PACIFIC PREMIER BANCORP INC
Form 10-Q
November 08, 2018

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-Q
(Mark One)
(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2018
OR
( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _______ to _______
Commission File Number 0-22193

(Exact name of registrant as specified in its charter)

DELAWARE	33-0743196
(State or other jurisdiction of incorporation or organization)	(I.R.S Employer Identification No.)

17901 VON KARMAN AVENUE, SUITE 1200, IRVINE, CALIFORNIA 92614
(Address of principal executive offices and zip code)

(949) 864-8000
(Registrant’s telephone number, including area code)

Indicate by check mark whether the 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. Yes [X] No [_]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes [X] No [_]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", “accelerated filer”, “smaller reporting company” and "emerging growth company" in Rule 12b-2 of the Exchange Act).

Large accelerated filer	[X]	Accelerated filer	[ ]	Non-accelerated filer (Do not check if a smaller reporting company)	[ ]	Smaller reporting company	[ ]	Emerging growth company	[ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

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

The number of shares outstanding of the registrant’s common stock as of November 6, 2018 was 62,472,897.

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PART I - FINANCIAL INFORMATION
Item 1. Financial Statements
PACIFIC PREMIER BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(dollars in thousands, except share data)
(unaudited)

ASSETS	September 30, 2018	December 31, 2017
Cash and due from banks	$ 39,485	$ 39,606
Interest-bearing deposits with financial institutions	223,727	157,558
Cash and cash equivalents	263,212	197,164
Interest-bearing time deposits with financial institutions	6,386	6,633
Investments held-to-maturity, at amortized cost (fair value of $45,138 as of September 30, 2018 and $18,082 as of December 31, 2017, respectively)	46,385	18,291
Investment securities available-for-sale, at fair value	1,054,877	787,429
FHLB, FRB and other stock, at cost	112,649	65,881
Loans held for sale, at lower of cost or fair value	52,880	23,426
Loans held for investment	8,759,204	6,196,224
Allowance for loan losses	(33,306)	(28,936)
Loans held for investment, net	8,725,898	6,167,288
Accrued interest receivable	37,683	27,060
Other real estate owned	356	326
Premises and equipment	66,103	53,155
Deferred income taxes, net	26,848	13,265
Bank owned life insurance	110,354	75,976
Intangible assets	105,187	43,014
Goodwill	807,892	493,329
Other assets	87,171	52,264
Total assets	$ 11,503,881	$ 8,024,501
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposit accounts:		
Noninterest-bearing checking	$ 3,434,674	$ 2,226,876
Interest-bearing:		
Checking	495,483	365,193
Money market/savings	3,261,544	2,409,007
Retail certificates of deposit	1,045,334	714,751
Wholesale/brokered certificates of deposit	265,110	370,059
Total interest-bearing	5,067,471	3,859,010
Total deposits	8,502,145	6,085,886
FHLB advances and other borrowings	861,972	536,287
Subordinated debentures	110,244	105,123
Accrued expenses and other liabilities	113,143	55,209
Total liabilities	9,587,504	6,782,505
STOCKHOLDERS' EQUITY		
Preferred stock, $.01 par value; 1,000,000 authorized; none issued and outstanding	—	—
Common stock, $.01 par value; 150,000,000 shares authorized; 62,472,721 shares at September 30, 2018 and 46,245,050 shares at December 31, 2017 issued and outstanding	617	458

Additional paid-in capital	1,671,673	1,063,974
Retained earnings	260,764	177,149
Accumulated other comprehensive (loss) income	(16,677)	415
Total stockholders' equity	1,916,377	1,241,996
Total liabilities and stockholders' equity	$ 11,503,881	$ 8,024,501

Accompanying notes are an integral part of these consolidated financial statements.

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PACIFIC PREMIER BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands, except share data)
(unaudited)

INTEREST INCOME
Loans
Investment securities and other interest-earning assets
Total interest context
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csl:SeniorNotesPayable3.75PercentDue2027Member 2017-12-31 0000790051 csl:SeniorNotesPayable3.5PercentDue2024Mer
csl:SeniorNotesPayable3.5PercentDue2024Member us-gaap:FairValueInputsLevel2Member 2018-06-30 0000790051 csl:Senio
us-gaap:FairValueInputsLevel2Member 2018-06-30 0000790051 csl:SeniorNotesPayable3.75PercentDue2027Member us-gaap
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us-gaap:NondesignatedMember us-gaap:MaximumMember 2018-01-01 2018-06-30 iso4217:USD xbrli:shares xbrli:pure csl:se

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2018

Commission file number 1-9278

www.carlisle.com

CARLISLE COMPANIES INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware	**31-1168055**
(State of incorporation)	(I.R.S. Employer Identification No.)

