



*We have once again raised the bar...  
we are FOCUSED on higher levels of  
performance...there are more great  
years ahead.*



*David A. Roberts  
Chairman, President and Chief Executive Officer*

**Carlisle Companies Incorporated** is a global diversified company that designs, manufactures and markets a wide range of products that serve a broad range of niche markets including commercial roofing, energy, agriculture, mining, construction, aerospace and defense electronics, foodservice, healthcare and sanitary maintenance. Through our group of decentralized operating companies led by entrepreneurial management teams, we bring innovative product solutions to solve the challenges facing our customers. Our worldwide team of employees, who generated \$2.9 billion in net sales in 2013, is focused on continuously improving the value of the Carlisle brand by developing the best products, ensuring the highest quality and providing unequalled customer service in the many industries we serve. Learn more about Carlisle at [www.carlisle.com](http://www.carlisle.com).



Carlisle Construction Materials manufactures a complete range of roofing and waterproofing products for commercial and industrial buildings including single-ply roofing, insulation, waterproofing and air/vapor barrier systems focused on the weatherproofing and thermal performance of the building envelope. The company is the U.S. market leader in EPDM (rubber), TPO (thermoplastic) membranes and both polyisocyanurate and expanded polystyrene insulation boards. Through recent acquisitions in Germany and the Netherlands, CCM is now the leading European manufacturer and supplier of EPDM roofing systems and is well positioned to fully exploit Europe's anticipated growth in this segment.



Carlisle Interconnect Technologies designs and manufactures high performance wire and cable, fiber optic cable, RF/microwave connectors, avionics trays, racks, integrated system and complex cable assemblies for applications in the aerospace, military and defense electronics, medical, and test and measurement industries.



Carlisle Brake & Friction is a leading solutions provider for high performance and severe duty brake, clutch, and transmission applications to original equipment manufacturers (OEMs) and aftermarket customers in the mining, construction, military, agricultural, motorsports, industrial, and aerospace markets. The company's brands, including Wellman Products Group, Carlisle Industrial Brake & Friction, Hawk Performance®, Japan Power Brake, VelveTouch® and Field Pro®, offer a diverse range of the most highly engineered braking and friction products available today. With 10 global manufacturing facilities in the U.S., U.K., Italy, China, Japan and India, Carlisle Brake & Friction serves more than 100 leading OEMs in 55 countries.



Carlisle FoodService manufactures and markets professional-grade product solutions for the restaurant, healthcare, and janitorial segments. Products for these three focused markets include an array of foodservice permanentware supplies, table coverings, cookware, displayware, catering equipment and meal delivery systems. In addition, Carlisle FoodService produces the most comprehensive line of janitorial, waste and material handling product lines for both the foodservice and sanitary maintenance industries.

## CARLISLE STRATEGY



**\$5**  
billion in sales



**15%**  
operating margins



**15%**  
working capital as a  
percent of sales



**30%**  
global sales



**15%**  
return on invested capital

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### CARLISLE OPERATING SYSTEM HIGHLIGHTS 2009–2013

Safety Performance: **39%** Reduction in the number of  
Workers' Compensation injuries

Continuous Improvement Cost Savings of **\$100+** million

**14%** increase in Sales per Employee

**2,000+** Kaizen (Continuous Improvement) Events

Over **60%** of our Employees have participated in a Kaizen Event

Working Capital Improvement from **30%** of Sales to **19%**

Working Capital Improvements contributed over **\$137** million in cash

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## *DEAR CARLISLE SHAREHOLDERS:*

2013 will be characterized as a year of record sales and net earnings, significant increase in shareholder value and strategic progress. It was the fourth year in a row that we set a new sales record and the second consecutive year that we set a net earnings record. Our sales for the year exceeded \$2.9 billion, a 3% increase over the previous record set last year. Net earnings for the year were \$235 million, a 3% increase over last year's earnings. 2013 was also a year of exceptional cash generation. Our cash conversion rate was 110%. We ended 2013 with \$755 million in cash, also a record for the Company.

On December 24, 2013, our price per share hit an all-time high, closing at \$79.62. Our share price gained 35% in value during 2013, 79% for the 2-year prior period and 100% for the 3-year prior period. This compares very favorably to our Peer Group, the S&P 500 and the S&P MidCap 400 as shown in the chart and graph on page 6, upper right. We also increased our dividend 10% in 2013, which was our 37th consecutive year of dividend increases.

We took a significant strategic step in December, when we sold the transportation products business (CTP) for \$375 million. Selling the tire and wheel business was not an easy decision, but it was the right decision. Since 1917, the tire business had been the heart and soul of our Company. It funded the growth of Carlisle for more than 80 years and generated respectable levels of profitability and growth until the late 1990s when foreign competition stiffened and our products became a commodity. Following those market changes, the business went from being our highest profit margin segment to our lowest. We took steps to improve profitability and did, but not to the level that we expect from a core business. It was evident that CTP had limited opportunity to be a long-term contributor to our strategic financial goals going forward. We received a fair price and found a good home for it at AIP, the private equity group that bought the business.

In 2013, we continued to invest in the organic growth of our business. We began to see a recovery in the non-residential construction market in the later part of 2011 and decided that we needed to add capacity to support the forecasted market growth in 2013 and beyond. Most of the \$98 million of capital we invested in organic growth during 2013 was to expand our Carlisle Construction Materials manufacturing footprint. We built two new Polyiso insulation plants, one in Puyallup, Washington, and a replacement plant for our Kingston, New York, facility in Montgomery, New York. We also started construction on two new roofing membrane plants, a PVC factory in Greenville, Illinois, and a TPO factory in Carlisle, Pennsylvania. These facilities will provide us the needed capacity to meet the growth in commercial real estate development over the next four to five years.

