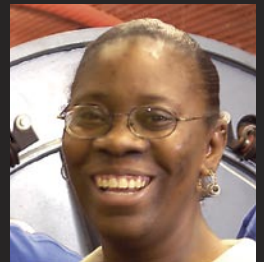
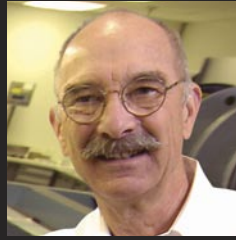
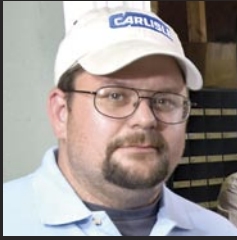


CARLISLE 2005

Annual Report





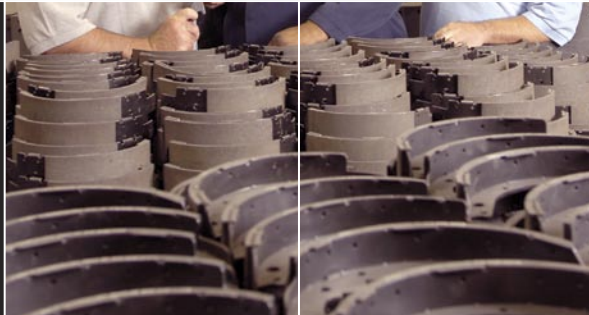


Carlisle

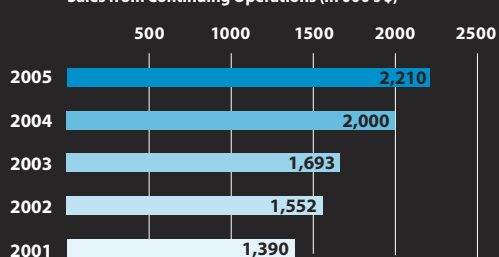
is a diversified global manufacturing company managed in three operating groups:

- **Construction Materials** manufactures construction materials and commercial roofing;
- **Industrial Components** manufactures specialty tires and wheels, and industrial belting products; and
- **Diversified Components** manufactures foodservice products, motion control systems, specialized heavy-haul trailers, high performance wire and cable, and climate-controlled truck bodies.

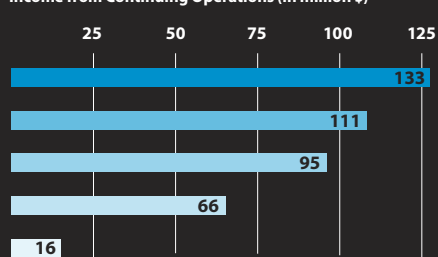
Our worldwide customer base is comprised of consumers, original equipment manufacturers (OEMs) and distributors who demand the optimum in price, quality and service. Our decentralized management structure encourages decision-making at the local level and fosters entrepreneurial spirit, while our lean corporate structure affords all of our operations the strength and cost-saving synergies of our collective size. Our focus in every business decision is on the long-term benefit to the company and our shareholders.



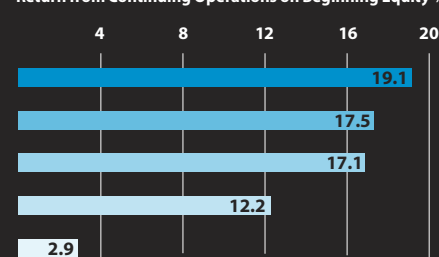
Sales from Continuing Operations (in 000's \$)



Income from Continuing Operations (in million \$)



Return from Continuing Operations on Beginning Equity %

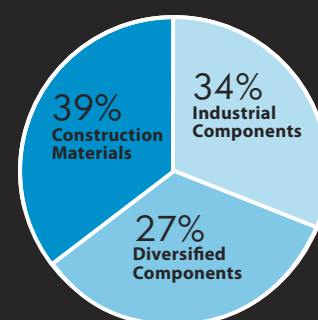


Financial Summary

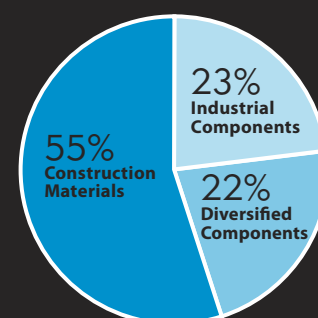
(In thousands, except per share data)