(480) 781-5000
(Telephone Number)

16430 North Scottsdale Road, Suite 400, Scottsdale, Arizona 85254
(Address of principal executive office, including zip code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange A
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.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Ru
during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting com
definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the E

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company
	Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying w
provided pursuant to Section 13(a) of the Exchange Act.

Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

On July 19, 2018, there were 59,736,717 shares of the registrant's common stock outstanding, par value $1.00 per share.

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Carlisle Companies Incorporated
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PART I
Item 1. Financial Statements
Carlisle Companies Incorporated
Condensed Consolidated Statements of Income and Comprehensive Income (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except share and per share amounts)	**2018**	**2017**	**2018**	**2017**
Revenues	$1,236.1	$983.9	$2,220.8	$1,757.9
Cost of goods sold	903.9	697.4	1,639.2	1,245.3
Selling and administrative expenses	159.9	127.0	308.5	251.9
Research and development expenses	14.2	13.1	28.1	25.1
Other operating (income) expense, net	(1.6)	0.1	(9.4)	(0.2)
Operating income	159.7	146.3	254.4	235.8
Interest expense, net	14.2	7.0	28.7	13.6
Other non-operating (income) expense, net	(0.7)	(0.4)	1.2	(1.8)
Income from continuing operations before income taxes	146.2	139.7	224.5	224.0
Provision for income taxes	31.5	45.0	51.9	71.4
Income from continuing operations	114.7	94.7	172.6	152.6
Discontinued operations:				
(Loss) income before income taxes	(1.3)	12.1	297.7	18.3
(Benefit) provision for income taxes	(0.3)	4.5	47.0	6.8
(Loss) income from discontinued operations	(1.0)	7.6	250.7	11.5
Net income	$113.7	$102.3	$423.3	$164.1
Basic earnings per share attributable to common shares:				
Income from continuing operations	$1.88	$1.47	$2.80	$2.35
(Loss) income from discontinued operations	(0.02)	0.12	4.07	0.18
Basic earnings per share	$1.86	$1.59	$6.87	$2.53
Diluted earnings per share attributable to common shares:				
Income from continuing operations	$1.87	$1.46	$2.78	$2.34
(Loss) income from discontinued operations	(0.02)	0.12	4.04	0.18
Diluted earnings per share	$1.85	$1.58	$6.82	$2.52
Average shares outstanding (in thousands):				
Basic	60,641	63,746	61,159	64,048
Diluted	61,059	64,140	61,593	64,473
Dividends declared and paid per share	$0.37	$0.35	$0.74	$0.70
Comprehensive income:				
Net income	$113.7	$102.3	$423.3	$164.1
Other comprehensive income (loss)				
Foreign currency translation	(35.4)	19.8	(13.2)	31.2
Accrued post-retirement benefit liability, net of tax	1.1	0.4	2.0	0.8

Other, net of tax	0.3	(0.6)	0.5	(0.7)
Other comprehensive income (loss)	(34.0)	19.6	(10.7)	31.3
Comprehensive income	$79.7	$121.9	$412.6	$195.4

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)

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Carlisle Companies Incorporated
Condensed Consolidated Balance Sheets (Unaudited)

(in millions, except share and per share amounts)	**June 30, 2018**	**D 20**
ASSETS		
Current assets:		
Cash and cash equivalents	$762.4	$
Receivables, net of allowance of $5.6 million and $6.5 million, respectively	841.6	62
Inventories	491.2	44
Prepaid expenses	19.9	2
Other current assets	54.3	73
Discontinued operations	—	9
Total current assets	2,169.4	1,
Property, plant, and equipment, net	752.5	73
Goodwill, net	1,448.0	1,
Other intangible assets, net	1,019.2	1,
Other long-term assets	39.1	34
Discontinued operations	—	3
Total assets	$5,428.2	$
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$415.6	$
Accrued expenses	253.5	2
Deferred revenue	31.3	2
Discontinued operations	—	4
Total current liabilities	700.4	6
Long-term liabilities:		
Long-term debt	1,586.9	1,
Deferred revenue	193.1	1
Other long-term liabilities	275.5	2
Discontinued operations	—	5
Total long-term liabilities	2,055.5	2,
Shareholders' equity:		
Preferred stock, $1 par value per share (5,000,000 shares authorized and unissued)	—	—
Common stock, $1 par value per share (200,000,000 shares; 59,817,890 and 61,839,734 shares outstanding, respectively)	78.7	7
Additional paid-in capital	365.8	3
Deferred compensation equity	7.8	1
Treasury shares, at cost (18,668,973 and 16,613,193 shares, respectively)	(888.6)	(6
Accumulated other comprehensive loss	(102.9)	(8
Retained earnings	3,211.5	2,
Total shareholders' equity	2,672.3	2,
Total liabilities and equity	$5,428.2	$

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)