We were able to make these investments without tapping into our revolving line of credit, in part because of the effort of our management teams to reduce our working capital as a percent of sales in each of their businesses. We have been focused on improving working capital over the past six years. We had approximately 30% of our sales value tied up in working capital then. We have steadily reduced that number to 19% in 2013 as inventory turns increased to 7 turns from 6 turns and Days Sales Outstanding decreased to 54 days from the prior year's 58 days. Despite our improvement over the past six years, we assembled the management team to discuss how we could further improve working capital and our attention turned to our ERP systems. Using cross-functional teams from across the Company, we identified changes that would fully utilize the capabilities of our systems in the management of working capital. With the changes being implemented, we expect to be below 19% in 2014 and moving closer to our overall goal of 15% over the next three years.

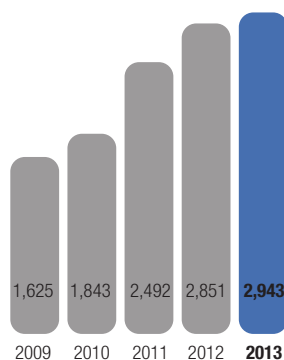
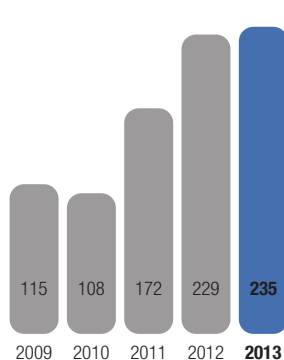
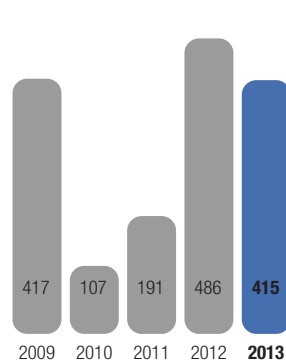
A strategic issue we have for 2014 is creating shareholder value with cash we generated from operations and the sale of CTP in 2013. Having cash on hand is a blessing; putting it to work requires discipline. We have a 4-pronged plan to use our cash judiciously. First, we will continue to invest in organic growth opportunities such as the factories we built and are building for Carlisle Construction Materials, in addition to the factory we are building for Carlisle Interconnect Technologies in Mexico. Second, we will seek bolt-on acquisitions for Carlisle Construction Materials, Carlisle Interconnect Technologies and Carlisle Brake & Friction. Third, we will seek an acquisition to replace CTP; a business that will present limited risk but will provide us with a high margin business that has excellent growth prospects. Fourth, we expect to be more active repurchasing shares of our stock.

Developing the talent to manage new plant start-ups, product development activities, working capital initiatives, new product marketing activities and process improvements has been a priority. We knew we couldn't rely exclusively on outside hires if our business was to grow as planned. We would need people who understood our products, manufacturing processes and most importantly, continuous improvement driven by the Carlisle Operating System (COS). Working jointly with Indiana University's Kelley School of Business, we developed the Carlisle Leadership Program (CLP). It is an educational process that teaches existing employees to think strategically while managing their day-to-day operations. If an employee is lucky enough to be chosen to go through CLP, they spend three months immersed in a project with team members from other Carlisle businesses developing a solution to a real world Carlisle problem. They spend part of that time on campus in Bloomington, Indiana, working with the world-class educational staff at the Kelley School. The people who attend CLP are some of our best and brightest. Many CLP graduates have been promoted within a year of graduating and are doing a terrific job in their new assignments.

## FINANCIAL HIGHLIGHTS

in millions, except share and per share data

<b>Summary of Operations</b>	<b>2013</b>	<b>2012</b>
Sales	<b>\$ 2,943</b>	\$ 2,851
Earnings before interest and income taxes	<b>367</b>	372
Income from continuing operations, net of tax	<b>235</b>	229
Net income	<b>210</b>	270
Weighted average shares (diluted, in thousands)	<b>64,806</b>	63,610
Earnings per share (diluted)		
Income from continuing operations	<b>\$ 3.61</b>	\$ 3.57
Net income	<b>\$ 3.22</b>	\$ 4.22
Dividends per share	<b>\$ 0.84</b>	\$ 0.76
<b>Comparative Balance Sheet</b>		
Assets		
Current assets	<b>\$ 1,535</b>	\$ 1,205
Property, plant and equipment, net	<b>497</b>	465
Other assets	<b>1,461</b>	1,787
Total	<b>\$ 3,493</b>	\$ 3,457
Liabilities and Shareholders' Equity		
Current liabilities	<b>\$ 376</b>	\$ 471
Long-term liabilities	<b>1,131</b>	1,199
Shareholders' equity	<b>1,986</b>	1,788
Total	<b>\$ 3,493</b>	\$ 3,457
<b>Cash Flow</b>		
Operating cash flow	<b>\$ 415</b>	\$ 486
Capital expenditures	<b>\$ 111</b>	\$ 140

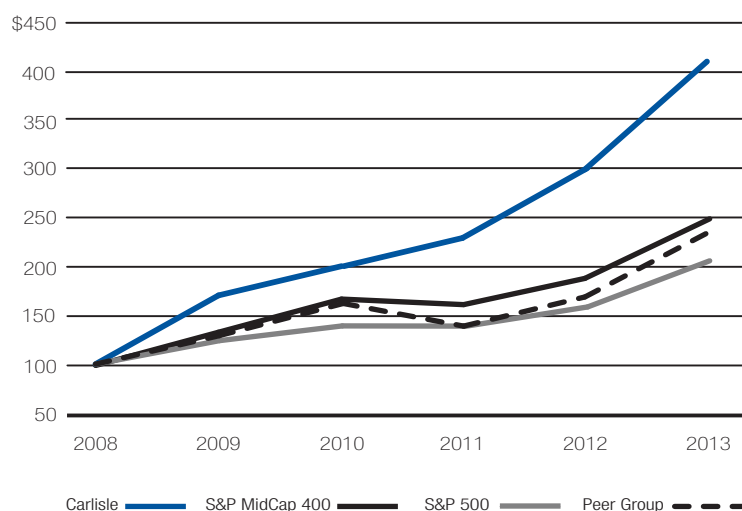
Sales from Continuing Operations  
In millions of \$Income from Continuing Operations  
In millions of \$Operating Cash Flow  
In millions of \$