Summary of Operations	2005	2004
Sales	\$ 2,209,610	\$ 1,999,830
Earnings before interest and income taxes	209,466	173,458
Income from continuing operations, net of tax	133,334	110,612
Net Income	\$ 106,365	\$ 79,612
Weighted average shares outstanding (diluted)	31,078	31,409
Earnings per share (diluted):		
Income from continuing operations	\$ 4.29	\$ 3.52
Net Income	\$ 3.42	\$ 2.54
Dividends per share	\$ 0.96	\$ 0.90
Comparative Balance Sheet		
Assets		
Current assets	\$ 661,172	\$ 652,270
Property, plant and equipment, net	432,749	386,067
Other assets	469,336	462,904
Total	\$ 1,563,257	\$ 1,501,241
Liabilities and Shareholders' Equity		
Current liabilities	\$ 372,711	\$ 384,022
Long-term liabilities	460,307	418,732
Shareholders' equity	730,239	698,487
Total	\$ 1,563,257	\$ 1,501,241
Comparative Statement of Cash Flows		
Net cash provided by operating activities	\$ 213,399	\$ 108,422
Net cash used in investing activities	(142,791)	(90,363)
Net cash provided by borrowings	23,440	21,218
Cash used to pay dividends	(29,608)	(27,960)
Other financing activities	(39,214)	(13,183)
Effect of exchange rate changes on cash	(89)	8
Net cash (used in) provided by discontinued operations	(11,410)	3,515
Change in cash and cash equivalents	\$ 13,727	\$ 1,657
Cash and cash equivalents		
Beginning of year	\$ 25,018	\$ 23,361
End of year	\$ 38,745	\$ 25,018

Sales*



Operating Income*



* from continuing operations

Dear Shareholders:

The year 2005 was a year of growth and change for Carlisle as we focused on building better businesses. We initiated strategic changes in 2005 that make us a more focused company and better positioned for growth. We realigned the company into three business segments, restructured our operating management team, acquired two heavy-duty braking businesses, announced the opening of two new roofing in-

sulation manufacturing plants, and announced plans to sell thirteen of our businesses that have not been core operations of Carlisle. These steps help us to strategically plan our future – and sharpen our focus – in those industries we know best and where we have demonstrated success. What did not change was the dedication of our exceptional workforce and experienced operating management, some of whom you will see on the pages of this report, and all of whom are committed to the success of our company.

Now for the 2005 results: sales from continuing operations were \$2.21 billion and earnings per share from continuing operations were \$4.29. This represents a 10% and 22% increase, respectively. Our return on beginning equity from continuing operations was 19.1%. Our EBIT (earnings before interest and taxes) margins from continuing operations improved from 8.7% in 2004 to 9.5% in 2005. We were also pleased to provide our shareholders with a dividend increase for the 29th consecutive year.

During 2005 we realigned Carlisle to focus on our core businesses. This entailed several important steps. We:

- Consolidated a number of smaller Carlisle companies under new management in the Diversified Components Group, providing greater focus and enhanced capabilities to drive improved revenue and profitability in each individual business;
- Strengthened our braking businesses by acquiring the heavy-duty brake assets of Zhejiang Kete in Hangzhou, China, and the off-highway brake assets of ArvinMeritor in York, South Carolina, and Cwmbran, South Wales;
- Announced the opening of two new roofing insulation manufacturing plants in Tooele, Utah and Smithfield, Pennsylvania, a critical execution strategy to enhance our national sales and service capabilities in our Construction Materials business;
- Announced plans to sell 13 of our non-core operations; and
- Implemented a new management structure that organizes Carlisle into three operating groups, down from five:



Construction Materials

John Altmeyer, Group President

- Carlisle SynTec
- Versico
- Carlisle Coatings and Waterproofing
- Hunter Panels
- EcoStar

Industrial Components

Barry Littrell, Group President

- Carlisle Tire & Wheel
- Carlisle Power Transmission

Diversified Components

Mike Popielec, Group President

- Carlisle FoodService and Sanitary Maintenance Products
- Carlisle Motion Control Industries
 - Carlisle Industrial Brake & Friction
 - Heavy Friction/Altec
- Trail King Industries
- Tensolite
- Johnson Truck Bodies



Our goals for 2006 include building upon concepts and practices that have driven our success. We will continue to create and extend competitive advantage in all our markets. Unique goals are developed for each of our business units. These goals are weighted to drive performance in such areas as organic sales growth, return on invested capital, margin improvement and operating cash flow that will reinforce each unit's specific near and long-term financial and strategic goals.

