



2000

annual report

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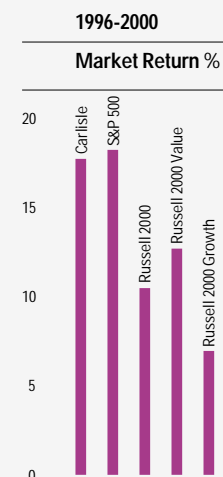
Carlisle Companies Incorporated, is a diversified manufacturing company that focuses on consistent, profitable growth.

Our quality products serve customers worldwide. They range from commercial roofing systems to specialty trailers, from off-road tires and wheels to cable for high-tech data communications, from injection-molded automotive components to cheese-making equipment, from foodservice permanentware to heavy-duty truck brake components.

Carlisle's strategy emphasizes serving market niches in which our high-quality products achieve leadership by providing the best value solution.

We grow by developing innovative products and technologies, expanding market share and investing in companies that complement or supplement our existing businesses.

Our decentralization emphasizes productivity, superior quality, minimal bureaucracy and entrepreneurial freedom.



CARLISLE AT A GLANCE

Products

Markets

Construction Materials

Carlisle SynTec



Rubber (EPDM), FleeceBACK, and TPO roofing systems for non-residential low slope roofs

Non-residential new construction, re-roofing and roof maintenance, general construction, industrial and maintenance markets

Carlisle Coatings and Waterproofing



Coatings and waterproofing for various applications

Roofing, general construction, industrial, and maintenance markets

Industrial Components

Carlisle Tire & Wheel



Medium to small pneumatic bias-ply tires and steel wheels

Lawn and garden tractors, ATVs, golf car manufacturers, trailers and related replacement parts distributors

Tensolite



High performance cable assemblies and RF/microwave connectors and cable assemblies, aerospace and high performance wire/cable

Large commercial aircraft, regional and business jets, automated test equipment, telecommunications, wireless infrastructure and data processing equipment manufacturers

Carlisle Motion Control



Heavy duty friction, braking system parts, brake shoe remanufacturing, and relining for on-highway Class 6, 7 and 8 trucks

Axle and brake manufacturers, repair and replacement distributors of truck and trailer parts, and Class 6, 7 and 8 truck manufacturers

Carlisle Industrial Brake & Friction



Heavy duty off-highway brakes, heavy truck park brakes and friction materials, specialty friction and products for industrial applications

Heavy duty off-highway equipment manufacturers in both North America and Europe; repair and replacement parts distributors

Automotive Components

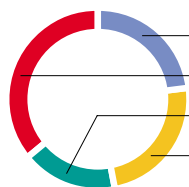
Carlisle Engineered Products



Rubber and plastic automotive parts

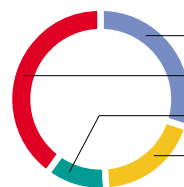
Automotive and light truck manufacturers and tier 1 systems suppliers

Sales



23% Construction Materials
36% Industrial Components
17% Automotive Components
24% General Industry

Operating Margins*



30% Construction Materials
40% Industrial Components
11% Automotive Components
19% General Industry

*Segment earnings before interest and taxes

Products

Markets

General Industry

Carlisle FoodService

Carlisle FoodService Products



Commercial and institutional plastic foodservice permanentware, table coverings, metal cookware and serving pieces

Foodservice distributors and dealers

Carlisle Sanitary Maintenance Products



Industrial brushes, brooms and cleaning discs

Industrial wholesalers and retailers of janitorial supplies

Carlisle Home Products

Carlisle Home Products



Limited edition hand painted ceramic dinnerware, specialty ceramic table top items and super-clear acrylic items resembling cut glass

High end department stores, specialty gift retailers and high end corporate premium gifts

Kenro Incorporated



Custom molded thermoset plastic components

Manufacturers of appliances, outdoor products, outdoor grills, electrical components and kitchen/bathware

Carlisle Transportation Products

Trail King Industries



Standard and custom-built lowbed trailers, heavy duty truck and trailer dump bodies, and other specialty trailers

Heavy equipment dealers and contractors, specialized and commercial haulers

Walker Transportation



Transportation trailers/equipment for food and dairy applications

Chemical, dry bulk food and dairy haulers

Carlisle Systems and Equipment

Carlisle Process Systems



Cheese and milk powder manufacturing systems, controls and installation services

Dairy and food processors

Walker Equipment



Holding storage and processing equipment

Dairy, food processing and industrial markets

Carlisle Life Sciences



Isolation and other containment systems

Pharmaceutical, biotechnical, medical and semiconductor markets

Johnson Truck Bodies



Refrigerated truck bodies

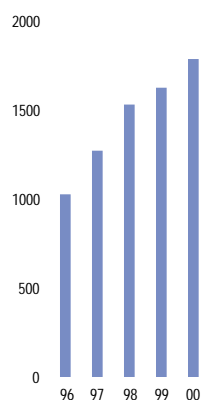
Warehouse-to-retail store delivery and home food e-delivery

FINANCIAL SUMMARY

Summary of Operations	2000	1999	Change
Sales (millions)	\$1,771	\$1,611	9.9%
Net Income (millions)	\$ 96.2	\$ 95.8	0.4%
Earnings Per Share ^(a)	\$ 3.14	\$ 3.13	0.3%
Dividends Per Share ^(a)	\$ 0.76	\$ 0.68	11.8%

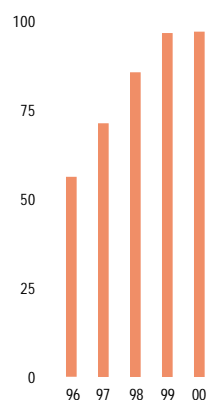
16.6% 5 year CAGR ^(b)

Sales in millions



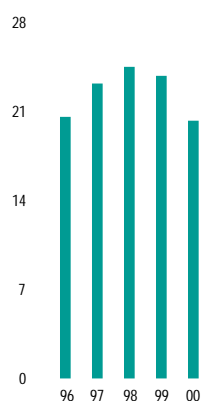
16.9% 5 year CAGR ^(b)

Net Income in millions

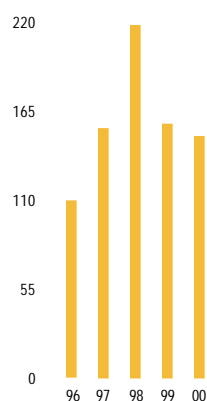


7.6% 5 year CAGR ^(b)

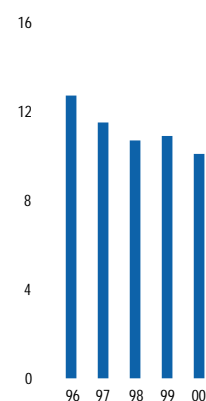
Return on Beginning Equity %



International Sales in millions



SGA Expenses as % of sales ^(c)



(a) diluted

(b) CAGR is compounded annual growth rate

(c) SGA is selling, general and administrative costs

TO OUR SHAREOWNERS

Dear Shareowner:

Carlisle started the year 2000 strong, with record sales and earnings for the first three quarters. However, in the fourth quarter, some of our major markets softened significantly, as they did for the majority of other industrial US companies. This softening resulted in financial performance below our targets. Nonetheless, we finished 2000 with record sales of nearly \$1.8 billion and earnings of \$96.2 million. Though we are pleased to achieve these milestones in a weakening economy, we remain dedicated to improving our performance by a relentless focus on customer satisfaction and cost reductions. Our balance sheet is strong, our operating principles are sound, our strategy is clear and our future is promising.

We expect Carlisle to perform well under all market conditions. Our commitment to growth in niche markets by bringing value enhancing products to our customers will continue to produce success as we face the near term economic slowdown. While this environment brings new challenges, it also provides new opportunities. In a slower economic environment, we can increase our market shares by using existing manufacturing resources to better meet the demands of both present and new customers. Our decentralized management structure allows operating management to respond quickly to changing customer needs. Our ongoing dedication to reducing costs provides the latitude to move rapidly as our markets change. Our presence in many repair and replacement parts markets dampens the effect of a softer economy. Our long-held principles provide the foundation for our future success.

Carlisle has the financial resources to take advantage of opportunities to expand into new markets, which will be more available in a slower economic environment. We possess the experience and capability to take advantage of these opportunities. We have not reduced our targets; we expect to meet our long-term goals.

Our year 2000 is a mixed picture. We struggled with reduced demand in some markets, especially in the fourth quarter, yet we enjoyed increased demand in other markets. We made a number of acquisitions that will enhance future results. The following are some highlights:

- Carlisle Tire & Wheel had another record year in 2000, making major advancements in its product offerings, manufacturing efficiencies and replacement parts distribution. Carlisle Tire & Wheel acquired Titan International's Consumer Tire and Wheel Division in 2000. As we integrate this acquisition, it will strengthen our ATV and commercial lawn and garden product offerings. Additionally, major expansions at two offshore plants in China and Trinidad will provide the capacity for future growth.
- One of our outstanding performing companies in 2000 was Tensolite. As Tensolite meets and exceeds customer needs, our aerospace wire is receiving broader acceptance in large commercial aircraft and regional and business jet markets. Tufflite™ is becoming the aerospace wire of choice. Tensolite's high performance cable assemblies and interconnect systems, along with its radio frequency microwave technology, are rapidly growing in the wireless communication and test equipment markets and with data processing equipment manufacturers. Tensolite's revenues and earnings growth in 2000 exceeded our targets. Carlisle will invest further in this exciting technology.

- Carlisle Process Systems, Carlisle's cheese manufacturing equipment unit, had an excellent year. It continues its quest to build a global presence with four acquisitions – Zimmer, Process Controls Engineering, Bontech and Damrow. Each of these companies enhances Carlisle Process Systems' technical capabilities and global market coverage. These acquisitions helped achieve record earnings for Carlisle Process Systems in 2000. This business is well positioned for 2001.

- Carlisle Life Sciences made significant progress by bringing on new products, broadening their market exposure and accelerating both sales and earnings. Carlisle's expertise in the isolation and containment systems used in food processing, dairy, pharmaceutical and biotechnical material handling, is becoming known worldwide.

Management: In February 2001, Richmond D. McKinnish was appointed Chief Executive Officer in addition to his position as President. In his twenty six years with Carlisle, Rick has led two of Carlisle's most successful business units and is well respected within Carlisle for his action oriented, lean cost and customer focused style. The entire Carlisle organization shares Stephen Munn's and Dennis Hall's utmost confidence in Rick's abilities to lead Carlisle.

Stephen P. Munn will remain as Chairman of the Board and Dennis Hall, currently Vice Chairman and Chief Financial Officer, will stay with the company for approximately one year to assist with transition issues, after which he will retire from the company. The Board of Directors' leadership in the management transition ensures that Carlisle will be as successful in the future as it has been in the past.

With the economy slowing for the first time in ten years and Carlisle's executive management transition, the year 2000 was indeed a year of change. However, what will not change is Carlisle's commitment to excellence, to our long-term goals, to growth and to the shareowners. Carlisle remains committed to continuing its history of providing value to our investors.