## FIVE-YEAR PERFORMANCE GRAPH

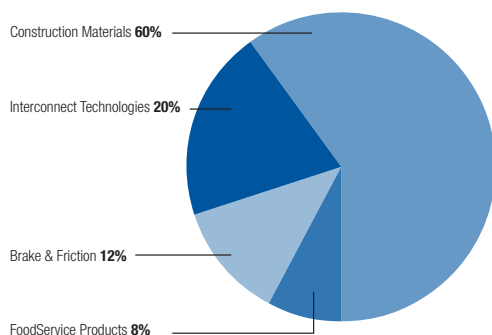
The table at the right shows how a \$100 investment in Carlisle Companies Incorporated has grown over the five-year period ending December 31, 2013 as compared to a \$100 investment in the S&P MidCap 400, S&P 500 Composite Index and the Peer Group Index. The Peer Group Index includes Crane Co., Danaher Corp., Dover Corp., Emerson Electric Co., General Electric Company, Harsco Corp., Illinois Tool Works Inc., Ingersoll-Rand plc, ITT Corp., Parker Hannifin Corp., Pentair, Inc., Roper Industries, Inc., SPX Corp., Teleflex Inc., Textron Inc., and United Technologies Corp. The Company believes that these public companies have similar industrial characteristics and constitute an appropriate index.

The graph at the right shows a five-year comparison of cumulative total returns for Carlisle, the S&P MidCap 400, S&P 500 Composite Index and the Peer Group Index. All values assume the reinvestment of dividends.

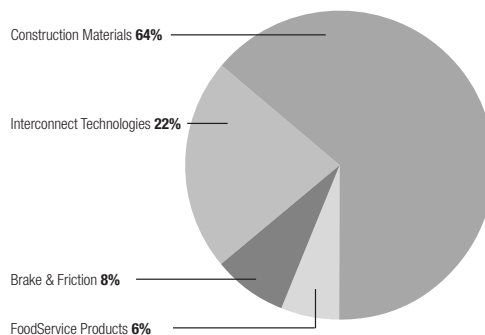
	Carlisle	S&P MidCap 400	S&P 500	Peer Group
2008	\$100.00	\$100.00	\$100.00	\$100.00
2009	169.60	135.00	123.45	128.90
2010	200.47	168.55	139.23	161.51
2011	227.17	163.33	139.23	138.55
2012	305.88	189.57	157.90	169.52
2013	413.33	249.41	204.63	236.58



### 2013 Sales



### 2013 Earnings Before Interest & Taxes





We also have been working with the Kelley School's MBA program, hiring two to four people at the end of each educational year to participate in our management rotation program for the first twelve months of their career at Carlisle. During that time, these gifted employees spend three months within each of our businesses working on a meaningful business project. Upon completion of their rotation program, they assume a management position in one of our businesses.

In the past, I have provided you with a summary of each of the business' performance in my Shareholder Letter. This year, I have asked our Business Group Presidents to explain how their businesses performed in 2013. Who better to take you through a detailed review than John Altmeyer, John Berlin and Chris Koch. They are very talented executives and the success we have enjoyed over the past number of years has been the result of their marketplace wisdom, financial expertise and manufacturing knowledge. These are the people who "make it happen" 365 days a year. You will find their commentary insightful and it can be found in the business segment reviews in this report.

Six years ago we began a journey to create shareholder value by concentrating on fewer and more profitable businesses. We divested the businesses that were not strategic and, with the sale of the transportation products business, the face of our business has changed. We now have four businesses capable of delivering 15% operating margins, 15% return on invested capital, utilizing 15% of our sales dollars tied up in working capital and to have 30% of our sales outside of the U.S. The one strategic objective that will take longer to achieve is the \$5 billion sales goal. When we sold CTP, we lost more than \$750 million in revenue and it will take us a few years to replace those sales dollars.

There's no doubt, 2013 was a banner year for Carlisle. Every Carlisle employee worldwide contributed to our success. These are the people who have driven this business through six years of record setting performance. I am pleased they are on our side. We now put 2013 in our rear view mirror and are setting our sights on 2014 and beyond. We have once again raised the bar and are focused on higher levels of performance. Each of our businesses is led by a management team that is passionate about and intimately familiar with their products and how those products serve the needs of their customers. We thank you, our investors, for your confidence and for joining us throughout this journey...there are more great years to come.



**David A. Roberts**  
*Chairman, President and Chief Executive Officer*

Dear Carlisle Shareholders:

**Carlisle Construction Materials** (CCM) delivered another solid performance year in 2013 with sales of \$1.8 billion, up 5%. Earnings Before Interest and Taxes (EBIT) of \$264 million was down slightly vs. a challenging comparison to a record 2012. EBIT margins of 15% were very respectable in a year when increases in raw material costs were not recoverable. Global sales increased slightly to \$251 million, or 14% of total sales, in a challenging global economy. Working Capital as a Percentage of Sales improved 170 basis points from 2012 to 17%. Always mindful of the future, in 2013 we completed the construction and outfitting of two new Polyiso plants and broke ground on new PVC (polyvinyl chloride) and TPO (thermoplastic polyolefin) manufacturing sites as the U.S. construction industry looks set to continue its post-recession recovery.

Commercial roofing sales were up mid-single digits as the overall market showed modest improvement. CCM Europe sales rebounded sharply in the second half of 2013 following an abnormally long and harsh winter. As the U.S. economy continued to recover in 2013, CCM saw sales and earnings gains in our Insulfoam, Coatings & Waterproofing, Residential underlayments and HVAC operations. These businesses are poised to continue to expand along with an improving new construction marketplace.