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Carlisle Companies Incorporated
Condensed Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended June 30,	
(in millions)	**2018**	**2017**
Operating activities:		
Net income	$423.3	$164.1
Reconciliation of net income to net cash provided by operating activities:		
Depreciation	43.8	40.2
Amortization	53.5	38.9
Stock-based compensation, net of tax benefit	13.4	7.3
Deferred taxes	(8.9)	(1.5)
Gain on sale of discontinued operation, net of tax	(247.6)	—
Other operating activities, net	(9.4)	7.9
Changes in assets and liabilities, excluding effects of acquisitions:		
Receivables	(194.9)	(167.6)
Inventories	(60.2)	(38.7)
Prepaid expenses and other assets	3.2	6.4
Accounts payable	66.3	71.7
Accrued expenses	(91.1)	(6.8)
Deferred revenues	8.7	13.1
Other long-term liabilities	(2.9)	(0.3)
Net cash (used in) provided by operating activities	(2.8)	134.7
Investing activities:		
Proceeds from sale of discontinued operation	754.6	—
Capital expenditures	(66.9)	(66.1)
Acquisitions, net of cash acquired	(19.3)	(225.9)
Other investing activities, net	5.7	0.1
Net cash provided by (used in) investing activities	674.1	(291.9)
Financing activities:		
Proceeds from revolving credit facility	—	263.0
Repayments of revolving credit facility	—	(153.0)
Repurchases of common stock	(235.7)	(150.0)
Dividends paid	(45.6)	(45.8)
Withholding tax paid related to stock-based compensation	(9.6)	(8.1)
Proceeds from exercise of stock options	5.0	3.5
Net cash used in financing activities	(285.9)	(90.4)
Effect of foreign currency exchange rate changes on cash and cash equivalents	—	2.1
Change in cash and cash equivalents	385.4	(245.5)
Less: change in cash and cash equivalents of discontinued operations	(1.3)	(3.7)
Cash and cash equivalents at beginning of period	378.3	385.3
Cash and cash equivalents at end of period	$762.4	$136.1

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)

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Carlisle Companies Incorporated
Condensed Consolidated Statement of Shareholders' Equity (Unaudited)

(in millions, except per share amounts)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Deferred Compensation Equity	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Shares in Tr Shares	Shares in Tr Cost
Balance as of December 31, 2016	64.3	$ 78.7	$ 335.3	$ 10.3	$ (122.2)	$ 2,547.4	14.2	$ (38
Net income	—	—	—	—	—	164.1	—	—
Other comprehensive income, net of tax	—	—	—	—	31.3	—	—	—
Cash dividends - $0.70 per share	—	—	—	—	—	(45.8)	—	—
Repurchases of common stock	(1.5)	—	—	—	—	—	1.5	(150
Issuances and deferrals, net for stock based compensation (1)	0.2	—	6.3	2.8	—	—	(0.2)	(3.1
Balance as of June 30, 2017	63.0	$ 78.7	$ 341.6	$ 13.1	$ (90.9)	$ 2,665.7	15.5	$ (53
Balance as of December 31, 2017	61.8	$ 78.7	$ 353.7	$ 10.4	$ (85.7)	$ 2,820.8	16.6	$ (64
Adoption of accounting standards (2)	—	—	—	—	(6.5)	13.0	—	—
Net income	—	—	—	—	—	423.3	—	—
Other comprehensive loss, net of tax	—	—	—	—	(10.7)	—	—	—
Cash dividends - $0.74 per share	—	—	—	—	—	(45.6)	—	—
Repurchases of common stock	(2.2)	—	—	—	—	—	2.2	(240
Issuances and deferrals, net for stock based compensation (1)	0.2	—	12.1	(2.6)	—	—	(0.2)	1.6
Balance as of June 30, 2018	59.8	$ 78.7	$ 365.8	$ 7.8	$ (102.9)	$ 3,211.5	18.6	$ (88

(1) Issuances and deferrals, net for stock based compensation reflects share activity related to option exercises, restricted and performance shares vested and compensation equity.

(2) Refer to Note 2 for further information regarding new accounting standards adopted.

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)

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Carlisle Companies Incorporated
Notes to Condensed Consolidated Financial Statements (Unaudited)
Note 1—Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared by Carlisle Com "Carlisle"). The accompanying unaudited Condensed Consolidated Financial Statements do not include all disclosu generally accepted in the United States of America ("United States" or "U.S."), and should be read in conjunction wi Financial Statements and notes thereto included in the Annual Report on Form 10-K for the year ended December
The accompanying unaudited Condensed Consolidated Financial Statements are prepared in conformity with accou U.S. and, of necessity, include some amounts that are based upon management estimates and judgments. The acc Consolidated Financial Statements include assets, liabilities, revenues and expenses of all majority-owned subsidia are eliminated in consolidation.
In the Company's opinion, the accompanying unaudited Condensed Consolidated Financial Statements contain all of a normal, recurring nature, except as disclosed in Note 2 for new accounting standards adopted, necessary to pr operations and cash flows for the periods presented. During the fourth quarter of 2017, the Company revised (i) the Income to include a subtotal of operating income, with other non-operating (income) expense, net reflected as a sep and (ii) its segment measure of profit and loss to operating income (previously earnings before interest and taxes). period amounts to conform to the current period presentation of operating income, including other operating (incom non-operating (income) expense, net in the Condensed Consolidated Statements of Income and operating income better reflect the Company's results of operations and to be consistent with the change in the measure of operating Operating Decision Maker, the Company's Chief Executive Officer.