For the Board of Directors,



Stephen P. Munn
Chairman



Richmond D. McKinnish
President and Chief
Executive Officer



Dennis J. Hall
Vice Chairman and
Chief Financial Officer



Stephen P. Munn



Richmond D. McKinnish



Dennis J. Hall

ACCELERATING GROWTH

The past decade has been a period of remarkable growth at Carlisle. Sales have quadrupled, and in 2000 for the first time exceeded \$1.7 billion. Our businesses grow by introducing new products, such as Carlisle Motion Control's hybrid friction product, which doubles the life of brake linings on heavy-duty trucks. They expand by extending and diversifying product offerings; Walker Equipment's entry into pharmaceutical barrier systems brought about an entirely new business, Carlisle Life Sciences. They grow by opening up new geographical territories, such as Carlisle SynTec's new manufacturing facility in China.

Expansion through acquisition. As the timeline below illustrates, acquisitions help drive Carlisle's growth.

Carlisle has made more than 40 acquisitions in the past 11 years. Many of these were "bolt-ons" with complementary technology and product lines that were fully integrated into an existing business. Others were "stand-alones" that supplemented Carlisle businesses and added to Carlisle's diversification.

The year 2000 was one of our busiest periods for acquisitions and joint ventures. The ten companies acquired are bolt-ons that significantly bolster existing successful businesses. Red River, for example, enlarges Trail King's array of custom-built trailers and provides entry into the large asphalt market of highway construction. Our investment in Icopal A/S provides an important foothold in the European roofing market. Zimmer Corporation, with its apparatus for producing whey and other milk powder, enables Carlisle Process Systems to broaden its customer base for cheese-making equipment.

Carlisle will continue to pursue growth internally and through acquisitions. Carlisle seeks profitable, fairly priced and well-managed companies with strong positions in their respective niche markets or with the potential to be a niche market leader. Typically, the new companies prosper and become our best ambassadors, introducing Carlisle to additional candidates for acquisition and growth.

90



Brookpark Plastics: compression-molded plastic auto parts *for Carlisle Engineered Products* and melamine dinnerware *for Carlisle FoodService*
Off-Highway Braking Systems division of B.F. Goodrich: braking and actuation systems *for Carlisle Industrial Brake & Friction*

92-93



SiLite International: foodservice equipment and supplies *for Carlisle FoodService*
Altec: remanufactured brakeshoes for aftermarket *for Carlisle Motion Control*

94-95



Quaker Construction Products waterproofing unit: coatings and waterproofing *for Carlisle SynTec*
Sparta Brush: specialized brushes and cleaning tools *for Carlisle FoodService*
Trail King and Ti-Brook: Trailers *for Trail King*
Walker Stainless Equipment: Trailers *for Trail King* and storage and processing equipment *for Carlisle Systems & Equipment*

96



Hartstone: ceramic tableware and accessories *for Carlisle Home Products*
Engineered Plastics Division of Johnson Controls: automotive parts *for Carlisle Engineered Products*
Scherping Systems: cheese-processing equipment *for Carlisle Process Systems*
Intero and Unique Wheel: steel and aluminum rims and wheels for auto and trailer markets *for Carlisle Tire & Wheel (CT&W)*
Insul-Foam: roofing technologies and material *for Carlisle SynTec*



Carlisle Tire & Wheel

Carlisle SynTec

Carlisle Home Products

accelerating growth

97-98

Industrial Tire Products: off-road tire and wheel assemblies *for CT&W*
Tilden, Conestoga, Wheeltech, Neilson, City Machine & Wheel *for CT&W*
Quality Microwave Interconnects: RF/microwave coaxial connectors and cable assemblies *for Tensolite*
Vermont Electromagnetics: precision high speed cable assemblies *for Tensolite*
Hardcast Europe: adhesives and sealants for European construction market *for Carlisle SynTec*
Zimmerman Brush: industrial brushes *for Carlisle FoodService*

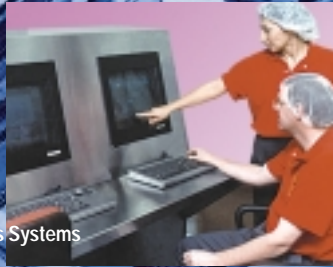
99

Cragar Industries: specialty steel wheels *for CT&W*
Marko International: table coverings and accessories *for Carlisle FoodService*
Innovative Engineering: cheese-making equipment *for Carlisle Process Systems*
Johnson Truck Bodies: custom truck bodies for food delivery *for Johnson Truck Bodies*
Global Manufacturers: stamped and styled steel auto wheels *for CT&W*

00

Red River: custom trailers *for Trail King*
Zimmer: evaporators for processing milk and by-products *for Carlisle Process Systems*
Moody Parts: joint venture to distribute spare parts for dairy industry *for Carlisle Process Systems*
UniTrek: RF assemblies and complex harnesses *for Tensolite*
Process Controls Engineering: software and controls for dairy industry *for Carlisle Process Systems*
Titan's Consumer Tire and Wheel Division: off-road tires and wheels *for CT&W*

Extract Technologies: biotechnology and pharmaceutical systems *for Carlisle Life Sciences*
Dura-Ware: cookware, servingware *for Carlisle FoodService*
Damrow: cheese-making equipment *for Carlisle Process Systems*
Dynair: HVAC accessories *for Carlisle SynTec*
Icopal A/S: leading European roofing manufacturer a minority interest *for Carlisle SynTec*
Bontech: processing powder dryers *for Carlisle Process Systems*



Carlisle Process Systems



Carlisle Life Sciences



Cheese Manufacturing

entrepreneurial spirit

Carlisle Life Sciences

An offshoot of Walker Equipment, Carlisle Life Sciences is a case study in starting a new kind of business from scratch within Carlisle. The unit had its beginnings at Walker in 1997, when it started making a new kind of product – isolation systems for the pharmaceutical industry.

The unit's products are grounded in Walker's tradition of quality and precision in custom fabrication of stainless steel processing apparatus. They supply a number of solutions, including sterility testing, glove-box isolation and clean rooms – systems that variously protect the operator, the product or the environment, or all three.

The unit became Carlisle Life Sciences in 2000 after the acquisition of Extract Technologies, Ltd.

Based in England, Extract is the global leader in providing containment and bulk powder handling applications. The unit's expanded services include full consultation with potential customers in pharmaceutical and biotech industries along with the design, fabrication and installation of turnkey systems – modular facilities as well as components.

The Carlisle philosophy of decentralization optimally balances large company efficiencies and individual empowerment. The size of Carlisle, in total, provides efficient access to capital, management advice and other resources. Decentralization provides an environment in which managers are encouraged to think and act like entrepreneurs, reacting quickly to customer needs without being encumbered by bureaucracy.

Industry veterans. Many of the division managers who enjoy this entrepreneurial freedom represent an impressive combination of talent and experience in their respective industries. Tenures of fifteen years or more in their fields of managerial expertise are commonplace at Carlisle.

Usually the businesses Carlisle acquires are successful niche leaders, often privately or family owned. After acquisition, the management teams typically remain in place, putting their experience and expertise to work for Carlisle. Taking advantage of corporate resources, they see their businesses grow more rapidly than ever. An example is Jerry Thomsen, President of Trail King Industries since 1988. His father founded the company, and Jerry started work there at age 15. Since Carlisle acquired Trail King in 1995, sales have more than doubled.

Decisions from the bottom up. Unburdened by corporate bureaucracy, managers can focus on operating and improving the business. Attuned daily to the marketplace, they can expand their product offerings, extend geographical distribution, take risks by exploring opportunities for acquisitions or start up new ventures. "It's all bottom up instead of top down," says John Berlin, president of Tensolite, whose products play an increasing role in high-speed data communications. "The Carlisle system is built for speed of decision making and execution. In high technology if you're not on top of trends you get lost in the dust."

Two diverse endeavors described below – one in pharmaceuticals and the other in the dairy industry – depict Carlisle's entrepreneurial spirit in action.

Carlisle Process Systems

A leading maker of equipment for dairy processing, Carlisle Process Systems presents a case study in how to build a robust business swiftly. Carlisle entered into the food processing equipment market by acquiring Walker Stainless Equipment in 1995. Then, in 1996, Walker, in turn, acquired Scherping Systems, fabricator of stainless-steel equipment for making cheese.

Renamed Carlisle Process Systems, this unit carved out a key role in the U.S., where consumption of cheese – especially in pizza – increased by more than 20 percent over the past

decade. In 1999, acquisition of Innovative Engineering of New Zealand expanded our franchise in the Asian Region. In 2000, new additions provided a platform for greater growth worldwide:

- ▶ Process Controls Engineering gives us new strength in California, which is now the nation's largest milk processing state.
- ▶ Moody Parts, a joint venture, supplies spare parts through e-commerce for daily processors throughout the USA.
- ▶ Damrow expands our market for cheese systems into Europe and Latin America.

- ▶ Zimmer Corporation, market leader in North America for whey and milk processing evaporators, brings new capability. Once a discarded by-product of cheese-making, whey is now much in demand as a high-protein dietary supplement.
- ▶ Future European acquisitions in 2001 will further position Carlisle Process Systems as the leading supplier of cheese and milk powder systems in the world.

SUCCESS FACTORS

Carlisle believes in setting aggressive goals and working hard to achieve them. These targets serve as benchmarks by which management, employees and shareholders alike can measure Carlisle's progress. Although these goals have changed as the company evolved, four objectives remain constant.

Growing sales and earnings. Carlisle's target is to achieve an average of 15 percent annual growth in sales and earnings over the long term. In 2000 we achieved a record of nearly \$1.8 billion in sales, doubling the total achieved only five years previously. This represented an increase of 9.9 percent over 1999 sales of \$1.6 billion. At the same time, earnings lagged, amounting to an increase of only .4 percent in 2000 over that of 1999. Nonetheless, average earnings growth over a five-year-period of 17 percent exceeded our target.

Improving shareholder value. In a difficult year for the stock markets, Carlisle shareholders experienced an increase in value. The price of our common stock was up 19 percent. This increase, together with .76 cents per share in dividends paid during the year, brought the total annualized return to 21.4 percent, outpacing such measures as the Standard & Poor's 500 Index of large stocks and the Russell 2000 Index of smaller stocks. Over the past five years, Carlisle has averaged a total annual return of 17.6 percent.

Enhancing return on equity. In this measure of how effectively the company utilized shareholder equity to increase earnings, Carlisle achieved the target of 20 percent for the fifth straight year.

Reducing indirect expenses. Carlisle's goal is to keep SG&A – selling, general and administrative expenses – below 13 percent. In 2000 these expenses were 10.0 percent, well under the target, down from 10.8 percent in 1999. Reduction over the long term is demonstrated by looking back at 1990, when SG&A expenses amounted to no less than 17.2 percent of sales.

1

2



This chart shows how a six-stage business model perfected at Carlisle Tire & Wheel is being applied at Tensolite, which has gone through the first three stages.