CCM's internal mantra during and following the Great Recession construction downturn of 2009 and 2010 was to "Exit Stronger." During that time we aggressively reduced overhead, improved factory productivity and

restructured our sales channels in many markets, all the while keeping a keen eye on the eventual recovery. Throughout the downturn, CCM continued to invest in employee development, new products and capacity enhancements. As we look to 2014 and beyond, these investments are strategically positioned to yield dividends as our markets continue to recover. I can confidently say CCM is a much stronger company today than it was in 2008 as a result of the actions and investments made during the downturn.

CCM's growth prospects are excellent as most macroeconomic metrics point to an improving environment for new construction, both in the U.S. and in Eurozone countries. Key growth drivers include:

- 1) U.S. new commercial construction is projected to continue to recover over the next 3–5 years, particularly in the "big box" arena driven by retail and warehousing. These segments are especially attractive to CCM given our strong single-ply roof systems presence (membrane and insulation) which provide economic roofing solutions as well as facilitating rapid roof completion.
- 2) CCM is the only U.S. roofing manufacturer of all three polymeric single-ply technologies (EPDM, TPO and PVC) and is uniquely positioned to exploit the market's continuing adoption of single-ply technology.



**John W. Altmeyer**  
*Group President, Carlisle Construction Materials*



*CCM's growth prospects are excellent as most macroeconomic metrics point to an improving environment for new construction, both in the U.S. and in Eurozone countries.*



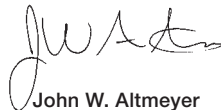
3) As a country, we are more energy conscious than ever before. While architects, consultants and building owners continually seek improved energy efficiency, ever increasing energy code requirements are also driving growth in insulation demand. As the world's largest producer of Polyiso insulation, this movement bodes well for our future.

4) CCM acquired PDT in Germany in 2011, followed by Netherlands-based Hertalan in early 2012, to create Europe's leader in EPDM roofing. EPDM roofing systems continue to gain market share in Europe, situating us to fully exploit and drive this trend, especially as the economies of Germany, the U.K., and Benelux look to recover.

CCM prides itself on supplying industry leading products but we are much more than a manufacturing company. I often cite Operational Excellence as our key competitive advantage and while it certainly includes manufacturing, at CCM it connotes a much broader theme. We talk incessantly about the *Carlisle*

*Experience* which represents the comprehensive value of what we provide to the customer on a daily basis. This includes, but is certainly not limited to, pre-sales technical advice to architects, consultants and contractors, a knowledgeable and responsive sales channel, quality products that combine time-proven roofing systems, accurate and on-time delivery and post-sale warranty and service support.

CCM has developed a mindset of continuous improvement, a work environment that encourages and fosters constant learning and a culture where we expect to improve every year. I am immensely proud of what the CCM team has accomplished over the years. Many come to Carlisle for a job but stay for a career. CCM employees in the plants and offices, as well as those in the field, take great pride in our accomplishments yet continue to drive the organization to reach new heights of improved performance at all levels. We look forward to what is expected to be an exciting and rewarding 2014.



John W. Altmeyer  
Group President, Carlisle Construction Materials



#### **CARLISLE CONSTRUCTION MATERIALS**

##### **Silver Operational Excellence**

Greenville, IL  
Senatobia, MS  
Smithfield, PA

##### **Bronze Operational Excellence**

Tooele, UT (2 Facilities)  
Carlisle, PA (3 Facilities)  
Franklin Park, IL  
Lake City, FL  
Terrell, TX  
Anchorage, AK

*Carlisle Construction Materials has three Silver Level and nine Bronze Level Operational Excellence factories.*

#### **Operational Excellence Performance:**

- **SAFETY:** CCM has improved their safety performance through overall Recordable Injury Rate by 37% since 2009 and is 26% better than the Industry Average
- **QUALITY:** 99% First Pass Yield—Greenville, IL—Silver Operational Excellence Plant
- **DELIVERY:** 63% Increase in Inventory Turns—Smithfield, PA—Silver Operational Excellence Plant
- **COST:** 30% Productivity Efficiency Improvement—Senatobia, MS—Silver Operational Excellence Plant





*CCM has developed a mindset of continuous improvement, a work environment that encourages and fosters constant learning and a culture where we expect to improve every year.*



Dear Carlisle Shareholders:

**Carlisle Interconnect Technologies** (CIT) had an outstanding 2013. We had sales of \$578 million, up 25% over 2012, and our EBIT % grew 60 bps to a record 16% of sales finishing at \$90 million. This was the fourth consecutive year of sales and earnings growth which equates to compounded annual growth rates of 34% in sales and 58% in earnings. Our sales and earnings performance is at the top of our industry. The strength of our performance in 2013 was a direct result of our commitment to leading edge interconnect technology, aggressive new product development, strong results from the Carlisle Operating System (COS) and superior customer service.

Both Boeing and Airbus have entered a strong, wide-body build cycle that is expected to last for at least the next five years. CIT is well-positioned on all the major wide body aircraft including Boeing's 787 and 777 and Airbus's A380 and A350 airplanes. Coupled with this growth is a very active In-Flight Entertainment and Connectivity (IFEC) marketplace. CIT is strategically positioned to continue to enjoy rising sales from the worldwide expansion of both IFEC systems and Connectivity systems.

CIT's global sales continued to be strong during the year, now accounting for 39% of total sales. This well exceeds the Company strategic goal of 30%. Key markets for us include Europe, China, Russia, Japan, Brazil, Canada and South Korea.

While we have consistently focused on new product development and organic growth initiatives, we also

are constantly looking to add key technologies and product line extensions through acquisitions. In December of 2012, we acquired Thermax and Raydex and spent 2013 fully integrating these operations into CIT. The Thermax/Raydex acquisition was very strategic for us and added considerable scale to our aerospace wire and cable business.

During 2013, we successfully launched our Medical Cable and Cable Assembly product line. We also made a commitment to attract the best and brightest people to lead our medical product line expansion. I am very happy to report that the initial customer acceptance has been extremely positive and we see tremendous growth ahead for our medical product line.