Discontinued Operations

The results of operations for the Company's Carlisle FoodService Products ("CFS") segment have been classified a presented in the Condensed Consolidated Statements of Income. Assets and liabilities subject to the completed sal discontinued operations for all periods presented in the Condensed Consolidated Balance Sheets. Refer to Note 5

Note 2—New Accounting Pronouncements

New Accounting Standards Adopted

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, *Revenue from Contracts w* 2014-09 outlines a single, comprehensive model for entities to use in accounting for revenue arising from contracts revenue recognition guidance issued by the FASB, including industry specific guidance. ASU 2014-09 provides acc contracts with customers and affects all entities that enter into contracts with customers to provide goods and servic
On January 1, 2018, the Company adopted ASU 2014-09 and all the related amendments ("ASC 606") to all uncom retrospective method. The Company recognized the cumulative effect of initially applying ASC 606 as an adjustmen totaling $6.5 million. The comparative information has not been adjusted and continues to be reported under the ac The Company expects the impact of the adoption of ASC 606 to be immaterial to its reported revenue on an ongoin
A majority of the Company's revenues continue to be recognized when products are shipped from its manufacturin depending on shipping terms. For certain highly customized product contracts in the Carlisle Interconnect Technolo recognized as billed, at the point products were shipped and title and associated risk and rewards of ownership pas

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606, the Company now recognizes revenue over time, for those highly customized products, using the input methoc
A summary of the effects of adopting ASC 606 on the Condensed Consolidated Financial Statements follows:

	Three Months Ended June 30, 2018		
(in millions)	**As Reported**	**Balances Without Adoption of ASC 606**	**Effect of Change Higher/(Lower)**
Condensed Consolidated Statement of Income			
Revenues	$1,236.1	$1,227.1	$ 9.0
Cost of goods sold	903.9	896.9	7.0
Operating income	159.7	157.7	2.0
Provision for income taxes	31.5	31.0	0.5
Income from continuing operations	114.7	113.2	1.5
Net income	113.7	112.2	1.5

	Six Months Ended June 30, 2018		
(in millions)	**As Reported**	**Balances Without Adoption of ASC 606**	**Effect of Change Higher/(Lower)**
Condensed Consolidated Statement of Income			
Revenues	$2,220.8	$2,200.8	$ 20.0
Cost of goods sold	1,639.2	1,625.3	13.9
Operating income	254.4	248.3	6.1
Provision for income taxes	51.9	50.4	1.5
Income from continuing operations	172.6	168.0	4.6
Net income	423.3	418.7	4.6

	June 30, 2018		
(in millions)	**As Reported**	**Balances Without Adoption of ASC 606**	**Effect of Change Higher/(Lower)**
Condensed Consolidated Balance Sheet			
Receivables	$841.6	$ 799.6	$ 42.0
Inventories	491.2	519.5	(28.3)
Other current assets	54.3	53.4	0.9
Accrued expenses	253.5	252.0	1.5
Other long-term liabilities	275.5	273.5	2.0
Retained earnings	3,211.5	3,205.0	6.5

In March 2017, the FASB issued ASU 2017-07, *Compensation—Retirement Benefits (Topic 715): Improving the Pr*
Net Periodic Postretirement Benefit Cost ("ASU 2017-07"), which requires employers to include only the service cos
net periodic postretirement benefit cost in operating income, if such measure is presented. The other components c
prior service cost/credit, and settlement and curtailment effects, are to be included in non-operating income. ASU 20
cost component of net benefit cost is eligible for capitalization into inventory or other tangible assets.
On January 1, 2018, the Company adopted ASU 2017-07 using a retrospective approach for the presentation in the
Income to include only the service cost component of net periodic pension costs and net periodic postretirement be
elected to use, as a practical expedient, the amounts disclosed in its defined benefit plan note for the prior compara
applying the retrospective presentation requirements. As a result of adopting ASU 2017-07, net periodic benefit inco
$(0.6) million and $(1.2) million was reclassified from other

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operating (income) expense, net to other non-operating (income) expense, net for the three and six months ended J
In February 2018, the FASB issued ASU 2018-02, *Income Statement - Reporting Comprehensive Income (Topic 22*
from Accumulated Other Comprehensive Income ("ASU 2018-02") which allows entities to reclassify from accumula
earnings for stranded tax effects related to the change in federal tax rate for all items accounted for in other compre
reclassify other stranded tax effects that relate to the Tax Cuts and Jobs Act, but do not directly relate to the change
and changing from a worldwide tax system to a territorial system. Tax effects that are stranded in other comprehens
reclassified.