Carlisle Tire & Wheel

1988-1991

Cost reduction

Combined tire and wheel manufacturing

Moved wheel production to South Carolina to lower cost and improve productivity

1994-1996

Capacity increase

Augmented US tire production with China plant and Trinidad plant

Tensolite

1988

Cost reduction

Moved wire operations from New York to Florida to lower cost

1999

Capacity increase

Added Mexican wire manufacturing facility

success factors

Carlisle SynTec



Trail King Industries



Tensolite Mexican Facility



3

1996-1998

Value chain shift

Moved up the value chain by acquiring distribution assets of Wheeltech, Tilden and Neilson Wheel

4

1997

Market expansion internationally

Acquired Conestoga Tire & Rim for Canadian distribution/assembly

5

1999

Product development

Integrated the ITP acquisition to gain access to rapidly growing ATV tire market

6

2000

Manufacturing capability improvement

Invested \$10 million in China and Trinidad plants to improve manufacturing capabilities, increase capacity and improve quality

1998

Value chain shift

Moved up the value chain by acquiring connector and cable assembly firms Quality Microwave and Vermont Electromagnetics



Carlisle SynTec ①



Carlisle Coatings & Waterproofing ②

1

Carlisle SynTec

A leader in the single-ply roofing industry

Has certified nearly 200,000 installations

New investments and facilities in China and Europe

2

Carlisle Coatings & Waterproofing

Major player in this fragmented market

construction materials

CONSTRUCTION MATERIALS

Many of the world's large commercial buildings – from warehouses to hotels like Nashville's Opryland – rely upon Carlisle SynTec (SynTec) roofing systems. One such structure, the consolidation hub for United Parcel Service in the Chicago area, covers nearly 36 acres.

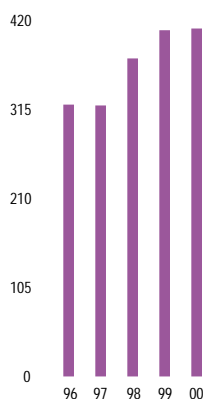
SynTec, which has sold more than eight billion square feet of membrane for non-residential roofing systems and re-roofing requirements, is one of two units in Carlisle's Construction Materials segment. The other, Carlisle Coatings & Waterproofing, manufactures sealants, adhesives, tapes and coatings. SynTec is a leader in its markets, enabling it to profit even during downturns in construction.

An array of single-ply solutions. SynTec began full-scale production in 1999 of a new cost-effective technology – thermoplastic polyolefin (TPO) roofing membrane – particularly suited for warm climates. TPO supplements SynTec's single-ply rubber systems, including membrane backed with polyester fleece for tear and puncture resistance and easier installation. SynTec's participation in a majority owned joint venture supplies rigid foam panels for insulating its single-ply solutions.

Covering the whole world. Two advances mark SynTec's aggressive pursuit of international opportunities. The first is a joint venture interest in a manufacturing facility in China to produce rubber roofing for the Chinese domestic market. The second is the purchase of a 25 percent interest in Icopal A/S of Denmark, the leading European producer of roofing systems with 1999 sales exceeding \$600 million. Participation in the ownership of Icopal provides opportunities for Carlisle and Icopal to expand in the European market, utilizing the strength of both organizations.

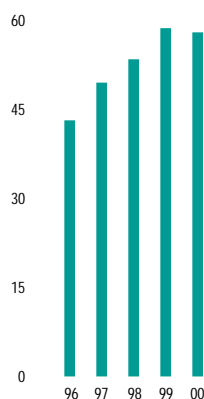
6.4% 5 year CAGR ^(b)

Sales in millions

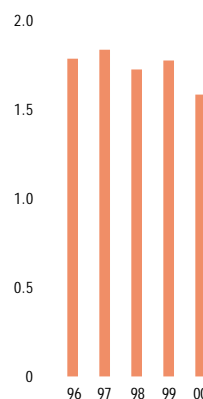


9.9% 5 year CAGR ^(b)

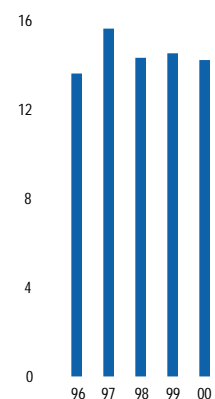
EBIT in millions ^(a)



Asset Turnover



Operating Margin %



(a) EBIT is earnings before interest and taxes
(b) CAGR is compounded annual growth rate

INDUSTRIAL COMPONENTS

Four businesses that impact distinctly different spheres of everyday life comprise our Industrial Components segment. Two of them – Carlisle Motion Control and Carlisle Industrial Brake & Friction – manufacture heavy duty friction and braking systems for trucks, trailers and off-highway equipment. Carlisle Tire & Wheel makes tires and steel wheels for lawn care equipment, golf cars and all-terrain vehicles. Tensolite manufactures wire, cable and cable assemblies for the aerospace industry and high-speed data communications market.

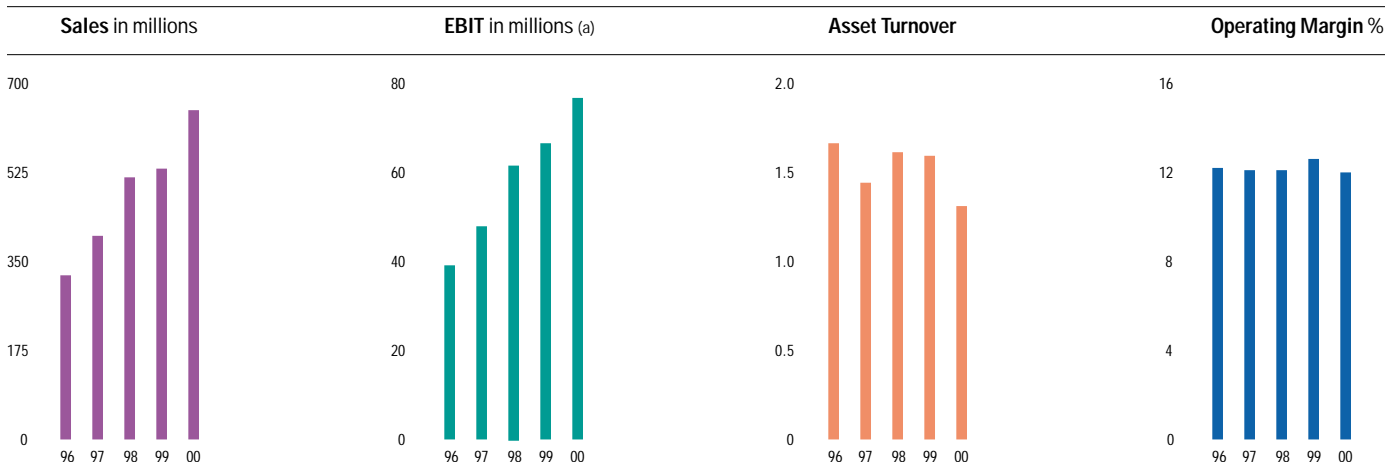
New systems on and off the road. Breakthrough innovations bolster Carlisle's braking units. Motion Control's new hybrid friction formulation is an adhesive friction that doubles the life of brake linings in large trucks. Motion Control also gains market share by working toward its goal of becoming the low-cost producer of friction products. Industrial Brake & Friction, focusing on its off-highway franchise in heavy equipment, supplies brakes for 400-ton dump trucks, the world's largest. Other innovative products include a streamlined stopping system for forklifts and electric-powered emergency braking systems for on and off highway vehicles.

Carlisle Tire & Wheel, with its broad line of specialty tires and wheels, increased its leadership in the lawn and garden and golf car markets. Already North America's largest maker of non-highway tires, Carlisle further penetrated the booming all-terrain-vehicle market by acquiring ITP.

Wired for flight and communication. Up to 50 miles of Tensolite's highly engineered wire and cable serve to power, control and transmit data in a single commercial jetliner. While Tensolite remains the No. 1 supplier of high performance wire to Boeing, its expanded sales for regional and business jets provide aerospace diversification. Tensolite's most rapid growth is in high-performance cable and interconnect systems for wireless, Internet and telecommunication applications. The acquisition of UniTrek, a maker of specialty cable assemblies, accelerated this trend. In 2001, for the first time, Tensolite expects sales to the data communications markets to surpass those in aerospace.

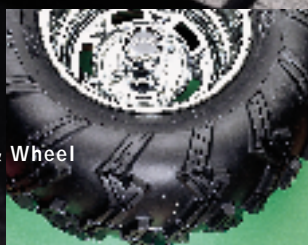
19.7% 5 year CAGR ^(b)

19.9% 5 year CAGR ^(b)



(a) EBIT is earnings before interest and taxes
(b) CAGR is compounded annual growth rate

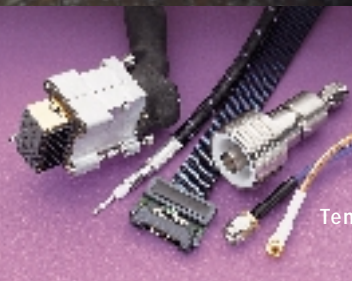
2 Carlisle Tire & Wheel



3 Carlisle Industrial Brake & Friction



4 Carlisle Motion Control



1 Tensolite

1

Tensolite

Rapidly growing sales in data communications and wireless Internet infrastructure applications
Diversified to regional and business jets
Acquired UniTrek, maker of specialty cable assemblies
Positioned for new growth in high-speed communications

2

Carlisle Tire & Wheel

Increased market share in lawn and garden consumer tires by acquiring Titan's consumer tire and wheel business
ITP acquisition opens up all-terrain vehicle market
Innovative styling in specialty steel wheels
Overall sales up nearly 27 percent

3

Carlisle Industrial Brake & Friction

Leader in friction braking for off-road heavy equipment
New systems for forklifts and skid-steer loaders
Braking for world's largest dump trucks
Providing park brake solutions and systems for mid-range on-highway trucks and specialty chassis

4

Carlisle Motion Control

Innovative adhesive friction doubles life of heavy duty truck brakes
Aiming to become the low-cost producer of large truck (Class 6, 7, 8) abrasive friction products

industrial
components



Carlisle Engineered Products ①

1

Carlisle Engineered Products

Making better parts from advances
in technology

Manufacturing plants from Michigan
to Mexico to Birmingham, England

Applying lean techniques for cost
efficiency

Improved operating margins

automotive
components

AUTOMOTIVE COMPONENTS

Nearly every automobile and pickup truck made in North America during 2000 contained at least one part made by Carlisle Engineered Products (CEP). Some vehicles – typically trucks and sports utility vehicles – contained up to 20 of these Carlisle custom-manufactured rubber or plastic components. Each one was fashioned by the latest technologies but in accordance with the same high standards that date back more than a half century in CEP's distinguished past.

Our parts and people. In 2000, CEP manufactured more than 300 million automotive components. These ranged from bumper beams to wire channels, from air dams to cowl screens, from door gaskets to radiator end tanks. A variety of technological processes shaped them, including rubber molding, rubber extrusion, blow molding, plastic injection molding and plastic extrusion. A wide range of multi-cultural employees that work at manufacturing facilities from Michigan, Pennsylvania, Ohio, Alabama and South Carolina, to Mexico and England operate these processes. In Pennsylvania, a new joint venture with Hispanic partners glued and assembled components; and a second minority joint venture will begin operations in Indiana in 2001.

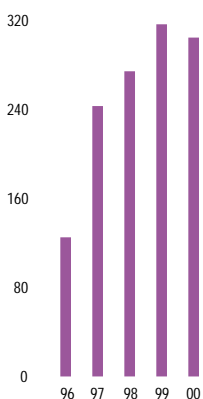
Our business entails a constant search for cost efficiencies in the substitution of materials. Plastics and rubber replace metal and wood.