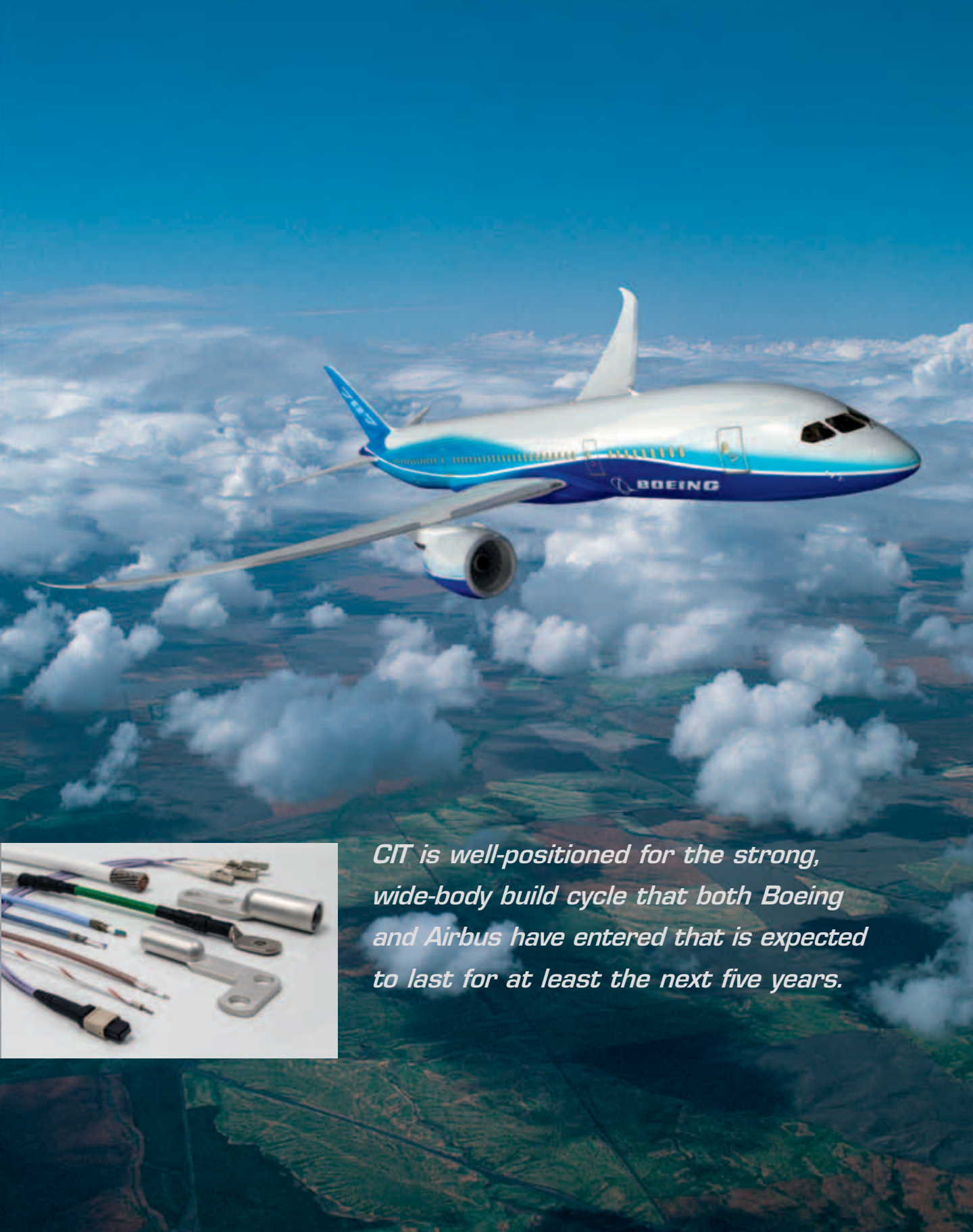
Underlying all the exciting market growth and new product development is a strong commitment to continuous improvement. 2013 was the fifth consecutive year that COS drove productivity savings of 2%. COS is the way CIT does business. It is our culture and guides our major decisions on how we run our factories and our entire business. Our customers have taken notice and often ask to bring their "Lean Leaders" to our factories to see how we do it. COS wins business for CIT.

One of the key factors in CIT's sales and EBIT growth is our strong commitment to Excellence in Supply Chain Management. New leadership and management has resulted in reductions in cost of materials and in



**John E. Berlin**  
*Group President, Carlisle Interconnect Technologies*





*CIT is well-positioned for the strong, wide-body build cycle that both Boeing and Airbus have entered that is expected to last for at least the next five years.*

improved on-time delivery and service. Much like our COS effort, our major customers have taken notice and applaud our ability to better manage our supply base and to pass through their requirements to ensure that CIT is able to fully support their needs.

The most important aspect of our success is the ability and strength of our management team and employees. CIT's great people are all focused on winning and delighting our customers. We continually seek to improve the ability of our leaders to lead and help our employees work even smarter. I have devoted a considerable amount of my time towards talent and leadership development. A key aspect of this effort is the creation of a Leadership Strategy that is designed to make sure we have the right talent in the right positions so that we can execute our strategies in the most effective manner. I am very excited about this talent development initiative and my goal is to make CIT **THE** place to work and one of the most desired companies to work for in our industry.

As I look ahead to 2014, I see continued strength in our end markets, especially the commercial aerospace market. Boeing and Airbus have record backlogs and are ramping production on all their major airplane programs. Our position on the Boeing 787 will drive growth as Boeing goes to a production rate of 10 per month early in 2014. Airbus is in the early stages of ramping up the A350 and CIT will grow right along with their expanding build rate. Overall, we expect 2014 to be another year of expanding sales and earnings for CIT.



