

CARLISLE COMPANIES INC
Form 10-Q
November 06, 2008

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 or
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2008

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

Commission file number 1-9278

CARLISLE COMPANIES INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

31-1168055
(I.R.S. Employer Identification No.)

13925 Ballantyne Corporate Place, Suite 400, Charlotte, North Carolina 28277
(Address of principal executive office, including zip code)

(704) 501-1100
(Telephone Number)

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

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Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Shares of common stock outstanding at November 1, 2008: 61,005,426

Part 1. Financial Information*Item 1. Financial Statements***Carlisle Companies Incorporated**

Consolidated Statements of Earnings and Comprehensive Income

For the Three and Nine Months ended September 30, 2008 and 2007

(In millions, except per share amounts)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007*	2008*	2007*
Net sales	\$ 832.5	\$ 730.4	\$ 2,347.9	\$ 2,044.8
Cost and expenses:				
Cost of goods sold	668.4	570.7	1,886.0	1,610.9
Selling and administrative expenses	79.1	67.3	234.9	199.9
Research and development expenses	3.2	3.2	9.8	9.2
Other operating expense				6.7
Operating income	81.8	89.2	217.2	218.1
Other non-operating income, net	(0.6)	(51.0)	(1.4)	(55.3)
Interest expense, net	6.1	6.3	15.3	8.2
Income before income taxes	76.3	133.9	203.3	265.2
Income tax expense	25.7	49.6	67.6	93.0
Income from continuing operations, net of tax	50.6	84.3	135.7	172.2
Discontinued operations				
Income (loss) from discontinued operations	0.9	(4.0)	(126.9)	(2.8)
Income tax expense (benefit)	1.1	(2.2)	(33.3)	(3.3)
(Loss) income from discontinued operations, net of tax	(0.2)	(1.8)	(93.6)	0.5
Net income	50.4	82.5	42.1	172.7
Other comprehensive (loss) income				
Foreign currency translation, net of tax	(6.8)	(10.3)	(7.7)	(4.9)
Minimum pension liability, net of tax	0.1	0.2	0.3	0.7
(Loss) gain on hedging activities, net of tax	(1.7)	(1.2)	(2.2)	0.5
Other comprehensive loss	(8.4)	(11.3)	(9.6)	(3.7)
Comprehensive income	\$ 42.0	\$ 71.2	\$ 32.5	\$ 169.0
Earnings (loss) per share - basic				
Income from continuing operations, net of tax	\$ 0.84	\$ 1.36	\$ 2.24	\$ 2.78
Income (loss) from discontinued operations, net of tax	(0.01)	(0.03)	(1.54)	0.01
Earnings per share - basic	\$ 0.83	\$ 1.33	\$ 0.70	\$ 2.79

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Earnings (loss) per share - diluted								
Income from continuing operations, net of tax	\$	0.83	\$	1.34	\$	2.21	\$	2.74
Income (loss) from discontinued operations, net of tax		(0.01)		(0.03)		(1.52)		0.01
Earnings per share - diluted	\$	0.82	\$	1.31	\$	0.69	\$	2.75
Weighted average common shares outstanding (in thousands)								
Basic		60,528		61,984		60,543		61,817
Effect of dilutive stock options and restricted stock		775		929		765		991
Diluted		61,303		62,913		61,308		62,808
Dividends declared and paid per share								
	\$	0.155	\$	0.145	\$	0.445	\$	0.415

* For the three and nine months ended September 30, 2007 and the nine months ended September 30, 2008, amounts have been reclassified to reflect discontinued operations. See Notes 2 and 7. For the nine months ended September 30, 2007, charges totaling \$6.7 million have been reclassified from Other non-operating income, net to Other operating expense. See notes 2 and 15.

See accompanying notes to Unaudited Consolidated Financial Statements

Carlisle Companies Incorporated

Consolidated Balance Sheets

September 30, 2008 and December 31, 2007

(In millions, except per share and share amounts)

	September 30, 2008 (Unaudited)	December 31, 2007* (As adjusted)
Assets		
Current assets:		
Cash and cash equivalents	\$ 101.7	\$ 88.4
Receivables, less allowance of \$13.0 in 2008 and \$10.2 in 2007	461.4	333.0
Inventories	462.9	422.0
Deferred income taxes	30.2	31.7
Prepaid expenses and other current assets	42.2	37.1
Current assets held for sale	93.4	110.9
Total current assets	1,191.8	1,023.1
Property, plant and equipment, net of accumulated depreciation of \$503.7 in 2008 and \$462.4 in 2007	485.7	463.9
Other assets:		
Goodwill, net	437.9	365.4
Patents and other intangible assets, net	155.0	32.6
Investments and advances to affiliates	4.0	3.8
Other long-term assets	14.7	16.9
Non-current assets held for sale	47.3	83.1
Total other assets	658.9	501.8
TOTAL ASSETS	\$ 2,336.4	\$ 1,988.8
Liabilities and Shareholders Equity		
Current liabilities:		
Short-term debt, including current maturities	\$ 151.0	\$ 58.6
Accounts payable	200.5	132.5
Accrued expenses	157.3	150.8
Deferred revenue	14.5	15.7
Current liabilities associated with assets held for sale	35.9	30.6
Total current liabilities	559.2	388.2
Long-term liabilities:		
Long-term debt	423.2	262.8
Deferred revenue	102.6	93.7
Other long-term liabilities	124.6	125.2
Total long-term liabilities	650.4	481.7
Shareholders equity:		
Preferred stock, \$1 par value. Authorized and unissued 5,000,000 shares		
Common stock, \$1 par value. Authorized 100,000,000 shares; 78,661,248 shares issued; 60,532,126 outstanding in 2008 and 60,603,664 outstanding in 2007	78.7	78.7
Additional paid-in capital	68.8	59.9
Unearned compensation - includes restricted shares of 474,950 in 2008 and 329,150 in 2007	(9.7)	(7.1)
Cost of shares of treasury - 17,654,172 shares in 2008 and 17,728,434 shares in 2007	(225.4)	(221.7)

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Accumulated other comprehensive income	(0.1)	9.5
Retained earnings	1,214.5	1,199.6
Total shareholders equity	1,126.8	1,118.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 2,336.4	\$ 1,988.8

* 2007 balances have been reclassified for discontinued operations. See Notes 2 and 7.

See accompanying notes to Unaudited Consolidated Financial Statements

Carlisle Companies Incorporated

Consolidated Statements of Cash Flows

Nine Months Ended September 30, 2008 and 2007

(Dollars in millions)

(Unaudited)