Effective January 1, 2018, the Company early adopted ASU 2018-02 using a modified retrospective approach for th
Consolidated Balance Sheets to reclassify $6.5 million related to the change in federal tax rate from accumulated o

New Accounting Standards Issued But Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* ("ASU 2016-02") which requires lessees to r
make lease payments, measured at the present value on a discounted basis, and a right-of-use ("ROU") asset for th
duration of the lease term, measured at the lease liability amount adjusted for lease prepayments, lease incentives
liability and ROU asset are recognized in the balance sheet at the commencement of the lease. For income stateme
model, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line ex
front-loaded expense pattern. Classification will be based on criteria that are largely similar to those applied in curre
for the Company beginning January 1, 2019, and requires the use of a modified retrospective approach for leases t
beginning of the earliest comparative period presented in the financial statements. Early application of the ASU is p
adopt on January 1, 2019. The Company continues to evaluate the impact of adopting the standard on the Consolic

Note 3—Segment Information

The Company has organized its operations into four primary segments, based on the products it sells, each of whic

Carlisle Construction Materials ("CCM")—the principal products of this segment are insulation materials, rubber
polyvinyl chloride (PVC) roofing membranes used predominantly on non-residential low-sloped roofs, related roofing
sealing tapes and coatings and waterproofing products. CCM also manufactures and distributes energy-efficient rig
roofing applications. The markets served primarily include new construction, re-roofing and maintenance of low-slop
and coatings and waterproofing. In addition, CCM offers a broad range of specialty polyurethane products and solu
applications.

Carlisle Interconnect Technologies ("CIT")—the principal products of this segment are high-performance wire, ca
assemblies for the transfer of power and data primarily for the aerospace, medical, defense electronics, test and me
markets.

Carlisle Fluid Technologies ("CFT")—the principal products of this segment are industrial liquid and powder finish
solutions for spraying, pumping, mixing, metering and curing of a variety of coatings used in the general industrial, t
coating, wood and specialty markets.

Carlisle Brake & Friction ("CBF")—the principal products of this segment include high-performance brakes and fr
friction material for the construction, agriculture, mining, on-highway, aerospace and motor sports markets.

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A summary of segment information follows:

	Three Months Ended June 30,			
	2018		2017	
(in millions)	Revenues	Operating Income (Loss)	Revenues	Operating Income (Loss)
Carlisle Construction Materials	$828.6	$141.4	$631.2	$129.1
Carlisle Interconnect Technologies	237.7	27.5	201.8	20.2
Carlisle Fluid Technologies	73.3	7.8	71.0	7.4
Carlisle Brake & Friction	96.5	2.9	79.9	1.3
Segment Total	1,236.1	179.6	983.9	158.0
Corporate and unallocated[1]	—	(19.9)	—	(11.7)
Total	$1,236.1	$159.7	$983.9	$146.3

	Six Months Ended June 30,			
	2018		2017	
(in millions)	Revenues	Operating Income (Loss)	Revenues	Operating Income (Loss)
Carlisle Construction Materials	$1,427.2	$217.2	$1,077.3	$209.8
Carlisle Interconnect Technologies	462.0	54.7	396.0	41.7
Carlisle Fluid Technologies	136.8	13.5	131.5	12.3
Carlisle Brake & Friction	194.8	7.4	153.1	2.5
Segment total	2,220.8	292.8	1,757.9	266.3
Corporate and unallocated [1]	—	(38.4)	—	(30.5)
Total	$2,220.8	$254.4	$1,757.9	$235.8

(1) Corporate operating loss includes other unallocated costs, primarily general corporate expenses.

Note 4—Acquisitions

Accella Holdings LLC

On November 1, 2017, the Company acquired 100% of the equity of Accella Holdings LLC, the parent company to
(collectively "Accella"), a specialty polyurethane platform, from Accella Performance Materials LLC, a subsidiary of
consideration of $671.4 million, including a cash, working capital and indebtedness settlement, which was finalized
wide range of polyurethane products and solutions across a broad diversity of markets and applications. The Comp
from the Revolving Credit Facility.

In the three and six months ended June 30, 2018, Accella contributed revenues of $121.9 million and $228.4 million
$1.7 million and $0.1 million, respectively, to the Company's consolidated results. The results of operations of the a
CCM segment.