**John E. Berlin**  
*Group President, Carlisle Interconnect Technologies*



#### **CARLISLE INTERCONNECT TECHNOLOGIES**

##### **Silver Operational Excellence**

Kent, WA  
St. Augustine, FL  
Dongguan, P.R. China

##### **Bronze Operational Excellence**

Tempe, AZ  
Nogales, Mexico  
Franklin, WI

*Carlisle Interconnect Technologies has three Silver Level and three Bronze Level Operational Excellence factories.*

#### **Operational Excellence Performance:**

- **SAFETY:** CIT's safety related overall Recordable Injury Rate is 39% better than the Industry Average
- **QUALITY:** 99% Defect Free—Dongguan, P.R. China—Silver Operational Excellence Plant
- **DELIVERY:** 97% On-Time Delivery—St. Augustine, FL—Silver Operational Excellence Plant
- **COST:** 40% Improvement in Sales Per Employee—Kent, WA—Silver Operational Excellence Plant





*The most important aspect of our success is the ability and strength of our management team and employees...who are all focused on winning and delighting our customers.*



Dear Carlisle Shareholders:

**Carlisle Brake & Friction** (CBF) generated sales of \$350 million in 2013, a 22% reduction compared to 2012, driven mainly by a prolonged contraction in global mining equipment markets. Construction, On-highway, and Military equipment markets were also tepid due to a combination of general slowdowns in emerging market economies, uncertainty in the U.S. economy, persistent excess mobile equipment inventories around the world, and the managed drawdown of engaged U.S. military activities in the Middle East. Agriculture markets were the notable bright spot for off-highway markets, with 2013 continuing a run of over 24 months of sequentially increasing farming equipment demand. Despite an overall challenging market environment in 2013, CBF continued to reinvest in our business by further optimizing our processes, investing in our customer relationships and technology, upgrading equipment and manufacturing operations, and reducing operating costs. These prudent actions position us to leverage the longer-term positive macro-trends that will continue to drive our core markets of Mining, Construction, and Agriculture over the next couple of decades. Ongoing global population growth and increased urbanization equate to higher demand for energy and infrastructure. In addition, a growing market for higher protein diets is driving more mechanized farming. All of these factors bode well for long-term demands in industrial vehicles that employ CBF's products, technology and services. In light of these ongoing trends and the anticipation of recovering markets, we continue to strategically position the CBF business to be the market leader and prepare for our inevitable growth.

During 2013, we took aggressive actions aimed at reducing our overall cost structure while right-sizing

our business commensurate with near-term market pressures. These actions included consolidation of our manufacturing footprint with the closure of our Akron, Ohio, plant, in-sourcing projects and optimizing our headcount. We continue to invest in our global R&D, Sales, and Marketing capabilities, which has enabled us to secure substantial new sales, while developing a multitude of global opportunities totaling more than \$250 million. The Asia Pacific region continues to be a key growth area for CBF, contributing nearly 50% of these new business awards. CBF is Carlisle's most global business, having furthered the Corporate goal of 30% Global Sales by contributing global sales in excess of 50%.

Acquisitions continue to play a key role in CBF's global growth and profitability. In 2009, we added Japan Power Brake (JPB) headquartered in Atsugi, Japan, to the CBF family. This business has been a great fit for us, adding scale to our business portfolio and providing local support to the important OEM business in that country. In 2010, Hawk became part of CBF. Hawk was Carlisle's largest acquisition to date and expanded our friction product offerings to the mining, construction, agricultural, military and industrial markets, while furthering our position as a leading global supplier of high-performance braking solutions into key emerging countries such as China, Brazil and India. CBF continues to seek strategic acquisitions that will continue to build our world-wide markets and our leading technology platforms.



**D. Christian Koch**  
*Group President, Carlisle Brake & Friction*



*We continued to reinvest in our business, positioning us to leverage the longer-term positive macro trends that will continue to drive our core markets.*



The Carlisle Operating System (COS) provided us with the tools and discipline to focus throughout the year on driving savings in all facets of our operations. For the full year 2013, we achieved over \$3 million of savings, enabling us to contribute increased earnings through employee-driven initiatives.

We continue to invest in our people, our greatest asset, through a myriad of programs including the Carlisle Leadership Program (CLP) discussed on page 24 of this report.

Throughout 2013, we were also focused on building our teams for the future, significantly reorganizing our North American and Asian commercial teams. We added skilled professionals in R&D and Operations. Moreover, we finished the expansion of our Orzinuovi, Italy, factory and continued to make significant capital investments in new equipment as well as upgrades to all of our global factories. We are pleased that our two CBF Europe operations located in Orzinuovi, Italy, and Pontypool, Wales, are now certified ISO 9001, OHSAS ISO 18001 and ISO 14001. These certifications show our commitment to our customers as well as our dedication to protect the environment for future generations.

As the only “full system” off-highway braking solutions provider, CBF is in a unique position in our market. In 2013, we had success working with our customers on full-system design in Mining and Agriculture, providing value to our customers as they outsource development to CBF as a broad-capability systems supplier. We also focused on new product launches, developing high-performance hybrid friction materials, new braking solutions based on carbon technology, and innovative solutions for aircraft braking applications. Our Hawk Performance® automotive high-performance braking business is focused on expanding its growing customer following in the U.S., while the explosion of an automobile culture in China has driven the desire for high-performance pads and rotors stemming from the growth in expendable income.

I am proud of the entire CBF team and the flexibility, unity and perseverance they have demonstrated during a very challenging environment in 2013. Their drive to improve, focus on our customers and grow our business, and their inimitable attitude to push through the challenges we've faced, have helped to position CBF at the forefront of the global off-highway braking and friction market. We are strong, poised and anxious for the anticipated recovery in 2014 and the growth opportunities beyond.