We will intensify the level of service we provide to our customers and at every opportunity seek to create what our customers want before they ask for it. Our decentralized operating structure will continue to encourage our operating management to make decisions for their businesses at the local company level while challenging our management team to plan

strategically and execute vigorously with a focus on the long-term. Our emphasis on accelerating growth is focused on four basic areas: Cost, Service, Quality and Innovation.

All of our operating companies will continue to benefit from Carlisle's overall corporate strength as well as improved cash generation driven by our new structure focused on better businesses. We will creatively and energetically employ our resources to maximize value at every opportunity. Stock market participants may measure us quarter by quarter, but we are managing our businesses with a long-term commitment. Every decision we make will have the long-range interests of Carlisle's shareholders in mind.

Reflecting on the past year, we wish we had organized our business portfolio sooner. While we may have been slow to do so, and we were rightly criticized for it, we ended the

year where we wanted to be: a leaner, more focused company.

It's been a year of change and a year of solid growth. It was a year in which we made decisions that will serve Carlisle's employees, customers and shareholders well for many years. We see great opportunity ahead for our company and we are confident that as long as we plan and execute well, Carlisle will continue to grow and create value. And that is exactly what we intend to do.

A handwritten signature in black ink, reading "Rich McKinnish".

Richmond D. McKinnish
President and Chief Executive Officer

Construction Materials

- Carlisle SynTec
- Versico
- Carlisle Coatings and Waterproofing
- Hunter Panels
- EcoStar

Carlisle's Construction Materials segment includes **Carlisle SynTec** and **Versico**, our commercial roofing systems manufacturers, **Carlisle Coatings and Waterproofing**, our manufacturer of coatings, sealants and adhesives, **Hunter Panels**, which produces rigid roof insulation panels, and **EcoStar**, which manufactures roofing tiles made from recycled rubber and plastic.

Sales in 2005 for Construction Materials increased 19.9% to \$866 million as revenue growth was experienced across all five divisions. More significantly, the company enhanced its foundation for future growth in roofing systems with the opening of a new Thermoplastic Polyolefin (TPO) manufacturing facility in Tooele, Utah and a new Hunter Panels insulation plant in Terrell, Texas. Additionally, construction began on a fifth Hunter plant, also in Tooele, Utah and a sixth in Smithfield, Pennsylvania, both of which will open in 2006. The new TPO plant adds much needed capacity and provides a platform for additional growth in the western U.S. **Carlisle SynTec** can now leverage the new plant locations to take advantage of the growing demand for its highly reflective and energy efficient Sure-Weld® TPO roofing systems (membrane, accessories and insulation) in the western U.S. TPO continues to be the fastest growing segment of the commercial roofing market, especially in the warmer climates.





All divisions within Construction Materials are well positioned to take advantage of an expected expansion of commercial new construction over the coming years. Carlisle's EPDM (synthetic rubber) roofing systems are a favorite for new construction applications. With its unique Factory Applied Tape seaming system, available in an ever-expanding range of its Sure-Seal® EPDM membranes, Carlisle's strong leadership in the EPDM segment will continue to drive growth in 2006 and beyond.

For over a decade, Carlisle has offered two brands of commercial roofing systems under the Carlisle and **Versico** names. In 2005, Versico moved its base of operations from Akron, Ohio to Carlisle, Pennsylvania to more fully capitalize on the resources headquartered there. 2005 was a record year for sales and 2006 will be a year where Versico furthers its brand identity and market penetration aided by major enhancements in its sales channel.

Carlisle Coatings and Waterproofing's strong double-digit growth in 2005 was fueled by an enhanced emphasis on residential markets, with roof underlayments leading the way. Additionally, the air and vapor barrier building wrap products strengthened their market positions and are poised for continued growth, supported by building code changes and increased market awareness of energy efficiency.

Carlisle's insulation manufacturing division, **Hunter Panels**, saw rapid growth in 2005 from a full year of operations in its Lake City, Florida plant and a half-year contribution of its Terrell, Texas facility. Hunter is well staffed with industry veterans and looks to continue to grow in 2006 and beyond as it penetrates markets in the southern and western regions of the U.S. The expected growth of the Carlisle and Versico

brands will provide an outlet for Hunter manufactured insulation as well as help establish the Hunter brand in these new markets.

As energy costs continue to rise, the building design community has a heightened desire for increased energy efficient construction. White, reflective TPO roofing membranes yield reduced cooling costs in sunbelt geographies. Carlisle Coatings and Waterproofing offers several above grade sealing and insulating products designed specifically for enhanced energy performance. Hunter Panels' high-thermal value insulation provides increased energy efficiencies under all roofing systems in all climates. New products are being developed throughout the company with energy savings in mind.