The Accella amounts included in the pro forma financial information below are based on Accella's historical results
actual results if owned by Carlisle. The pro forma adjustments represent management's best estimates based on in
information was prepared and may differ from the adjustments that may actually have been required. Accordingly, p
upon as being indicative of the historical results that would have been realized had the acquisition occurred as of th
the future.

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The unaudited combined pro forma financial information presented below includes revenues and income from conti
as if the business combination had occurred on January 1, 2016, based on the purchase price allocation presented

(in millions)	Unaudited Pro Forma as of June 30, 2017 Three Months Ended	Six Months Ended
Revenues	$1,092.6	$1,953.0
Income from continuing operations	90.3	140.9

The pro forma financial information reflects adjustments to Accella's historical financial information to apply the Com
additional depreciation and amortization related to the preliminary fair value adjustments of the acquired net assets
and six months ended June 30, 2017, respectively, together with the associated tax effects. Also, the pro forma fina
costs described above as if they occurred in 2016.
The following table summarizes the consideration transferred to acquire Accella and the preliminary allocation of th
and liabilities assumed. The acquisition has been accounted for using the acquisition method of accounting in acco
Combinations, which requires that consideration be allocated to the acquired assets and assumed liabilities based
remainder allocated to goodwill. The fair values are preliminary and subject to change pending receipt of the final va

(in millions)	Preliminary Allocation As of 11/1/2017	Measurement Period Adjustments	Revised Preliminary Allocation As of 6/30/2018
Total cash consideration transferred	$ 670.7	$ 0.7	$ 671.4
Recognized amounts of identifiable assets acquired and liabilities assumed:			
Cash and cash equivalents	$ 16.5	$ —	$ 16.5
Receivables, net	66.8	—	66.8
Inventories	48.5	(1.0)	47.5
Prepaid expenses and other current assets	0.9	—	0.9
Property, plant and equipment	59.6	—	59.6
Definite-lived intangible assets	240.0	—	240.0
Other long-term assets	15.6	—	15.6
Accounts payable	(45.5)	—	(45.5)
Income tax payable	2.0	—	2.0
Accrued expenses	(23.2)	9.5	(13.7)
Other long-term liabilities	(15.6)	—	(15.6)
Deferred income taxes	(83.5)	—	(83.5)
Total identifiable net assets	282.1	8.5	290.6
Goodwill	$ 388.6	$ (7.8)	$ 380.8

The goodwill recognized in the acquisition of Accella is attributable to its significant purchase synergies, other admi
workforce to Carlisle, in addition to opportunities for product line expansions. The Company acquired $68.5 million
which $1.7 million was not expected to be collected at the date of acquisition. Goodwill of $38.5 million is tax deduc
goodwill has been preliminarily assigned to the CCM reporting unit which aligns with the CCM reportable segment.
definite-lived intangible assets consists of $146.0 million of customer relationships with useful lives ranging from 9 t
$66.0 million with useful lives ranging from 3 to 14 years and trade names of $28.0 million with useful lives ranging
purchase agreement, Carlisle is indemnified for up to $25.0 million, and recorded an indemnification asset of $15.6
the indemnification for a pre-acquisition income tax liability. The Company has also recorded, as part of the purcha
related to intangible assets of approximately $83.5 million.

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Excluding Accella, proforma results of operations for the 2017 acquisitions have not been presented because the ef
the Company's financial condition or results of operations for any of the periods presented.

Drexel Metals

On July 3, 2017, the Company acquired 100% of the equity of Drexel Metals, Inc., ("Drexel Metals") for cash consid
leading provider of architectural standing seam metal roofing systems for commercial, institutional and residential ap
In the three and six months ended June 30, 2018, Drexel Metals contributed revenues of $19.0 million and $31.0 m
of $1.8 million and $2.3 million, respectively, to the Company's consolidated results. The results of operations of the
CCM segment.
Consideration has been allocated to goodwill of $26.9 million, $19.0 million to definite-lived intangible assets, $10.4
$8.8 million to inventory, $5.3 million to accounts receivable, $5.8 million to accounts payable and $10.8 million to d
Definite-lived intangible assets consist of customer relationships with an estimated useful life of nine years. Of the $
tax purposes. All of the goodwill was assigned to the CCM reporting unit, which aligns with the reportable segment.

Arbo

On January 31, 2017, the Company acquired 100% of the equity of Arbo Holdings Limited ("Arbo") for estimated co
million, including the estimated fair value of contingent consideration of GBP 2.0 million or $2.5 million and a workin
the second quarter of 2017. Arbo is a provider of sealants, coatings, and membrane systems used for waterproofing
In the three and six months ended June 30, 2018, Arbo contributed revenues of $4.9 million and $9.4 million, respe
and $0.5 million, respectively, to the Company's consolidated results. The results of operations of the acquired busi
Consideration has been allocated to goodwill of $4.7 million, $2.2 million to definite-lived intangible assets, $2.1 mill
intangibles, $1.5 million to accounts receivable, $1.4 million to accounts payable, and $1.4 million to deferred incom
intangible assets consist of customer relationships with an estimated useful life of 15 years. Of the $4.7 million of go
purposes. All of the goodwill was assigned to the CCM reporting unit, which aligns with the reportable segment.