**CARLISLE BRAKE & FRICTION**  
**Silver Operational Excellence**  
 Pontypool, Wales U.K.

**Bronze Operational Excellence**  
 Bloomington, IN  
 Medina, OH  
 Tulsa, OK  
 Orzinuovi, Italy  
 Hangzhou, P.R. China  
 Atsugi, Japan

*Carlisle Brake & Friction has one Silver Level and six Bronze Level Operational Excellence factories.*

**Operational Excellence Performance:**

- **SAFETY:** CBF has improved Safety by overall Recordable Injury Rate by 46% since 2011 and is 78% better than the Industry Average
- **QUALITY:** Nearly 100% Defect Free—Hangzhou, P.R. China—Bronze Operational Excellence Plant
- **DELIVERY:** 37% Increase in Inventory Turns—Tulsa, OK—Bronze Operational Excellence Plant
- **COST:** 59% Productivity Efficiency Improvement—Pontypool, Wales U.K.—Silver Operational Excellence Plant





*The CBF team's customer focus, and their inimitable attitude to push through the challenges, have helped to position us at the forefront of the global off-highway braking and friction market.*



Dear Carlisle Shareholders:

**Carlisle FoodService** (CFS) had a year of tremendous progress in 2013. Driven by the appointment of a new executive leadership team and the continued execution of a new strategic direction developed in mid-2012, we entered 2013 seeking to substantially increase the profitability of this business. With renewed vigor and focus, our CFS team delivered improvements across the business. 2013 operating earnings set a record, increasing 119% to \$27 million despite a 2% decrease in sales to \$239 million. The CFS team expects that with continued focus and execution, we can set another record in 2014. Contributing to the higher earnings were significant cost savings realized from the reductions in the global manufacturing and distribution footprint completed in the second half of 2012. Specifically, we completed the closure of our factory located in Changzhou, China, and relocated most of that production back to our factories in Oklahoma City, Oklahoma. We also closed our European distribution center located in Zevenaar, Netherlands, and implemented a new distribution model for Europe. Finally, we closed our distribution center located in Reno, Nevada, and relocated much of that inventory to our existing distribution center in Oklahoma City that is adjacent to our headquarter offices. Our operations team exceeded all forecasts for savings from those facility consolidations, while at the same time we invested in actions designed to increase our service levels to our customers.

Another key focus for the business was to increase service levels to our customers through process improvements in our supply chain and customer

service functions. CFS also continued to drive significant upgrades within our manufacturing plants which included additional investments in our facilities' infrastructure, new equipment and tooling, which has resulted in increased efficiency and improved machine reliability and uptime. These investments also contributed to continuous improvement in our fill rates in the second half of 2013. We plan to add to these investments in the coming year as we look to continuously improve our ability to respond quickly to the needs of our customers.

CFS also made significant changes and investments in the sales, product marketing and innovation functions with new leadership, structure and resources all geared towards driving sales growth. We implemented a "focused markets" approach, where key resources are organized and dedicated around our key markets of foodservice, healthcare, and sanitary maintenance. A new sales and distribution model was not only implemented in Europe, but also in Mexico and Canada, while sales in Asia and Latin America grew at a record pace. Revenue from new products nearly doubled in 2013, and investment in R&D grew by almost 40% over the prior year. We also accelerated the launch of several new products, some of which we expect to be "game changers" in our key markets and will contribute significantly to sales growth in the years to come.

We strengthened our ties with key customers by continuously enhancing the customer





*CFS made significant changes and investments in the sales, product marketing and innovation functions with new leadership, structure and resources all geared towards driving sales growth.*



experience through higher service levels, investments in automation and improvements in our business processes. These many activities combined to help CFS achieve higher sales towards the end of 2013 and we expect that they will continue to contribute significantly to Carlisle's growth strategies in 2014.

The Carlisle Operating System (COS) continues to be an everyday part of our employees' lives and is establishing a culture of continuous improvement. These solid lean/sigma tools were first utilized in our plants and were later adopted to support functions and back office processes, such as within the Finance, Human Resources and Customer Service functions. The impact COS has had on our business is highlighted at the bottom of this page. CFS also continued its significant investment in our people in 2013 through our various training programs. This includes increasing participation in the COS, leadership development programs and specific training courses tied to each job function. We also engage employees on their career development plans and monitor progress through our mid-year and annual review process.

These many accomplishments at CFS could not have been achieved without the exceptional hard work and commitment of our dedicated employees. The CFS team is comprised of outstanding professionals that are focused on meeting the needs of our customers and in doing their part to ensure that CFS becomes an exceptional manufacturing company. For that they should be proud, and for that I thank each one of them. With our dedicated employees, reduced cost structure and investments into the business, CFS is poised for accelerated growth in sales and earnings in the years to come.



D. Christian Koch  
*Group President, Carlisle FoodService Products*



#### **CARLISLE FOODSERVICE PRODUCTS**

##### **Silver Operational Excellence**

Batavia, IL (Manufacturing)

##### **Bronze Operational Excellence**

Batavia, IL (Distribution Center)  
Sparta, WI

*Carlisle FoodService Products has one Silver Level and two Bronze Level Operational Excellence facilities.*

#### **Operational Excellence Improvements**

- **SAFETY:** CFS has improved their safety performance by reducing their overall Recordable Injury Rate by 73% since 2011 and is 74% better than the Industry Average
- **QUALITY:** 99% Defect Free—Batavia, IL—Silver Operational Excellence Plant
- **DELIVERY:** 127% Increase in Inventory Turns—Sparta, WI—Silver Operational Excellence Plant
- **COST:** 19% Productivity Efficiency Improvement—Sparta, WI—Bronze Operational Excellence Plant





*With our dedicated employees, reduced cost structure and investments into the business, CFS is poised for accelerated growth in sales and earnings in the years to come.*



## CARLISLE'S EMPLOYEE PROGRAMS

*At Carlisle, we believe in the continuous improvement of our people. In 2011, we implemented two programs to ensure that we have a pipeline of leadership talent coming into the Company and that we are developing high potential Carlisle talent along the way.*



Kelley School of Business on the campus of Indiana University



### *Carlisle Management Development Program*

Carlisle Companies Management Development Program (CMDP) recruits and develops recent MBA graduates for leadership roles in Carlisle. The program is designed to provide an accelerated path to real P&L leadership and responsibility. The 12-month fast-paced program exposes participants to the various businesses within Carlisle as they rotate through a variety of assignments each ranging up to three months in duration. The program provides excellent exposure to Carlisle executives and the chance to deal with real world opportunities and challenges that will develop and test their abilities.