EcoStar offers a unique line of injection-molded residential roofing tiles made from recycled rubber and plastic. These roofing tiles offer a competitively priced, aesthetically pleasing and lighter weight alternative to slate and shake roofing products. EcoStar continues to grow its revenues as it offers progressive styles and unique color palettes to architects, homeowners and businesses alike.

Carlisle's fundamental strengths are the power of its brands and the talents and dedication of its employees, supported by strong distribution and independent sales representation. This combination affords Carlisle a powerful market presence. By the summer of 2006, Construction Materials will have constructed five new manufacturing plants in two years. In conjunction with its well-known brands and the depth of its people assets, this expanded manufacturing base points to an exciting future for Carlisle's Construction Materials businesses.



Industrial Components

- Carlisle Tire & Wheel
- Carlisle Power Transmission

The Industrial Components Group includes **Carlisle Tire & Wheel**, the foremost U.S. manufacturer of specialty tires and wheels, and **Carlisle Power Transmission**, a leading producer and distributor of industrial belting products.

As members of the Industrial Components Group these businesses benefit from a host of synergies:

- shared well-established rubber processing technologies and expertise to drive quality,
- integrated common supply chains to enhance competitive position,
- consolidated marketing activities to serve common markets and common customers,
- shared warehousing and production facilities to control costs,
- common raw material sources to secure supply and optimize costs,
- combined research and development to bring innovative products to market faster,
- common manufacturing systems to foster increased facility utilization and improved efficiencies, and
- shared expanding manufacturing complex in Shenzhen, China to drive down costs and improve margins.





These common operating strategies have enabled both companies to establish and maintain significantly lower cost structures, and, when added to their innovative product development capabilities, position them for growth.

The Industrial Components Group faced a number of challenges throughout 2005. The lawn and garden market, where we hold the dominant market share, was significantly depressed due to unfavorable weather conditions, excess inventory in the supply channel and escalating raw material costs. Though we were successful in passing along price increases to our customers, and will continue to recover these costs in 2006, overall results were disappointing. We are currently working to exploit our mix of production, maximize our run times, optimize our inventory levels and better manage our offshore and domestic manufacturing capabilities. While we haven't met our own expectations, strategies are being implemented to capitalize on the strength of our product offering, the quality we build into our products and the strong commitment we have to our customers. We believe this will help us achieve margin improvements in 2006 and augment Carlisle's overall profitability.

As we look ahead for **Carlisle Tire & Wheel**, both the ATV (all terrain vehicle), and agriculture and construction markets look to be growth platforms for us. We are also encouraged by the significant sales increase we experienced in 2005 in the commercial lawn service market and believe this is a growing market where we can increase our competitive position. Carlisle Tire & Wheel has achieved market leadership in many of these niche markets through the development of products our customers want and by creating world class customer service and distribution networks. We have 19 distribution centers that blanket the United States and Canada and give us the opportunity to provide our customers with unequalled service. These distribution channels now enable us to deliver mounted tires and wheels to any original equipment manufacturer in four hours or less.

Our manufacturing facility in China produced 38,000 tires a day in 2005, 23% more than in 2004 and ahead of our projections. This facility continues to afford us the ability to grow our market share.

Our well-known brands, such as Cragar®, ITP™, and of course, Carlisle, continue to equate to quality, performance and value. We are proud to provide the marketplace with the most comprehensive line of specialty tires and wheels. Our passionate pursuit of cost efficiencies, continual drive for new product development, total commitment to our customers, and a renewed focus on margin improvement position us for improvement in 2006.

Carlisle's Power Transmission business achieved significant production goals in 2005. By enlarging our Fort Scott, Kansas facility and closing our Red Wing, Minnesota plant we have reduced production costs and increased our economies of scale. These improvements and facility consolidations have allowed us to significantly increase our manufacturing output over the last two years. Our China facility continues to provide the opportunity to tap into the growing Asian market for our products. We topped our planned output at our China facility by 15% in 2005 and expect to double our output in 2006.

We have strong brand recognition in the markets we serve. Our Ultimax® brand of high-performance belts is considered the belt of choice in the snowmobile and growing ATV market. Additionally, our Gold Ribbon® and Panther® belts for the HVAC/R (heating, ventilation, air-conditioning and refrigeration) markets continue to gain market share amidst rising energy costs due to their high level of efficiency. These product lines will provide us with a strong growth platform in 2006.