Advances in technology such as Carlisle's new two-shot injection molding enables us to create a rigid cowl screen with a soft seal in one process, eliminating the need for manual assembly while improving quality.

Ways to stay lean. Overall operating margins benefited from the previous year's restructuring, which eliminated a non-core business and centralized sales, estimating and program management. The emphasis on lean manufacturing techniques saved millions of dollars in costs. Employees and supervisors met with facilitators in 50 different week-long sessions and found better ways to make better products.

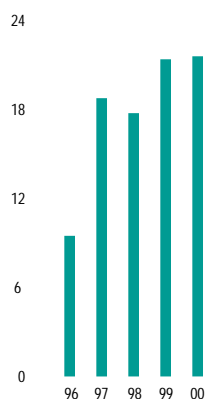
26.3% 5 year CAGR (b)

Sales in millions

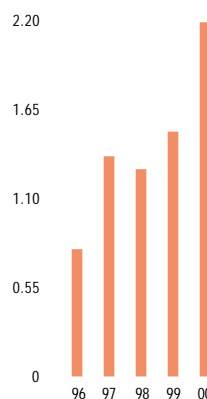


23.7% 5 year CAGR (b)

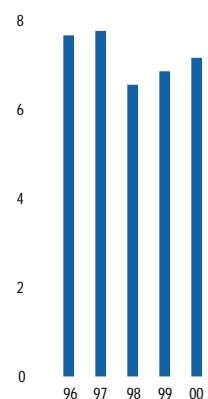
EBIT in millions (a)



Asset Turnover



Operating Margin %



(a) EBIT is earnings before interest and taxes
(b) CAGR is compounded annual growth rate

GENERAL INDUSTRY

The plates on which we dine during a casual meal out. Custom-built trailers that help pave our roads. Equipment that turns out cheese and other milk products. In these and many other ways the units of Carlisle's General Industry segment serve everyday life.

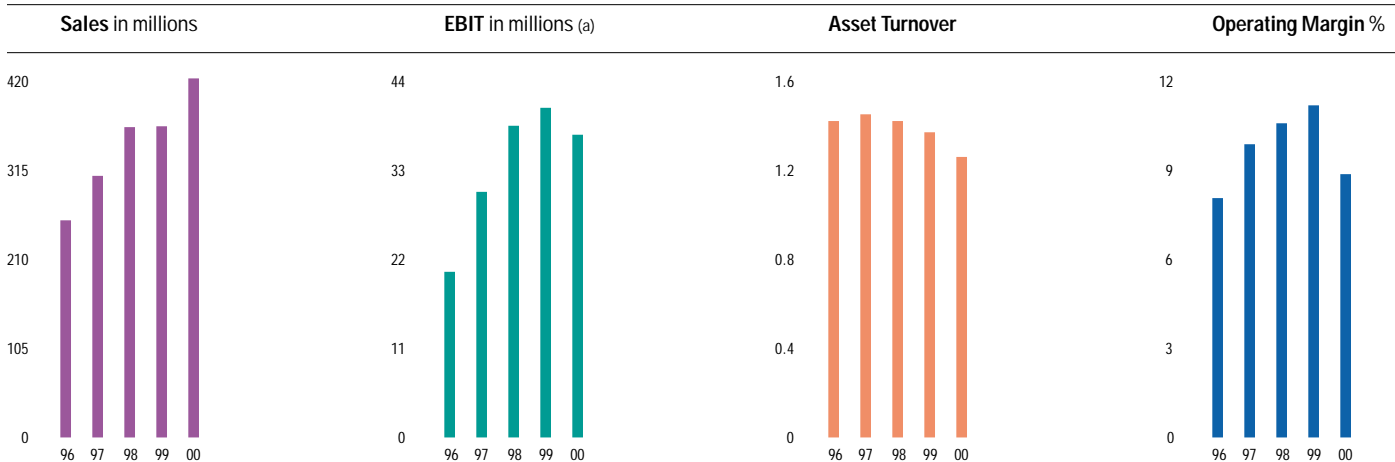
The very best in service. Carlisle FoodService Products offers more than 16,000 different items, from small sauce cups to full-scale salad bars, for restaurants and institutions; the acquisition of Dura-Ware adds a proven line of cookware and serving utensils. Carlisle Home Products markets specialty ceramic tableware. Sanitary Maintenance Products makes janitorial supplies, including Omnisweep, an angled broom that represents the first new design in years.

The business of Carlisle Transportation Products is trailers. Walker Transportation builds stainless steel dairy and chemical tank trailers. Custom-built trailers from Trail King Industries, including lowbed and dump models, set the industry standard. The addition of Red River expands these offerings into live bottom trailers that, with their conveyor-belt mechanisms, feed asphalt into road-paving apparatus.

Foods and pharmaceuticals. Carlisle Systems & Equipment has four units serving the food and pharmaceutical markets. Johnson Truck Bodies builds refrigerated units for food-delivery vehicles. Walker Equipment makes stainless steel apparatus for storage and processing for dairy and other applications. A Walker spinoff, Carlisle Life Sciences, which unites the former Pharmaceutical Systems and the newly acquired Extract Technologies, Ltd., specializes in containment systems for the pharmaceutical and biotechnology industries. Carlisle Process Systems has integrated its capabilities of manufacturing equipment for the production of cheese and milk powders by bringing together Scherping Systems International and five acquisitions – Damrow, Zimmer, Process Controls Engineering, Bontech, and a joint venture with Moody Parts. This new unit now plays a significant role in the major global dairy markets.

21.3% 5 year CAGR (b)

24.5% 5 year CAGR (b)



(a) EBIT is earnings before interest and taxes
(b) CAGR is compounded annual growth rate



Carlisle FoodService 1



2 Carlisle Systems & Equipment



Carlisle Home Products 3



4 Carlisle Transportation Products

1

Carlisle FoodService

Dinnerware for fast-growing casual dining-out market
Dura-Ware acquisition brings cookware and serving utensils
Introduced innovative new broom design

2

Carlisle Systems & Equipment

Vastly expanded capacity for cheese and whey processing apparatus
Record sales in home-delivery grocery market
Leading-edge craftsmanship from Walker Equipment
Going global to aid pharmaceutical industry

3

Carlisle Home Products

New management team dedicated to significantly growing the business
New distribution center decreased shipping time by a factor of four
Twice as many new product introductions in 2000 versus past years

4

Carlisle Transportation Products

Problem solvers in super-size lowbed trailers
Red River acquisition expands specialty trailer line to penetrate asphalt road construction market
Custom-built tank trailers for dairy, chemicals and dry bulk materials

general industry

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Carlisle Companies Incorporated reported sales of \$1.771 billion in 2000, up 10%, or \$160 million, from 1999 sales of \$1.611 billion. Acquisitions were the primary contributor to the year-over-year sales increase. Sales volume at many Carlisle companies was affected by the reduction in customer demand in the fourth quarter. In 1999, sales increased 6% or \$94 million, as a result of internal growth, driven by product line expansion and market share gains, as well as the effect of acquisitions completed in 1999 and the full year impact of acquisitions completed in 1998.

Net earnings in 2000 were \$96.2 million, or \$3.14 per share, compared to 1999 net earnings of \$95.8 million, or \$3.13 per share. As the fourth quarter unfolded, the rapid economic slowdown, seen throughout the manufacturing community, was reflected in the sales and operating earnings of many Carlisle companies. Margin pressures caused by competitive pricing and increased material costs also affected earnings. Net earnings in 1999 increased 13%, due to increased sales levels coupled with operational improvements made throughout the Company.

The disappointing fourth quarter, caused by steep declines in demand, diluted improvements made at many Carlisle companies throughout the year. What started as a very promising year, with demand in excess of capacity at some facilities, took a drastic turn in the fourth quarter. A downturn in many original equipment markets occurred without a corresponding increase in the aftermarket, events that normally do not coincide. Market prices dropped as competitors fought to retain volume in declining markets. This, coupled with upward pressure on costs, brought margins down. Yet, with few exceptions, Carlisle's companies maintained competitively strong leadership positions in each of their major markets.

To further sharpen Carlisle's competitive capability, management has taken action to increase efficiency and reduce costs by announcing the closure of two plants, six regional support offices and other staff

reductions. The expense associated with these actions resulted in a pretax charge to operations of \$3.7 million in the fourth quarter. It is expected that this charge will result in a benefit in 2001 equivalent to the charge.

Approximately 96% of this year's sales growth came from acquisitions completed in 2000 and the full year impact of 1999 acquisitions. During 2000, Carlisle completed a record ten acquisitions and established three joint ventures. These acquisitions were: (1) DynAir, Inc., a Canadian manufacturer of duct supplies, (2) Tuchenhausen-Damrow, LLC and Kolding Gruppen A/S, global equipment suppliers to the cheese industry, (3) Dura-Ware Co. of America, Inc., a manufacturer of commercial cookware and servingware, (4) Extract Technology Limited, a U.K. based biotech/pharmaceutical systems provider, (5) Consumer Tire and Wheel Division of Titan International, Inc., expanding product offerings to the lawn and garden markets, (6) Process Controls Engineering, a designer of control systems for the cheese industry, (7) UniTrek Corporation, a manufacturer of microwave and radio frequency cable assemblies, (8) Bontech A/S, a Danish designer of spray dryers and fluid bed dryers for the dairy industry, (9) Zimmer Corporation, a supplier of cheese and whey processing equipment, and (10) Red River Manufacturing, a specialty trailer manufacturer. In addition, the Company completed the following joint ventures: (1) Icopal A/S, Europe's leading commercial roofing systems provider, (2) Moody Parts, a distributor of spare parts for processing equipment, and (3) Carlisle Beijing, a Chinese manufacturer of membrane roofing and waterproofing products.

Five acquisitions were completed in 1999. Carlisle purchased: (1) Global Manufacturing, a manufacturer of stamped steel wheels for industrial and recreational applications and styled steel wheels for the automotive aftermarket, (2) Johnson Truck Bodies, a manufacturer of fiberglass custom truck bodies for the delivery of food products to stores and homes, (3) Innovative Engineering Limited, an engineering and equipment supplier of cheese making systems, (4) Marko International, Inc., a supplier of table coverings, table skirtings and other accessories for the foodservice market, and (5) the custom steel wheel business of Cragar Industries, Inc., which produces and markets Cragar brand custom steel wheels to the automotive aftermarket.

Operating Segments

Construction Materials

Segment sales of \$407 million in 2000 were flat over 1999 sales of \$405 million. The relatively soft commercial roofing market experienced in 2000, as compared to 1999, stunted sales growth in this segment.

Although sales of thermoplastic polyolefin (TPO) membrane and insulation increased year-over-year, a soft domestic roofing market, further slowed by the cold, wet weather experienced in the fourth quarter of 2000, coupled with a change in product mix, reduced sales. Carlisle Coatings & Waterproofing experienced higher sales driven by its adhesive tape and sealant products. In 1999, segment sales increased 9% from 1998 sales of \$372 million as a result of the expansion of its insulation and TPO products.

Segment earnings were down slightly in 2000 to \$57.5 million, from \$58.2 million in 1999. The continuing trend of raw material price increases, the inability to pass those increases on to our customers, as well as the change in product mix, negatively impacted earnings this year, despite the continuing trend of favorable warranty claims experience. In 1999 segment earnings were up 10% over 1998 earnings of \$53.0 million, reflecting increased sales levels, improved operational performance and favorable warranty experience. The improvement in earnings was partially offset by the absorption of increased raw material costs and changes in product mix.

