, supplying OEM's in the wireless communications, electronic test and measurement, and defense electronics markets. Strong aftermarket sales at both Motion Control Industries and Carlisle Industrial Brake & Friction also contributed to this segment's positive results.

Sales of the Automotive Components segment were down slightly from the second quarter of 1999. On a comparable basis, excluding operations divested or deconsolidated late in 1999, sales of this segment were up approximately 1% for the quarter and 3% for the year. Automotive OEM demand has remained strong, particularly in the light truck and SUV lines. EBIT for the quarter was up 14% over last year as a result of improved process management and cost control. EBIT as a percent of

sales improved to 8.6% compared to 7.4% in 1999. Strong cash flow was generated by continuing improvements in asset management.

General Industry sales were up 30% over the second quarter 1999 sales of \$87 million, and EBIT increased 6%. Costs, related to acquisitions made during the year, were the primary cause of the difference in sales to earnings growth. Carlisle Systems & Equipment was the leading contributor to the sales and earnings growth of this segment. The full year impact of Johnson Truck Bodies, acquired in May of 1999, and the impact of the four acquisitions completed this year have expanded the capabilities of this business in both market share and product offerings. In April, the Company completed the acquisition of Extract Technologies Limited, a leading UK based provider of containment and bulk powder handling applications, used in the Pharmaceutical and Biotech industries. In July, the Company announced a joint venture, to offer e-commerce capabilities for the purchase of parts to its food and dairy processing customers. Additionally, in June, the Company completed the acquisition of Process Controls Engineering (PCE), a systems design and integration company serving the food and dairy processing industries. These acquisitions will further expand the global reach of this business. The Company's Transportation Products business has experienced softening due to the impact of higher fuel and interest costs, which have negatively impacted the entire market for original equipment commercial trailer and dump truck bodies. Carlisle FoodService reported positive sales gains, driven by acquisitions made during the year. In April, Carlisle FoodService completed the acquisition of the Dura-Ware Company, a manufacturer of commercial cookware and servingware for the foodservice and hospitality markets, which will complement its existing product lines.

Acquisitions

In the second quarter, Carlisle completed four acquisitions: The consumer tire and wheel business of Titan International, Inc.; the Dura-Ware Company, a manufacturer of commercial cookware and servingware; Extract Technologies Limited, a leading biotech/pharmaceutical systems provider, headquartered in Huddersfield, England; Process Controls Engineering, a systems design and integration company serving the food and dairy processing industries. Additionally, the Company announced a 25% equity investment in Icopal a/s, Europe's leading commercial roofing systems company. Also, the Company announced the intent to acquire Red River Manufacturing Inc., a specialty trailer manufacturer. In early July, the Company announced the acquisition of UniTrek, a manufacturer of radio frequency and microwave cable assemblies and complex wire harnesses, supplying OEM's in the wireless communications, electronic test and measurement, and defense electronics markets.

Cash Flows

Cash generated from operations for the second quarter was \$35 million, and increase of \$31 million over 1999 second quarter operating cash flows of \$4 million. For the six months ended June 30, 2000, cash generated from operations was \$56 million, compared to \$60 million in 1999, for the same period. The increase for the quarter is attributable to higher earnings and improved working capital management. The 1999 six-month cash flows reflect the impact of the proceeds, net of a \$39 million tax payment, from the divestiture of the Perishable Cargo business, completed in the first quarter of 1999.

Backlog

The consolidated backlog of \$264 million at June 30, 2000 rose 15% over June 30, 1999 level of \$229 million. Improved backlog positions at Carlisle Tire & Wheel, Tensolite and Carlisle Systems & Equipment were driven by acquisitions made by these companies as well as increased market demand.

Overall

Carlisle's record second quarter results reflect the Company's successful implementation of its growth strategies. Our acquisition activity has been strong this year, which will support continued growth even if some of our diverse markets soften. We are optimistic that the contributions of these new acquisitions, added to our strong core businesses, will produce another record year for Carlisle.