Our reputation for quality and innovation, technically-oriented sales teams, commitment to research and development, and unparalleled product testing resources give us a competitive advantage in all of our markets. We believe that our growth will continue to come from our ongoing development of service innovations and commitment to meeting our customers' demand for innovative solutions.

CARLISLE

CRAGAR
Classic Wheels

ITP

PANTHER
SYNCHRONOUS DRIVE SYSTEMS featuring ULTRACORD™

Ultimax
High Performance Belts by CARLISLE

Diversified Components

- Carlisle FoodService and Sanitary Maintenance Products
- Carlisle Motion Control Industries
 - Carlisle Industrial Brake & Friction
 - Heavy Friction/Altec
- Trail King Industries
 - Tensolite
- Johnson Truck Bodies

We formed the Diversified Components Group in 2005 to provide greater management depth, increased visibility, and accelerated process improvements for the following Carlisle businesses:

- **Carlisle FoodService and Sanitary Maintenance Products**
- **Carlisle Motion Control Industries**
 - Carlisle Industrial Brake & Friction
 - Heavy Friction/Altec
- **Trail King Industries**
- **Tensolite**
- **Johnson Truck Bodies**

Revenue for 2005 for the Diversified Components Group grew 8.2% and operating earnings increased 31.5% over 2004, a credit to our operating unit management and their teams. This growth was achieved despite the negative impact of a seven month strike at our Johnson Truck Bodies business, concluded in October of 2005.

While the Diversified Components Group is comprised of a number of businesses that make unique products for different markets, we believe the added group focus will drive faster achievement of their individual revenue and profit growth objectives. By developing and executing robust business strategies across all the operations, we will more effectively exploit acquisition opportunities, allocate financial

and human capital, and improve production facility competitiveness. Our goal is to have each operating unit leverage the speed and customer focus inherent in a small autonomous business, while reaping the benefits of having access to the capital and support of a much larger, growing organization. In 2006 we anticipate that this new Group focus will drive improved revenue and profitability of each business, continue to enhance the world class service that our customers have come to expect, and ensure we work towards achieving and maintaining competitive advantages in all of our markets.

Carlisle FoodService Products engineers high quality cost-effective solutions for the foodservice industry. **Carlisle Sanitary Maintenance Products** manufactures cleaning tools for the industrial and commercial markets. Our industry-leading service in both companies, the breadth of our product offering and the solid customer partnerships that we have developed, both domestically and internationally, continue to provide us with growth opportunities.

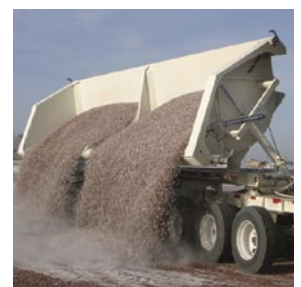
During 2005, Carlisle FoodService continued to introduce innovative tabletop accessories such as the Duraweave™ basket, the first dishwasher safe tabletop woven basket accessory, and the Palette™ line of buffet serving pieces that provide the look and feel of ceramics without the high replacement cost. During 2005, Carlisle Sanitary Maintenance completed the consolidation of our Fontana, California facility into our Atlanta, Georgia manufacturing operation and distribution network. This restructuring provides additional operating synergies as well as customer service improvements. In 2006 we will offer complementary janitorial product categories such as micro-fiber cleaning tools and material handling products. This will augment our increasing critical mass in our share of the broom and brush janitorial supplies market.

Our new full-service distribution center in Reno, Nevada, opened in May of 2005, enables us to provide industry-leading delivery services for our foodservice and sanitary maintenance customers coast to coast. On-time delivery, quality products at competitive prices and making it easy for our customers to do business with us, form the baseline of our success. We are proud to be able to provide our customers with same-day shipment of more than 18,000



foodservice and sanitary maintenance items.

Carlisle Motion Control Industries provides braking system solutions and friction materials for off-highway axle and heavy-duty vehicle manufacturers worldwide, in addition to serving the brake shoe and lining needs of the on-highway truck market at the OEM and distribution levels. Two acquisitions were made in 2005 providing market growth and earnings improvements. In July, we acquired all of the heavy-duty brake lining and brake shoe assets of Zhejiang Kete, located in Hangzhou, China,





which affords us a more focused position in friction lining and brake shoe manufacturing for on-highway class 6, 7 and 8 truck markets. In October, we acquired the off-highway brake assets of ArvinMeritor which includes manufacturing assets from their facilities in York, South Carolina, and Cwmbran, South Wales, U.K. This bolt-on acquisition brings a number of product lines into the Carlisle Industrial Brake & Friction product portfolio. Throughout all of our braking and friction operations, the use of cross-functional

technology teams has significantly expanded our ability to serve our customers worldwide. We're determined to continue to provide more effective and economical braking solutions for our customers that will allow us to build on the growth we experienced in 2005.