Industrial Components

Segment sales of \$642 million for 2000 surpassed 1999 sales of \$528 million by 22%. Two acquisitions completed during the year by Carlisle Tire & Wheel and Tensolite fueled much of this segment's sales growth.

Tensolite's diversification into cable assembly and high performance interconnects has brought this company into the forefront of the communications technology market and has helped to expand its customer base and markets served. Carlisle Tire & Wheel's acquisition of the Consumer Tire and Wheel Division of Titan International has increased its sales through further expansion of its product line and customer base.

The Company's off-highway and industrial brake and friction businesses saw a sales improvement in 2000, primarily in the industrial aftermarket product lines. In 1999, segment sales increased 3% over 1998 sales of \$511 million. This increase was due to growth of new customers and new products in the specialty tire and wheel business of Carlisle Tire & Wheel, but was dampened by lower demand for aerospace bulk cable, heavy duty friction to the aftermarket and off-highway industrial brakes.

Segment earnings increased 15% to \$76.1 million over 1999 earnings of \$66.0 million. Earnings improvements at Carlisle Tire & Wheel driven by the Cragar and Titan acquisitions were reduced by the impact of higher material and utility costs, coupled with expansion and integration costs. Carlisle Industrial Brake & Friction had a positive comparison to 1999 resulting from the successful implementation of productivity improvements and cost reduction programs. Tensolite's cable assembly operations also made a positive contribution to this segment's earnings in 2000. Tensolite has consolidated and upgraded its cable assembly operations in order to strengthen its manufacturing capabilities and flexibility as it prepares for future growth. Motion Control, the off-highway business, was impacted by lower demand compounded by competitive pricing and higher material costs. Segment earnings increased 8% in 1999 from \$61.3 million in 1998. Factors leading to the increase were product line extension and operational improvements at Carlisle Tire & Wheel. Offsetting these improvements were lower earnings at Tensolite and Carlisle Industrial Brake & Friction due to less robust markets.

Automotive Components

Segment sales for Automotive Components were down 4% in 2000 to \$302 million, from \$314 million in 1999. This segment experienced an overall reduction in production build rates throughout 2000 coming off 1999's record pace, with heavier reductions noted in the fourth quarter of this year. In 1999, segment sales were up 16% over 1998 sales of \$272 million, as a result of a very strong automotive and light truck market.

Segment earnings of \$21.4 million were slightly above 1999 segment earnings of \$21.2 million. Earnings in this segment were up 12% through September 30th, 2000 as a result of operational improvements and efficiencies gained. However, the reduction in industry demand in the fourth quarter and the corresponding impact on sales offset the improvement made throughout the year. Earnings in 1999 increased due to the release of production backlog following the resolution of the GM strike in 1998 as well as improved product mix. Return on assets and free cash flow both improved significantly in this segment.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

General Industry (All Other)

The General Industry segment sales of \$420 million exceeded 1999 sales by 15%. Acquisitions completed at each of the businesses in this segment during the year were principally responsible for the segment's sales growth. Carlisle Systems & Equipment expanded its reach of isolation systems for the pharmaceutical industry and cheese processing equipment for the dairy products industry and has become a leader in these respective niches. The sales gains at Carlisle Transportation Products, due to the acquisition of Red River and increased demand at the tank trailer business, were more than offset by the decline in demand at the Trail King specialty trailer operations. This decline was caused by the ongoing softness in the transportation markets as a result of rising fuel costs. Acquisitions completed during the year at Carlisle FoodService offset lower sales of the core foodservice business. Segment sales of \$364 million in 1999 were flat with 1998 sales of \$363 million. On a pro-forma basis, excluding the effect of the perishable cargo divestiture in January 1999, sales increased 20% over 1998. Sales and earnings at Carlisle Systems & Equipment account for much of this pro-forma increase, due to the acquisition of Johnson Truck Bodies as well as internal growth. Carlisle Transportation Products sales were up over 1998 primarily due to a strong highway construction market. Higher sales were recorded in our foodservice business due to product line expansions in both international and domestic markets.

Segment earnings of \$37.1 million were down 8% over 1999. Margin pressures at Carlisle FoodService and sales declines at Carlisle Transportation Products and Systems & Equipment's Johnson Truck Bodies, offset the earnings increases from the acquisitions in the other Carlisle Systems & Equipment businesses. Carlisle FoodService struggled throughout the second half of the year to fight off increased raw material and freight costs. Price increases were implemented late in 2000 and should improve margins in 2001, but could not offset the cost increases already absorbed this year. Earnings at Carlisle Transportation Products' specialty trailer operations were negatively impacted by lower productivity as a result of the sales decline in each of its markets. Rising fuel costs reduced demand for new equipment

particularly in the commercial trailer markets. Segment earnings of \$40.4 million in 1999 increased 6% over 1998 segment earnings of \$38.2 million. Pro-forma earnings grew 26%, after excluding the perishable cargo business, which was divested in January of 1999, reflecting primarily the increase in sales in this segment.

Financial Results

Gross margin, expressed as a percent of sales, represents the difference between net sales and cost of goods sold. These margins increased from 21.6% in 1998, to 22.2% in 1999, but declined to 20.8% in 2000. In 1999, improved operational efficiency, as well as improved product mix, accounted for the higher margin rate. The decline from 1999 to 2000 reflects the competitive marketplace, higher raw material prices coupled with the reduced demand during the fourth quarter of this year.

Selling and administrative costs, expressed as a percent of sales, of 10.6% in 1998, 10.8% in 1999, and 10.0% in 2000, reflect the continued emphasis on cost control throughout all operations and lower cost structures in Carlisle's overall businesses.

Total costs, which include raw material, manufacturing, selling, general and administrative, and research and development costs expressed as a percentage of total sales, have remained fairly consistent, at 90.1% in 2000, 89.6% in 1999 and 90.0% in 1998. Through the third quarter of 2000, total costs, as a percentage of sales, were 88.9%, a .3 point improvement over the same period of 1999. The increase in total costs in 2000 was driven by raw material price increases, compounded by declining market demand in the fourth quarter. The improvement in the total cost relationship in 1999 was due to improved operating efficiencies.

Interest expense, net increased to \$28.0 million in 2000 from \$19.2 million in 1999, due to higher debt levels throughout the year, as a result of the completion of a record number of acquisitions during the year. Strong internally generated cash flows financed planned capital expenditures and some of the acquisition spending.

Income taxes, for financial reporting purposes, decreased in 2000 to an effective tax rate of 36.2% compared to 38.4% in 1999, and 39.5% in 1998. The successful implementation of various foreign and state tax strategies was responsible for much of this improvement.

Receivables, of \$214 million reflect a decrease over the 1999 level of \$245 million. The sales decline experienced in the fourth quarter, as well as a focus on reducing days sales outstanding, was responsible for the improvement. The 1999 level of receivables represented a 9% increase over 1998 levels and was in line with the sales growth for that year.

Inventories, valued primarily by the last-in, first-out (LIFO) method, were \$277 million at year-end 2000, a 27% increase over the 1999 year-end level of \$219 million. The increase in inventory at year-end was primarily due to higher inventory at Carlisle Tire & Wheel in preparation for the spring selling season, and at Carlisle FoodService as a result of acquisitions made during the current year. In 1999, the increase in inventory over 1998 was also due to seasonal demands and the impact of acquisitions.

Capital expenditures totaled \$59 million in 2000, up from \$48 million in 1999. Investments were made in production capacity in China and Trinidad for tire and wheel assemblies, as well as plant and equipment to manufacture TPO roofing membranes, specialty trailers and processing equipment.

Liquidity, Capital Resources and Environmental

Cash flows provided by operating activities were \$125 million in 2000 compared to \$136 million in 1999. The decrease is due to higher working capital at the end of 2000 partially offset by an increase in depreciation and amortization. Cash used in investing activities was \$272 million versus \$86 million in 1999, an increase of \$186 million. This increase was attributable to the unprecedented level of acquisition spending during the year of \$209 million versus \$42 million in 1999. In addition, in 1999, cash used in investing activities was offset by the proceeds, net of tax, from the divestiture of the perishable cargo business. The net cash provided by financing activities in 2000 was \$146 million versus a use of cash of \$44 million in 1999. In 2000, short-term borrowings were used to finance acquisitions made during the year. The net cash used in financing activities in 1999 reflects the repayment of short-term borrowings.

In June of 2000, Carlisle replaced its \$125 million revolving credit facility with new \$350 million credit facilities. These facilities are available for investments in acquisitions and general corporate purposes. The Company's primary sources of liquidity and capital are cash flows from operations and borrowing capacity. Carlisle continues to maintain substantial flexibility to meet anticipated needs for liquidity and investment opportunities.

Carlisle management recognizes the importance of the Company's responsibilities toward matters of environmental concern. Programs are in place to monitor and test facilities and surrounding environments and, where practical, to recycle materials. Carlisle has not incurred material charges relating to environmental matters in 2000 or in prior years, and none are currently anticipated.

Backlog and Future Outlook

Backlog was \$266 million at December 31, 2000 compared to \$228 million in 1999. Higher backlog at Carlisle Tire & Wheel, Tensolite and Carlisle Systems & Equipment reflect the strong market penetration achieved by these businesses through internal efforts and the acquisition of key market niches. Automotive Components backlog was down from December 1999 levels due to the decline in demand in the fourth quarter 2000, and the anticipated slowing of the automotive build rates, particularly in the first quarter of 2001.

With the onset of 2001, management is pleased to announce three recently completed acquisitions by Carlisle Process Systems: Bontech Engineering A/S, in Denmark; Scheffers, Division of Siersema BV and Stork Friesland BV, both in the Netherlands. Each of these companies strengthen Carlisle's position in evaporation and drying systems for the food and dairy processing industries. Additionally, Carlisle SynTec has announced a letter of intent to acquire EcoStar, Inc., a manufacturer of synthetic roofing tiles for the residential and commercial steep slope roofing markets.

There is opportunity in this changed economic environment. The companies we have acquired in 2000 and those announced in 2001, bring new products, customers and markets to Carlisle's portfolio. Although we believe the first half of the year will be a challenge, our competitive position is strong and we are optimistic about the opportunities for growth and leadership in our markets. We have made strides toward achieving our objective of increased global presence in industries that are attractive to us. Our longstanding operating principles of: targeted market leadership; growth from within; lean organizational structure; low cost, decentralized operations; and strategic acquisitions to achieve our sales and earnings growth objectives, have enabled us to show positive results year-over-year despite the market conditions we face. As we move into 2001, we are confident that these principles will continue to result in operating success for Carlisle.

CONSOLIDATED STATEMENTS OF EARNINGS AND SHAREHOLDERS' EQUITY

For the years ended December 31. In thousands except per share data.