CARLISLE COMPANIES INCORPORATED

Consolidated Statement of Earnings

For the periods ended June 30, 2000

(In thousands except per share data)

	Second Quarter			Six Months		
	2000	1999	% Change	2000	1999	% Change
Net sales	\$479,430	\$425,813	12.6%	\$913,448	\$815,837	12.0%
Cost and expenses:						
Cost of goods sold	371,894	327,712	13.5%	708,422	633,113	11.9%
Selling and administrative expenses	46,526	44,248	5.1%	95,449	87,193	9.5%
Research and development expenses	4,075	4,052	0.6%	8,166	7,977	2.4%
Gain on divestiture of business (\$16.6m), net of other charges (\$15.9m)	---	---	---	---	(685)	---
Other (income) & expense, net	(717)	(502)	42.9%	(1,906)	(2,181)	-12.6%
Earnings before interest & income taxes	57,652	50,303	14.6%	103,317	90,420	14.3%
Interest expense, net	6,989	4,778	46.3%	12,167	9,435	28.9%
Earnings before income taxes	50,663	45,525	11.3%	91,150	80,985	12.6%
Income taxes	18,723	17,527	6.8%	33,750	31,179	8.2%
Net earnings	\$31,940	\$27,998	14.1%	\$57,400	\$49,806	15.2%
% of Net Sales	6.7%	6.6%		6.3%	6.1%	
Basic earnings per share	\$1.06	\$0.93	13.9%	\$1.90	\$1.65	15.2%
Average shares outstanding (000's) – basic	30,255	30,178		30,223	30,181	
Diluted earnings per share	\$1.04	\$0.91	14.3%	\$1.87	\$1.62	15.4%
Average shares outstanding (000's) – diluted	30,615	30,651		30,592	30,644	
Dividends	\$5,446	\$4,820		\$10,889	\$9,650	
Per share	\$0.18	\$0.16	12.5%	\$0.36	\$0.32	12.5%

CARLISLE COMPANIES INCORPORATED
Condensed Consolidated Balance Sheet

As of June 30, 2000
(In thousands)

	2000	1999	%
			Change
Assets			
Current Assets			
Cash and cash equivalents	\$ 7,828	\$ 6,651	17.7%
Receivables	272,167	265,445	2.5%
Inventories	242,068	206,927	17.0%
Prepaid expenses and other	71,160	54,763	29.9%
Total current assets	593,223	533,786	11.1%
Property, plant and equipment, net	392,827	344,336	14.1%
Other assets	263,508	201,218	31.0%
	\$1,249,558	\$1,079,340	15.8%
Liabilities and Shareholders' Equity			
Current Liabilities			
Short-term debt, including current maturities	\$111,421	\$22,171	402.6%
Accounts payable	121,053	116,753	3.7%
Accrued expenses	139,253	138,589	0.5%
Total current liabilities	371,727	277,513	33.9%
Long-term debt	282,594	280,171	0.9%
Other liabilities	76,877	77,760	-1.1%
Shareholders' equity	518,360	443,896	16.8%
	\$1,249,558	\$1,079,340	15.8%

Supplemental Information	2000	1999
Working capital	\$221,496	\$256,273
Working capital turnover *	8.66	6.65
Net debt	\$386,187	\$295,691
Net debt / Total capitalization	42.7%	40.0%

* Quarterly sales annualized divided by June working capital

CARLISLE COMPANIES INCORPORATED
Comparative Consolidated Statement of Cash Flows

For the periods ended June 30, 2000

(In thousands)

	Second Quarter		Six Months	
	2000	1999	2000	1999
Operating activities				
Net earnings	\$31,940	\$27,998	\$57,400	\$49,806
Reconciliation of net earnings to cash flows:				
Depreciation and amortization	15,913	12,233	29,917	25,117
Working capital	(11,348)	(34,177)	(30,571)	(14,238)
Other	(1,469)	(1,568)	(923)	(457)
Net cash provided by operating activities	35,036	4,486	55,823	60,228
Investing activities				
Capital expenditures	(13,577)	(9,685)	(26,451)	(24,324)
Acquisitions, net of cash	(124,691)	(17,644)	(129,619)	(28,228)
Proceeds from sale of property, equipment and business	32	3,762	32	15,330
Other	7,728	(11,313)	4,463	(7,449)
Net cash used in investing activities	(130,508)	(34,880)	(151,575)	(44,671)
Financing activities				
Net change in short-term debt	108,945	20,000	109,428	(9,285)
Proceeds from long-term debt	0	0	0	8,441
Reductions of long-term debt	(1,520)	(1,231)	(1,885)	(1,577)
Dividends	(5,446)	(4,820)	(10,889)	(9,650)
Purchases of treasury shares	(2,303)	(209)	(3,491)	(718)
Net cash provided by (used in) financing activities	99,676	13,740	93,163	(12,789)
Change in cash and cash equivalents	4,204	(16,654)	(2,589)	2,768
Cash and cash equivalents				
Beginning of year	3,624	23,305	10,417	3,883
End of year	\$7,828	\$6,651	\$7,828	\$6,651