"The program affords me the opportunity to work on substantial projects for all four of the Carlisle Executive teams. I have gained a tremendous amount of insight in understanding how to solve critical issues at each business unit, as well as how to become a leader within the organization. The diversity of work—both by manufacturing facility and job function—has really helped me develop my skill set and prepare me for the rest of my career."

**Christopher Mahon**, *Carlisle Management Development Program*

"This program is truly like no other. I worked on projects in various functions from Finance to Supply Chain Management to Marketing, at diverse geographic locations across the U.S. and abroad. All of this included personal mentoring and unrestricted access to Carlisle's Senior Leadership Team. I am grateful for this immensely enriching experience and confident it will be pivotal in shaping my career."

**Nipun Khanna**, *Carlisle Management Development Program*





## *Carlisle Leadership Program*

The Carlisle Leadership Program (CLP) is a residential program hosted by Carlisle Companies at the Kelley School of Business on the campus of Indiana University in Bloomington, Indiana, for high-potential employees from across all divisions of Carlisle. The program was created specifically for Carlisle Companies by the faculty at the Kelley School. Its mission is to develop talented managers and further their career potential as business leaders.

"It was an honor to be selected for CLP and to have an opportunity to help shape the future of Carlisle. My memories of countless challenges, hard work and great friendships will last a lifetime."

**George Keinhans**, *Plant Manager, Carlisle FoodService, Oklahoma City, Oklahoma*

"Participating in CLP was one of the greatest experiences I have had since I became part of the Carlisle team. The program's approach to team development was very valuable and has made me an even more effective leader for the organization."

**Ryan Spencer**, *Marketing Manager, Carlisle Interconnect Technologies, Kent, Washington*

"The program opened my eyes to the amount of talent and good people we have throughout the various divisions of Carlisle. It was a challenging and rejuvenating experience."

**Chris Shermach**, *Regional Sales Manager, Carlisle Construction Materials, Carlisle, Pennsylvania*

"The Carlisle Leadership Program was an excellent experience, enabling me to work with cross-functional teams, finding solutions to complex problems and creating a learning environment that was second to none."

**Alex Smith**, *Supply Chain Analyst, Carlisle Interconnect Technologies, St. Augustine, Florida*

"The program afforded me the opportunity to learn specific tools for team-building and leadership effectiveness, an in-depth understanding of Corporate Values and an increased ability to take advantage of career opportunities throughout all of Carlisle."

**Ambrogio Fusar Poli**, *Controller, Europe, Carlisle Brake & Friction, Orzinuovi, Italy*



*...leadership development...critical, real world problem solving...  
global opportunities...enhanced understanding...cross-functional  
team building...career development...mentoring by Carlisle's  
Senior Leadership Team...educational opportunities...rejuvenating  
experiences...participate in shaping the future of Carlisle...*



Kelley School of Business on the campus of Indiana University

## CORPORATE INFORMATION

### Board of Directors

Robin J. Adams <sup>(a)</sup> <sup>(b)</sup>  
Former Vice Chairman of the Board,  
Executive Vice President  
and Chief Administrative Officer,  
BorgWarner Inc.

Robert G. Bohn <sup>(a)</sup> <sup>(c)</sup>  
Former Chairman, President and  
Chief Executive Officer,  
Oshkosh Corporation

Robin S. Callahan <sup>(a)</sup> <sup>(b)</sup>  
Former General Manager,  
Distribution and Marketing,  
International Business Machines Corporation

Terry D. Growcock <sup>(b)</sup> <sup>(c)</sup>  
Former Chairman, President and  
Chief Executive Officer,  
The Manitowac Company

Stephen P. Munn  
Lead Director  
Former Chairman, President and  
Chief Executive Officer,  
Carlisle Companies Incorporated

Gregg A. Ostrander <sup>(a)</sup> <sup>(b)</sup>  
Former Chairman, President and  
Chief Executive Officer,  
Michael Foods, Inc.

David A. Roberts  
Chairman, President and  
Chief Executive Officer,  
Carlisle Companies Incorporated

Lawrence A. Sala <sup>(a)</sup> <sup>(c)</sup>  
Chairman, President and  
Chief Executive Officer,  
Anaren, Inc.

Magalen C. Webert <sup>(c)</sup>  
Investor in various corporations

### Officers

David A. Roberts  
Chairman, President and  
Chief Executive Officer

John W. Altmeyer  
Group President,  
Carlisle Construction Materials

John E. Berlin  
Group President,  
Carlisle Interconnect Technologies

Matthew J. Dietrich  
President, Carlisle Brake & Friction

Steven J. Ford  
Vice President, Chief Financial Officer,  
Secretary and General Counsel

Trent A. Freiberg  
President, Carlisle FoodService Products

Ryan L. Frieze  
Vice President, Purchasing

D. Christian Koch  
Group President,  
Carlisle Diversified Products

Scott C. Selbach  
Vice President, Corporate Development

Michael D. Voigt  
Vice President, Carlisle Operating System

Kevin P. Zdimal  
Vice President and Chief Accounting Officer

### Investor Information

#### 10-K Reports

Are available online from the SEC, by  
written request to the Secretary, or at  
[www.carlisle.com](http://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](http://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](http://www.carlisle.com)

- (a) Member of Audit Committee
- (b) Member of Compensation Committee
- (c) Member of Corporate Governance and  
Nominating Committee

*2013 will be characterized as a year of record sales and net earnings, significant increase in shareholder value and strategic progress.*

*David A. Roberts*  
*Chairman, President and Chief Executive Officer*



Carlisle Companies Incorporated  
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Charlotte, NC 28277  
704 501 1100

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