	2000	1999	1998
Net sales	\$1,771,067	\$1,611,256	\$1,517,494
Cost and expenses:			
Cost of goods sold	1,402,683	1,254,267	1,189,379
Selling and administrative expenses	176,484	173,375	160,366
Research and development expenses	16,463	15,761	16,178
Gain on divestiture of business (\$16.6m), net of other charges (\$15.9m)	—	(685)	—
Other (income) and expense	(3,446)	(6,099)	(8,414)
Earnings before interest and income taxes	178,883	174,637	159,985
Interest expense, net	28,018	19,154	19,716
Earnings before income taxes	150,865	155,483	140,269
Income taxes	54,685	59,689	55,403
Net earnings	\$ 96,180	\$ 95,794	\$ 84,866
Average shares outstanding — basic	30,239	30,166	30,179
Basic earnings per share	\$ 3.18	\$ 3.18	\$ 2.81
Average shares outstanding — diluted	30,599	30,635	30,674
Diluted earnings per share	\$ 3.14	\$ 3.13	\$ 2.77

	Common Stock	Additional Paid-In Capital	Retained Earnings	Cumulative Translation Adjustment	Cost of Shares In Treasury
Balance at December 31, 1997	\$39,331	\$ 1,830	\$403,356	\$(1,583)	\$ (95,681)
Net earnings	—	—	84,866	—	—
Cash dividends — \$0.60 per share	—	—	(18,105)	—	—
Exercise of stock options and other	—	2,371	—	—	3,309
Purchase of 283,598 treasury shares	—	—	—	—	(14,372)
Translation adjustment	—	—	—	113	—
Balance at December 31, 1998	39,331	4,201	470,117	(1,470)	(106,744)
Net earnings	—	—	95,794	—	—
Cash dividends — \$0.68 per share	—	—	(20,511)	—	—
Exercise of stock options and other	—	1,370	4	—	616
Purchase of 103,208 treasury shares	—	—	—	—	(4,387)
Translation adjustment	—	—	—	(188)	—
Balance at December 31, 1999	39,331	5,571	545,404	(1,658)	(110,515)
Net earnings	—	—	96,180	—	—
Cash dividends — \$0.76 per share	—	—	(22,989)	—	—
Exercise of stock options and other	—	4,697	—	—	4,627
Purchase of 255,612 treasury shares	—	—	—	—	(9,803)
Translation adjustment	—	—	—	(2,966)	—
Balance at December 31, 2000	\$39,331	\$10,268	\$618,595	\$(4,624)	\$(115,691)

See accompanying Notes to Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS

As of December 31. In thousands except share data.	2000	1999
Assets		
Current assets		
Cash and cash equivalents	\$ 8,967	\$ 10,417
Receivables, less allowances of \$5,688 in 2000 and \$4,963 in 1999	213,656	245,120
Inventories	277,455	219,270
Deferred income taxes	22,344	32,108
Prepaid expenses and other	54,055	34,123
Total current assets	576,477	541,038
Property, plant and equipment, net	402,614	349,451
Other assets		
Patents, goodwill and other intangibles	251,670	157,967
Investments and advances to affiliates	66,350	14,321
Receivables and other assets	8,568	17,885
Total other assets	326,588	190,173
	\$1,305,679	\$1,080,662
Liabilities and Shareholders' Equity		
Current liabilities		
Short-term debt, including current maturities	\$ 173,762	\$ 1,989
Accounts payable	108,484	106,283
Accrued expenses	117,702	132,106
Total current liabilities	399,948	240,378
Long-term liabilities		
Long-term debt	281,864	281,744
Product warranties	72,789	79,858
Other liabilities	3,199	549
Total long-term liabilities	357,852	362,151
Shareholders' equity		
Preferred stock, \$1 par value. Authorized and unissued 5,000,000 shares		
Common stock, \$1 par value. Authorized 100,000,000 shares; issued 39,330,624 shares	39,331	39,331
Additional paid-in capital	10,268	5,571
Cumulative translation adjustment	(4,624)	(1,658)
Retained earnings	618,595	545,404
Cost of shares in treasury — 9,079,356 shares in 2000 and 9,203,095 shares in 1999	(115,691)	(110,515)
Total shareholders' equity	547,879	478,133
	\$1,305,679	\$1,080,662

See accompanying Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31. In thousands.

	2000	1999	1998
Operating Activities			
Net earnings	\$96,180	\$95,794	\$84,866
Reconciliation of net earnings to cash flows:			
Depreciation	48,346	39,832	37,617
Amortization	11,203	7,582	7,604
(Gain) /Loss on sales of property, equipment and business	2,871	(1,777)	(3,156)
Changes in assets and liabilities, excluding effects of acquisitions and divestitures:			
Current and long-term receivables	30,119	(18,622)	(43,786)
Inventories	(36,984)	(13,471)	(10,526)
Accounts payable and accrued expenses	(32,988)	4,440	25,450
Prepaid, deferred and current income taxes	16,913	15,761	(7,568)
Long-term liabilities	(7,731)	4,585	5,217
Other	(2,803)	1,969	1,086
Net cash provided by operating activities	125,126	136,093	96,804
Investing Activities			
Capital expenditures	(59,419)	(47,839)	(95,970)
Acquisitions, net of cash	(209,454)	(42,393)	(31,577)
Proceeds from sale of property, equipment and business	782	17,157	11,344
Other	(4,174)	(12,544)	(16,761)
Net cash used in investing activities	(272,265)	(85,619)	(132,964)
Financing Activities			
Net proceeds from short-term debt	171,773	(29,285)	15,827
Proceeds from long-term debt	—	10,000	104,235
Reductions of long-term debt	(2,616)	(1,744)	(49,274)
Dividends	(22,989)	(20,511)	(18,105)
Treasury shares and stock options, net	(479)	(2,400)	(14,372)
Net cash provided by (used in) financing activities	145,689	(43,940)	38,311
Change in cash and cash equivalents	(1,450)	6,534	2,151
Cash and cash equivalents			
Beginning of year	10,417	3,883	1,732
End of year	\$ 8,967	\$10,417	\$ 3,883

See accompanying Notes to Consolidated Financial Statements

Summary of Accounting Policies

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. Investments in affiliates where the Company does not have control are accounted for under the equity method. Equity income related to such investments is recorded in Other (income) and expense. All material intercompany transactions and accounts have been eliminated.

Revenue Recognition

The substantial majority of the consolidated revenues are recognized by the Company upon shipment of products to the customer. The Company's product sales are predominantly to customers in the United States.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Debt securities with a remaining maturity of three months or less when acquired are cash equivalents. Cash and cash equivalents are stated at cost, which approximates market value.

Inventories

Inventories are valued at the lower of cost or market. Cost for a majority of the Company's inventories is determined by the last-in, first-out (LIFO) method with the remainder determined by the first-in, first-out (FIFO) method.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Costs allocated to property, plant and equipment of acquired companies are based on estimated fair value at the date of acquisition. Depreciation is principally computed on the straight line basis over the estimated useful lives of the assets. Asset lives are 20 to 40 years for buildings, 5 to 15 years for machinery and equipment and 3 to 10 years for leasehold improvements.

Patents, Goodwill and Other Intangibles

Patents and other intangibles, recorded at cost, amounted to \$1.5 million and \$6.6 million at December 31, 2000 and 1999, respectively (net of accumulated amortization of \$17.2 million and \$16.5 million, respectively), and are amortized over their remaining lives, which average five years. Goodwill, representing the excess of acquisition cost over the fair value of specifically identifiable assets acquired, was \$250.2 million and \$151.3 million at December 31, 2000 and 1999, respectively (net of

accumulated amortization of \$29.7 million and \$19.8 million, respectively), and is amortized on a straight line basis over various periods not exceeding 30 years. The Company evaluates the carrying value of goodwill and other intangible assets if facts and circumstances suggest that they may be impaired. Impairments would be recognized when the expected future operating cash flows derived from such intangible assets is less than their carrying value.

Product Warranties

The Company offers warranties on the sales of certain of its products and records an accrual for estimated future claims. Such accruals are based upon historical experience and management's estimate of the level of future claims.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences of the differences between financial statement carrying amounts of assets and liabilities and their respective tax bases. These balances are measured using enacted tax rates expected to apply to taxable income in the years in which such temporary differences are expected to be recovered or settled. If a portion or all of a deferred tax asset is not expected to be realized, a valuation allowance is recognized.

Earnings Per Share

Earnings per share is determined in accordance with Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share". Basic earnings per share excludes the dilutive effect of options, warrants, and convertible securities. Diluted earnings per share gives effect to all dilutive securities that were outstanding during the period. The only difference between basic and diluted earnings per share of the Company is the effect of dilutive stock options.

Foreign Currency Translation

The Company has determined that the local currency is the functional currency for its subsidiaries outside the United States. Assets and liabilities of these operations are translated at the exchange rate in effect at each year-end. Income statement accounts are translated at the average rate of exchange prevailing during the year. Translation adjustments arising from the use of differing exchange rates from period to period are included as a component of shareholders' equity. Gains and losses from foreign currency transactions are included in net income for the period.

Other Comprehensive Income

A statement of comprehensive income has not been presented because, aside from changes in cumulative translation adjustments, the components of comprehensive income are not significant. The changes in cumulative translation adjustment are presented in the Consolidated Statements of Shareholders' Equity.

Derivative Instruments and Hedging Activities

Effective January 1, 2001, the Company will implement SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". This statement standardizes the accounting for derivatives and hedging activities and requires that all derivatives be recognized in the statement of financial position as either assets or liabilities at fair value. Changes in the fair value of derivatives that do not meet the hedge accounting criteria are to be reported in earnings. Implementation of this pronouncement will not have a material effect since the Company has not utilized derivative financial instruments or entered into hedging transactions.

Reclassifications

Certain reclassifications have been made to prior years' information to conform to the 2000 presentation.

Inventories

The components of inventories are:

In thousands	2000	1999
FIFO cost (approximates current costs):		
Finished goods	\$175,861	\$132,719
Work in process	31,687	27,052
Raw materials	82,694	70,735
	\$290,242	\$230,506
Excess of FIFO cost over LIFO value	(12,787)	(11,236)
	\$277,455	\$219,270

Property, Plant & Equipment

The components of property, plant and equipment are:

In thousands	2000	1999
Land	\$ 7,371	\$ 5,640
Building and leasehold improvements	174,804	149,924
Machinery and equipment	522,281	473,662
Projects in progress	38,753	28,859
	\$743,209	\$658,085
Accumulated depreciation	(340,595)	(308,634)
	\$402,614	\$349,451

Borrowings

Long term debt includes:

In thousands	2000	1999
6.70% senior notes due 2008	\$100,000	\$100,000
7.25% senior notes due 2007	150,000	150,000
Industrial Development and Revenue Bonds due through 2018	26,540	26,595
Other, including capital lease obligations	7,603	7,138
	\$284,143	\$283,733
Less current maturities	(2,279)	(1,989)
	\$281,864	\$281,744

On June 30, 2000, the Company replaced its \$125 million revolving credit facility, expiring April 30, 2001, with new syndicated revolving credit facilities, which provide for borrowings up to \$350 million. These facilities consist of a \$150 million three-year facility and a \$200 million 364-day facility. As of December 31, 2000, \$171 million was outstanding under these facilities. The Company has available unsecured lines of credit from banks of \$40 million, all of which was available as of December 31, 2000.

At December 31, 2000, letters of credit amounting to \$29.7 million were outstanding, primarily to provide security under insurance arrangements and certain borrowings.

Under the Company's various debt and credit facilities, the Company is required to maintain various restrictive covenants and limitations, including certain net worth and cash flow ratios, all of which were complied with in 2000 and 1999.