Note 5—Discontinued Operations

As previously announced, the Company completed the sale of CFS to the Jordan Company of New York, NY, on M
million, subject to a working capital adjustment. The sale of CFS is consistent with the Company's vision of operatin
engineered manufacturing products in strong growth markets.

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A summary of the results from discontinued operations included in the Condensed Consolidated Statements of Inco

(in millions)	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
	2018	**2017**	**2018**	**2017**
Revenues	$—	$87.4	$69.5	$170.6
Cost of goods sold	—	60.0	49.5	121.7
Other operating expenses, net	1.0	15.3	15.8	30.5
Operating (loss) income	(1.0)	12.1	4.2	18.4
Other non-operating (income) expense, net	—	—	—	0.1
(Loss) income from discontinued operations before income taxes	(1.0)	12.1	4.2	18.3
(Loss) gain on sale of discontinued operations	(0.3)	—	293.5	—
(Benefit) provision for income taxes	(0.3)	4.5	47.0	6.8
(Loss) income from discontinued operations	$(1.0)	$7.6	$250.7	$11.5

A summary of the carrying amounts of CFS's major assets and liabilities, which were classified as discontinued ope
Balance Sheet follows:

(in millions)	**December 31, 2017**
ASSETS	
Cash and cash equivalents	$ 1.3
Receivables, net	32.0
Inventories	59.0
Prepaid other current assets	4.2
Total current assets	$ 96.5
Property, plant, and equipment, net	$ 49.7
Goodwill, net	149.7
Other intangible assets, net	169.4
Other long-term assets	3.3
Total long-term assets	$ 372.1
LIABILITIES	
Accounts payable	$ 20.4
Accrued expenses	20.5
Total current liabilities	$ 40.9
Other long-term liabilities	$ 50.0
Total long-term liabilities	$ 50.0

A summary of cash flows from discontinued operations included in the Condensed Consolidated Statements of Cas

(in millions)	**Six Months Ended June 30,**	
	2018	**2017**
Net cash (used in) provided by operating activities	$(1.5)	$24.9
Net cash used in investing activities	(8.1)	(217.6)
Net cash provided by financing activities [1]	10.9	196.4
Change in cash and cash equivalents from discontinued operations	$1.3	$3.7

(1) Represents borrowings from the Carlisle cash pool to fund capital expenditures and acquisitions.

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Note 6—Earnings Per Share

The Company's restricted shares and restricted stock units contain non-forfeitable rights to dividends and are consi computing earnings per share pursuant to the two-class method. The computation below of earnings per share inclu deferred restricted shares in the numerator and includes the dilutive impact of those underlying shares in the denon per share excludes the income attributable to the unvested restricted shares and restricted stock units from the num those underlying shares from the denominator. Stock options are included in the calculation of diluted earnings per performance share awards are included in the calculation of diluted earnings per share considering those are contir participating security as they do not contain non forfeitable dividend rights.

The following reflects income from continuing operations and share data used in the basic and diluted earnings per method:

	Three Months Ended June 30,		Six M June
(in millions, except share and per share amounts)	**2018**	**2017**	**2018**
Income from continuing operations	$114.7	$94.7	$172
Less: dividends declared on common stock outstanding, restricted shares and restricted share units	(22.5)	(23.1)	(45.6
Undistributed earnings	92.2	71.6	127.0
Percent allocated to common shareholders [1]	99.3 %	99.4 %	99.4
	91.6	71.2	126.2
Add: dividends declared on common stock	22.4	22.4	45.2
Income from continuing operations attributable to common shares	$114.0	$93.6	$171
Shares (in thousands):			
Weighted-average common shares outstanding	60,641	63,746	61,15
Effect of dilutive securities:			
Performance awards	103	69	103
Stock options	315	325	331
Adjusted weighted-average common shares outstanding and assumed conversion	61,059	64,140	61,59
Per share income from continuing operations attributable to common shares:			
Basic	$1.88	$1.47	$2.80
Diluted	$1.87	$1.46	$2.78
[1] Basic weighted-average common shares outstanding	60,641	63,746	61,159
Basic weighted-average common shares outstanding, unvested restricted shares expected to vest and restricted share units	61,038	64,160	61,556
Percent allocated to common shareholders	99.3 %	99.4 %	99.4

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To calculate earnings per share for income from discontinued operations and for net income, the denominator for bo
same as used in the above table. Income from discontinued operations and net income used in the basic and dilute