Trail King Industries designs and manufactures specialized, custom heavy-haul and bulk commodity trailers for the transportation industry. We are the leading manufacturer of specialized trailers for the construction, rental, and commercial markets. 2005 was a

record year for Trail King with sales growth of more than 35% over 2004. Supply chain price increases and availability issues that plagued us in 2004 stabilized during 2005. We were able to increase prices to help offset increased costs. Additional margin improvements were realized as efficiency improvements came on line.

In recent months some of Trail King's key competitors have exited the specialized market offering us opportunities to expand our core business. With a strong reputation for engineered solutions to difficult hauling problems we added numerous new customers in 2005 and, with the backlog of new orders at record levels, we anticipate a strong 2006.

Tensolite manufactures high performance wire, cable, connectors and cable assemblies for the aerospace, military, defense electronics and test and measurement industries. Our products target custom applications that require unique manufacturing processes and engineering capabilities. The military and defense electronics industries are growing in key areas such as command, communication and control, which complement Tensolite's core capabilities. Tensolite's sales grew 4% in 2005 and operating earnings grew 12%. Our aerospace business was extremely robust as sales of Tensolite's Net Flight® in-flight entertainment cables and Tufflite® airframe wire grew 24% over 2004. The commercial aerospace industry is in the middle of a boom cycle which will fuel Tensolite's growth in 2006. We are well positioned to capitalize on the growing market opportunities that will exist in the aerospace, military and defense electronics industries over the coming year.

Johnson Truck Bodies is a recognized industry leader in high quality fiberglass refrigerated truck bodies and trailers used for perishable product delivery. Though 2005 began with strong sales momentum, our year-end results were significantly impacted by a seven month strike that concluded in October with the union's unconditional offer to return to work. Despite this challenge, new production and operational efficiencies were realized during the year which position Johnson Truck Bodies for rapid recovery and growth in 2006.





Board of Directors

Donald G. Calder (a) (c) (d)
President, G.L. Ohrstrom & Co., Inc.

Robin S. Callahan (a) (b) (d)
*Past General Manager
Distribution and Marketing, IBM*

Paul J. Choquette, Jr. (c) (d)
*Chairman and Chief Executive
Officer, Gilbane, Inc.*

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Director, Jardine Strategic Holdings, Ltd.

Peter F. Krogh (b) (c) (e)
*Dean Emeritus and Distinguished Professor of
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School of Foreign Service*

Richmond D. McKinnish
President and Chief Executive Officer

Stephen P. Munn (d)
Chairman

Anthony W. Ruggiero (a) (d) (e)
*Past Executive Vice President
and Chief Financial Officer, Olin Corporation*

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*Chairman, Chief Executive Officer and
President, Anaren, Inc.*

Eriberto R. Scocimara (b) (d)
*President and Chief Executive
Officer, Hungarian-American Enterprise Fund*

Magalen C. Webert (c) (e)
Investor in various corporations

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Chairman

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President and Chief Executive Officer

John W. Altmeyer
Group President, Construction Materials

Barry Littrell
Group President, Industrial Components

Michael D. Popielec
Group President, Diversified Components

Carol P. Lowe
Vice President and Chief Financial Officer

Steven J. Ford
Vice President, Secretary and General Counsel

Kevin G. Forster
President, Carlisle Asia Pacific

(a) Member of Audit Committee (b) Member of Compensation Committee
(c) Member of Corporate Governance and Nominating Committee (d) Member of Executive Committee
(e) Member of Pension and Benefits Committee

Investor Information

Annual Meeting 12:00 noon, Thursday, April 20, 2006 at corporate headquarters.

10-K Reports Are available on-line from the SEC, by written request to the Secretary, or at the Company's website: www.carlisle.com.

Change of Address, Dividend Checks, Lost Certificates and Ownership Transfers Contact the Registrar, Transfer and Dividend Disbursing Agent for the Company: Computershare Investor Services, LLC, 2 North LaSalle, Chicago, Illinois 60602, 1.800.897.9071 or via the Internet, www-us.computershare.com.

Dividend Reinvestment Plan Shareholders 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: Computershare Investor Services, LLC, 1.800.897.9071 or 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

Website www.carlisle.com





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