The industrial development and revenue bonds are collateralized by the facilities and equipment acquired through the proceeds of the related bond issuances. On January 1, 1999, the Company secured a \$10 million Industrial Development Revenue Bond due December 31, 2018.

The weighted average interest rates on the revenue bonds for 2000 and 1999 were 5.7% and 4.6%, respectively.

Cash payments for interest were \$28.2 million in 2000, \$19.1 million in 1999 and \$21.3 million in 1998.

Interest expense, net is shown net of interest income of \$3.5 million in 2000, \$2.6 million in 1999 and \$3.0 million in 1998.

The aggregate amount of long-term debt maturing in each of the next five years is approximately \$2.3 million in 2001, \$1.5 million in 2002, \$3.9 million in 2003, \$1.4 million in 2004, \$1.5 million in 2005 and \$273.5 million thereafter.

The estimated fair market values of the Company's financial instruments approximate their recorded values.

Acquisitions

In each of the last three years, the Company has completed various acquisitions, all of which have been accounted for as purchases.

Results of operations for these acquisitions, which have been included in the consolidated financial statements since their respective acquisition dates, did not have a material effect on consolidated operating results of the Company in the years of the acquisition.

The Company has completed several acquisitions during the year and has tentatively considered the carrying value of the acquired assets to approximate their fair value, with all of the excess of those acquisition costs being attributable to goodwill. The Company is in the process of fully evaluating the assets acquired and, as a result, the purchase price allocation among the tangible and intangible assets acquired and their useful lives may change.

Shareholders' Equity

The Company has a Shareholders' Rights Agreement that is designed to protect shareholder investment values. A dividend distribution of one Preferred Stock Purchase Right for each outstanding share of the Company's common stock was declared, payable to shareholders of record on March 3, 1989. The Rights will become exercisable under certain circumstances, including the acquisition of 25% of the Company's common stock, or 40% of the voting power, in which case all rights holders except the acquiror may purchase the Company's common stock at a 50% discount. If the Company is acquired in a merger or other business combination, and the Rights have not been redeemed, rights holders may purchase the acquiror's shares at a 50% discount. On August 7, 1996, the Company amended the Shareholders' Rights Agreement to, among other things, extend the term of the Rights until August 6, 2006.

Common shareholders of record on May 30, 1986 are entitled to five votes per share. Common stock acquired subsequent to that date entitles the holder to one vote per share until held four years, after which time the holder is entitled to five votes.

In April 1999, the shareholders approved an increase in the number of authorized common shares of the company from 50 million shares to 100 million shares.

Employee Stock Options & Incentive Plan

The Company maintains an Executive Incentive Program for executives and certain other employees of the Company and its operating divisions and subsidiaries. The Program contains a plan, for those who are eligible, to receive cash bonuses and/or shares of restricted stock. The Program also has a stock option plan available to certain employees.

At December 31, 2000, under the Company's restricted stock plan, 10,683 nonvested shares were outstanding and 2,148,380 shares were available for issuance.

The activity under the stock option plan is as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 1997	1,570,246	\$18.52
Options granted	239,000	46.56
Options exercised	(282,413)	16.32
Outstanding at December 31, 1998	1,526,833	\$23.32
Options granted	430,500	38.35
Options exercised	(40,316)	16.69
Outstanding at December 31, 1999	1,917,017	\$26.84
Options granted	2,000	31.56
Options exercised	(367,407)	17.33
Options cancelled	(29,600)	23.84
Outstanding at December 31, 2000	1,522,010	\$29.20
Available for grant at December 31, 2000	1,034,282	

The following tables summarize information about stock options outstanding as of December 31, 2000:

Options Outstanding:

Range of Exercise Prices	Number Outstanding at 12/31/00	Weighted Average Remaining Years	Weighted Average Exercise Price
\$ 8.10- 9.78	48,132	1.0	\$ 9.67
\$12.32-17.25	203,046	2.5	\$14.52
\$17.32-19.63	137,000	4.1	\$17.57
\$19.88-29.50	476,332	5.5	\$23.97
\$32.75-48.38	657,500	8.1	\$41.38
	1,522,010		

Options Exercisable:

Range of Exercise Prices	Number Exercisable at 12/31/00	Weighted Average Exercise Price
\$ 8.10- 9.78	48,132	\$ 9.67
\$12.32-17.25	203,046	\$14.52
\$17.32-19.63	137,000	\$17.57
\$19.88-29.50	476,332	\$23.97
\$32.75-48.38	327,667	\$46.24
	1,192,177	

At December 31, 1999, 1,450,350 options were exercisable at a weighted average price of \$22.90.

In accordance with the provisions of SFAS No. 123, "Accounting for Stock-Based Compensation", the Company applies APB Opinion 25 and related interpretations in accounting for its stock compensation plans and, accordingly, does not recognize compensation cost for its stock option plan. If the Company had elected to recognize compensation cost based on the fair value of the options granted at grant date as prescribed by SFAS No. 123, the pro-forma effect on net earnings and earnings per share, in 2000, 1999 and 1998, would have been approximately \$2.1 million or \$.07 per share, \$2.5 million or \$.08 per share and \$1.7 million or \$.06 per share, respectively. Pursuant to the transition provisions of SFAS No. 123, the pro-forma effect includes only the vested portion of options granted in and after 1995. Options vest over a three year period. Compensation cost was estimated using the Black-Scholes model with the following assumptions: expected dividend yield of 2.22 percent in 2000, 1.70 percent in 1999 and 1.20 percent in 1998; an expected life of 7 years; expected volatility of 38.7 percent in 2000, 33.2 percent in 1999 and 25.6 percent in 1998; and risk-free interest rate of 5.9 percent in 2000, 5.5 percent in 1999 and 1998. The weighted-average fair value of those stock options granted in 2000, 1999 and 1998 was \$12.70, \$14.66 and \$16.35, respectively.

Retirement Plans

The Company maintains defined benefit retirement plans for the majority of its employees. Benefits are based primarily on years of service and earnings of the employee. Plan assets consist primarily of publicly-listed common stocks and corporate bonds.

The change in projected benefit obligation:

In thousands	2000	1999
Benefit obligation at beginning of year	\$108,125	\$107,879
Service cost	5,289	5,848
Interest cost	8,024	7,633
Amendments	152	532
Actuarial gain	(802)	(6,748)
Benefits paid	(9,818)	(7,019)
Benefit obligation at end of year	\$110,970	\$108,125

The change in plan assets:

In thousands	2000	1999
Fair value of plan assets at beginning of year	\$110,059	\$114,465
Actual return on plan assets	10,945	1,114
Company contributions	2,123	1,815
Benefits paid	(9,818)	(7,019)
Fair value of plan assets at end of year	\$113,309	\$110,375

Reconciliation of the accrued benefit cost recognized in the financial statements:

In thousands	2000	1999
Funded status	\$ 2,339	\$ 2,250
Unrecognized net actuarial gain	(16,944)	(14,640)
Unrecognized prior service cost	(2,871)	(2,979)
Unrecognized transition asset	(1,521)	(2,213)
Accrued benefit cost	\$(18,997)	\$(17,582)

Components of net periodic benefit cost at December 31:

In thousands	2000	1999	1998
Service cost	\$5,289	\$5,848	\$5,258
Interest cost	8,024	7,633	7,113
Expected return on plan assets	(9,379)	(8,689)	(8,014)
Net amortization and deferral	(712)	(393)	(381)
Net periodic benefit cost	\$3,222	\$4,399	\$3,976

The projected benefit obligation was determined using an assumed discount rate of 7.75% in 2000 and 1999 and 7.00% in 1998. The assumed rate of compensation increase was 4.5% in 2000 and 1999 and 4.0% in 1998; and the expected rate of return on plan assets was 9.25% in 2000, 1999 and 1998.

The 2000 and 1999 pension plan disclosures were determined using a September 30 measurement date.

Additionally, the Company maintains a retirement savings plan covering substantially all employees other than those employees under collective bargaining agreements. Plan expense was \$5.6 million, \$4.9 million and \$4.9 million, in 2000, 1999 and 1998, respectively.

The Company also has a limited number of unfunded post-retirement benefit programs for which the expense, inclusive of the components of service costs, interest costs and the amortization of the unrecognized transition obligation, was approximately \$0.4 million in 2000, 1999 and 1998. The present value of the Company's obligation under these plans is not significant.

Income Taxes

The provision for income taxes was as follows:

In thousands	2000	1999	1998
Currently payable			
Federal	\$37,884	\$ 77,425	\$38,496
State, local and other	7,498	7,472	8,340
	\$45,382	\$ 84,897	\$46,836
Deferred liability (benefit)			
Federal	\$ 8,555	\$(23,166)	\$ 5,572
State, local and other	748	(2,042)	2,995
	\$ 9,303	\$(25,208)	\$ 8,567
Total provision	\$54,685	\$ 59,689	\$55,403

Deferred tax assets (liabilities) are comprised of the following at December 31:

In thousands	2000	1999
Product warranty	\$ 37,766	\$ 42,007
Inventory reserves	885	4,099
Doubtful receivables	1,410	1,608
Employee benefits	6,799	12,024
Other, net	15,343	9,256
Deferred assets	\$ 62,203	\$ 68,994
Depreciation	(32,452)	(24,659)
Amortization	(6,575)	(2,229)
Deferred liabilities	\$(39,027)	\$(26,888)
Net deferred tax assets	\$ 23,176	\$ 42,106

No valuation allowance is required for the deferred tax assets based on the Company's past tax payments and estimated future taxable income.

A reconciliation of taxes computed at the statutory rate to the tax provision is as follows:

In thousands	2000	1999	1998
Federal income taxes at statutory rate	\$52,803	\$54,419	\$49,095
State income taxes, net of federal income tax benefit	4,390	4,043	5,798
Other, net	(2,508)	1,227	510
	\$54,685	\$59,689	\$55,403
Effective income tax rate	36.2%	38.4%	39.5%

Cash payments for income taxes were \$49.9 million, \$84.9 million and \$58.7 million in 2000, 1999 and 1998, respectively.

The Company has not provided for U.S. taxes payable on accumulated undistributed foreign earnings of certain subsidiaries since these amounts are permanently reinvested.

Commitments and Contingencies

The Company is obligated under various noncancelable operating leases for certain facilities and equipment. Rent expense was \$9.9 million, \$8.4 million, and \$6.6 million, in 2000, 1999, and 1998, respectively. Future minimum payments under various noncancelable operating leases in each of the next five years are approximately \$12.0 million in 2001, \$8.5 million in 2002, \$7.1 million in 2003, \$6.9 million in 2004 and \$6.2 million in 2005.

The Company may be involved in various legal actions from time to time arising in the normal course of business. In the opinion of management, there are no matters outstanding that would have a material adverse effect on the consolidated financial position or results of operations of the Company.

Operational Restructuring and Impairment of Assets

In January 1999, the Company announced the reduction of its interest in its perishable cargo business, consisting of its container leasing joint venture and container manufacturing operations. On January 28, 1999 the Company sold 85% of its interest in its leasing joint venture. In connection with the reduction in the Company's interest in the leasing joint venture, the Company suspended operations at its container manufacturing facility. As a result, the Company recognized a pre-tax gain of \$16.6 million in the first quarter of 1999. These operations are associated with the Company's General Industry (All Other) segment.

In conjunction with the implementation of the 1999 business plan, the Company completed certain product line realignments, manufacturing improvements and facility relocations and upgrades at its operating businesses resulting in certain assets that are no longer required or will be reallocated. In the first quarter of 1999, the Company recognized a \$15.9 million pre-tax charge related to these assets. Approximately 75% of this charge related to machinery and equipment primarily associated with the foodservice, roofing, tire and wheel and automotive components manufacturing operations, with the remainder related to goodwill and other intangible assets associated with acquisitions made in prior years. The amount of the write-down of machinery and equipment was determined to be the excess of the recorded values over the estimated fair values. The fair values were determined using estimated market values or projected future cash flows, whichever was deemed appropriate. The charge related to the intangible assets was determined as the excess of the recorded value over the projected future cash flows.

The net effect of the above items is reflected under the caption "gain on divestiture of business, net of other charges" on the face of the Company's Consolidated Statements of Earnings.

Segment Information

The Company's reportable segments have been organized around differences in products and services, and operating segments have been aggregated. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The chief operating decision maker evaluates segment performance by earnings before interest and income taxes. The Company's operations are classified into the following segments:

Construction Materials — the principal products of this segment are rubber, plastic and fleece back sheeting used predominantly on non-residential flat roofs and related roofing accessories, including flashings, fasteners, sealing tapes, coatings and waterproofings. The markets served include new construction, re-roofing and maintenance of low slope roofs, water containment, HVAC sealants, and coatings and waterproofings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Industrial Components — the principal products of this segment are small bias-ply rubber tires, stamped and roll-formed wheels, heavy duty friction and braking systems for truck and off-highway equipment, high grade aerospace wire, specialty electronic cable, cable assemblies and interconnects. Customers include golf car manufacturers, power equipment manufacturers, boat and utility trailer manufacturers, truck OEMs, heavy equipment and truck dealers and aftermarket distributors, aerospace OEMs, and electronic and communications equipment manufacturers.

Automotive Components — the principal products of this segment are highly engineered rubber and plastic components for Tier I suppliers and other manufacturers in the automotive market.

General Industry (All Other) — the principal products of this segment include commercial and institutional plastic foodservice permanent-ware and catering equipment, fiberglass and composite material trays

and dishes, commercial cookware and servingware, ceramic tableware, specialty rubber and plastic cleaning brushes, stainless steel processing and containment equipment and their related process control systems, specialty trailers and standard and custom-built high payload trailers and dump bodies, refrigerated fiberglass truck bodies and perishable cargo container leasing. Customers include foodservice distributors, restaurants, food, dairy, beverage, and pharmaceutical processors and distributors, heavy equipment and truck dealers, shipping lines and commercial haulers.

Corporate — includes general corporate expenses. Corporate assets consist primarily of cash and cash equivalents, facilities, and other invested assets.

Financial information for operations by reportable business segment is included in the following summary:

SEGMENT FINANCIAL DATA

In thousands	Sales	Earnings Before Interest and Income Taxes	Assets	Depreciation and Amortization	Capital Spending
2000					
Construction Materials	\$ 407,039	\$ 57,528	\$ 258,558	\$ 7,677	\$10,968
Industrial Components	641,669	76,101	494,953	23,046	25,275
Automotive Components	302,355	21,396	139,225	12,048	8,649
General Industry (All Other)	420,004	37,071	337,209	15,491	14,180
Corporate	—	(13,213)	75,734	1,287	347
	\$1,771,067	\$178,883	\$1,305,679	\$59,549	\$59,419
1999					
Construction Materials	\$ 405,387	\$ 58,195	\$ 229,905	\$ 7,149	\$ 9,045
Industrial Components	527,902	66,001	333,401	16,942	17,000
Automotive Components	314,246	21,212	209,653	10,873	10,526
General Industry (All Other)	363,721	40,429	262,435	11,646	10,880
Corporate	—	(11,200)	45,268	804	388
	\$1,611,256	\$174,637	\$1,080,662	\$47,414	\$47,839
1998					
Construction Materials	\$ 371,547	\$ 53,030	\$ 218,045	\$ 7,439	\$12,849
Industrial Components	510,780	61,261	319,519	15,270	33,540
Automotive Components	271,955	17,638	213,900	10,005	27,442
General Industry (All Other)	363,212	38,166	262,393	11,590	21,749
Corporate	—	(10,110)	8,995	917	390
	\$1,517,494	\$159,985	\$1,022,852	\$45,221	\$95,970

QUARTERLY FINANCIAL DATA

Unaudited — In thousands except per share	First	Second	Third	Fourth	Year
2000					
Net sales	\$434,018	479,430	444,368	413,251	\$1,771,067
Gross margin	\$ 97,491	107,536	95,801	67,556	\$ 368,384
Operating expenses	\$ 53,014	50,602	46,735	42,596	\$ 192,947
Net earnings	\$ 25,459	31,940	28,210	10,571	\$ 96,180
Basic earnings per share	\$ 0.84	1.06	0.93	0.35	\$ 3.18
Diluted earnings per share	\$ 0.83	1.04	0.92	0.35	\$ 3.14
Dividends per share	\$ 0.18	0.18	0.20	0.20	\$ 0.76
Stock price:					
High	\$ 40 ⁷ / ₁₆	49 ³ / ₄	49 ⁷ / ₁₆	44 ⁵ / ₈	
Low	\$ 31 ³ / ₁₆	38 ⁷ / ₈	40 ¹ / ₈	36 ¹³ / ₁₆	
1999					
Net sales	\$390,024	425,813	400,855	394,564	\$1,611,256
Gross margin	\$ 84,623	98,101	89,927	84,338	\$ 356,989
Operating expenses	\$ 46,870	48,300	46,425	47,541	\$ 189,136
Net earnings	\$ 21,808	27,998	24,676	21,312	\$ 95,794
Basic earnings per share	\$ 0.72	0.93	0.82	0.71	\$ 3.18
Diluted earnings per share	\$ 0.71	0.91	0.81	0.70	\$ 3.13
Dividends per share	\$ 0.16	0.16	0.18	0.18	\$ 0.68
Stock price:					
High	\$ 52 ¹⁵ / ₁₆	49 ⁹ / ₁₆	51 ⁵ / ₁₆	43 ¹ / ₈	
Low	\$ 41	42 ¹ / ₄	37 ⁷ / ₁₆	30 ⁵ / ₈	

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Carlisle Companies Incorporated:

We have audited the accompanying consolidated balance sheets of Carlisle Companies Incorporated (a Delaware corporation) and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of earnings, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Carlisle Companies Incorporated as of December 31, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.



New York, New York

January 30, 2001

SIX-YEAR SUMMARY

In thousands except per share data	2000	1999	1998	1997	1996	1995
Summary of Operations						
Net sales	\$1,771,067	1,611,256	1,517,494	1,260,550	1,017,495	822,534
Gross margin	\$ 368,384	356,989	328,115	286,461	237,698	197,674
Selling and administrative expenses	\$ 176,484	173,375	160,366	143,246	128,676	109,236
Research and development	\$ 16,463	15,762	16,178	15,824	11,900	12,339
Interest and other (income)/expenses, net	\$ 24,572	12,369	11,302	10,607	5,082	3,241
Net earnings	\$ 96,180	95,794	84,866	70,666	55,680	44,081
Basic earnings per share	\$ 3.18	3.18	2.81	2.34	1.84	1.43
Diluted earnings per share	\$ 3.14	3.13	2.77	2.28	1.80	1.41
Financial Position						
Net working capital	\$ 176,529	300,660	223,188	191,450	175,285	153,709
Property, plant and equipment, net	\$ 402,614	349,451	354,769	294,165	264,238	193,134
Total assets	\$1,305,679	1,080,662	1,022,852	861,216	742,463	542,423
Long-term debt	\$ 281,864	281,744	273,521	209,642	191,167	72,725
% of total capitalization	45.4	37.2	42.9	40.3	38.4	21.2
Shareholders' equity	\$ 547,879	478,133	405,435	347,253	307,608	273,257
Other Data						
Average shares outstanding — basic	30,239	30,166	30,179	30,235	30,281	30,759
Average shares outstanding — diluted	30,599	30,635	30,674	31,025	30,953	31,266
Dividends paid	\$ 22,989	20,511	18,105	15,868	14,129	12,928
Per share	\$ 0.760	0.680	0.600	0.525	0.465	0.420
Capital expenditures	\$ 59,419	47,839	95,970	59,531	34,990	37,467
Depreciation and amortization	\$ 59,549	47,414	45,221	38,755	29,758	23,230
Shareholders of record	2,396	2,546	2,443	2,068	2,145	2,054

All share and per share amounts have been restated to reflect the two-for-one stock split on January 15, 1997.

Earnings per share amounts prior to 1997 have been restated to comply with Statement of Financial Accounting Standards No. 128, "Earnings Per Share". See the Notes to Consolidated Financial Statements.

INVESTOR INFORMATION

Annual Meeting 12:00 noon, April 20, 2001, at corporate headquarters.

10-K Reports Are available on-line from the SEC or by written request to the Secretary.

Change of Address, Dividend Checks, Lost Certificates and Ownership Transfers Contact the Registrar, Transfer and Dividend Disbursing Agent for the Company: Computer Share Investor Services, LLC, 2 North LaSalle, Chicago, Illinois 60602, 1-800-897-9071 or connect via the Internet, www-us.computershare.com.

Dividend Reinvestment Plan Shareowner may elect to have regular cash dividends automatically reinvested in the Company's common stock and, periodically, additional shares may be purchased for cash. Brokerage commissions and all other service charges are paid for by the Company. For detailed information, contact: Computer Share Investor Services, LLC, 1-800-897-9071 or connect via the Internet, www-us.computershare.com.

Exchange Listing The Company's ticker symbol on the New York Stock Exchange is CSL.

Shareholder Services 1-800-897-9071

Web Site www.carlisle.com

Board of Directors

Donald G. Calder ^(a) ^(b)
President, G.L. Ohrstrom & Co.,
Inc., a private investment firm

Paul J. Choquette, Jr. ^(a) ^(d)
President, Chief Executive
Officer, Gilbane Building
Company

Dennis J. Hall
Vice Chairman and Chief
Financial Officer

Peter L. A. Jamieson ^(b) ^(d)
Past Director, Robert Fleming
Holdings, Ltd.

Peter F. Krogh ^(c) ^(d)
Dean Emeritus & Distinguished
Professor of International Affairs,
Georgetown University School of
Foreign Service

Richmond D. McKinnish
President and Chief Executive
Officer

Stephen P. Munn ^(a)
Chairman

G. FitzGerald Ohrstrom ^(b) ^(d)
Vice Chairman, G.L. Ohrstrom &
Co. Inc.

Eriberto R. Scocimara ^(a) ^(c)
President, Hungarian-American
Enterprise Fund

Robin W. Sternbergh ^(b) ^(d)
Past General Manager,
Distribution, IBM

Magalen C. Webert ^(b)
Investor in various corporations

^(a) Member of Executive Committee
^(b) Member of Audit Committee
^(c) Member of Compensation Committee
^(d) Member of Pension and Benefits
Committee

Officers

Stephen P. Munn
Chairman

Richmond D. McKinnish
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Vice Chairman and Chief
Financial Officer

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Development



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