(in millions, except share amounts presented in thousands)	Three Months Ended June 30, 2018	2017
(Loss) income from discontinued operations attributable to common shareholders for basic and diluted earnings per share	$ (0.9)	$ 7.5
Net income attributable to common shareholders for basic and diluted earnings per share	113.0	101.1
Anti-dilutive stock options excluded from EPS calculation[1]	711	379

[1] Represents stock options excluded from the calculation of diluted earnings per share, as such options' assumed proceeds upon exercise would result in the

Note 7—Revenue Recognition

Revenue is recognized when obligations under the terms of a contract with a customer are satisfied; generally this o
Company's products or services. Revenue is measured as the amount of total consideration expected to be receive
providing services. Total expected consideration, in certain cases, is estimated at each reporting period, including in
variability dependent on future events, such as customer behavior related to future purchase volumes, returns, early
allowances. Estimates for rights of return, discounts and rebates to customers and other adjustments for variable co
sale as a deduction to revenue, based on an analysis of historical experience and actual sales data. Changes in the
to revenue in the period identified. Sales, value added and other taxes collected concurrently with revenue-producin

The Company receives payment at the inception of the contract for separately priced extended service warranties, a
straight-line basis over the life of the contracts. The term of these warranties range from 5 to 40 years. The weighted
2018, is approximately 19 years.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer in exchang
contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when or

The majority of the Company's contracts have a single performance obligation to transfer individual goods or servic
obligations, the contract's transaction price is allocated to each performance obligation using the Company's best es
distinct good or service in the contract. The primary method used to estimate standalone selling price is observable

The Company's performance obligations are satisfied, and control is transferred, either at a point in time or over tim
Company's products, control is transferred and revenue is recognized when the product is shipped from the manufa
depending on shipping terms.

Revenue is recognized over time primarily for separately priced extended service warranties in the CCM segment a
contracts in the CIT segment. Revenues for separately priced extended service warranties are recognized over the
customized product contracts are recognized based on the proportion of costs incurred to date, relative to total estin
generally incurred over twelve months or less. Highly customized product contract costs generally include labor, ma

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A summary of the timing of revenue recognition and reconciliation of disaggregated revenue by reportable segment

	Three Months Ended June 30, 2018				
(in millions)	CCM	CIT	CFT	CBF	Total
Products transferred at a point in time	$823.3	$219.9	$73.3	$96.5	$1,213.0
Products and services transferred over time	5.3	17.8	—	—	23.1
Total revenues	$828.6	$237.7	$73.3	$96.5	$1,236.1

	Three Months Ended June 30, 2017				
(in millions)	CCM	CIT	CFT	CBF	Total
Products transferred at a point in time	$626.1	$200.4	$71.0	$79.9	$977.4
Products and services transferred over time	5.1	1.4	—	—	6.5
Total revenues	$631.2	$201.8	$71.0	$79.9	$983.9

	Six Months Ended June 30, 2018				
(in millions)	CCM	CIT	CFT	CBF	Total
Products transferred at a point in time	$1,416.7	$433.5	$136.8	$194.8	$2,181.8
Products and services transferred over time	10.5	28.5	—	—	39.0
Total revenues	$1,427.2	$462.0	$136.8	$194.8	$2,220.8

	Six Months Ended June 30, 2017				
(in millions)	CCM	CIT	CFT	CBF	Total
Products transferred at a point in time	$1,067.3	$393.0	$131.5	$153.1	$1,744.9
Products and services transferred over time	10.0	3.0	—	—	13.0
Total revenues	$1,077.3	$396.0	$131.5	$153.1	$1,757.9

Remaining performance obligations for extended service warranties represent the transaction price for the remainin services. A summary of estimated revenue expected to be recognized in the future related to performance obligatio as of June 30, 2018, follows:

(in millions)	Remainder of 2018	2019	2020	2021	2022	2023	Thereafter
Extended service warranties	$ 10.2	$19.6	$18.6	$17.6	$16.4	$15.2	$ 115.7

The Company has applied the practical expedient to not disclose information about remaining performance obligatio one year or less. Additionally, the Company has applied the transition practical expedient to not disclose the amour remaining performance obligations and an expectation of when the Company expects to recognize associated reve 2018.

Contract Balances

Contract liabilities relate to payments received in advance of performance under a contract, primarily related to exte and systems contracts in the CFT segment. Contract liabilities are recognized as revenue as (or when) the Compar the change in contract liabilities for the six months ended June 30, follows:

(in millions)	2018	2017
Balance as of January 1	$215.8	$195.2
Revenue recognized	(31.2)	(32.2)
Revenue deferred	39.6	45.5
Acquired liabilities	0.2	—
Balance as of June 30	$224.4	$208.5

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Contract assets relate to the Company's right to payment for performance completed to date under a contract, prim
contracts within the CIT segment. Accounts receivable are recorded when the right to payment becomes unconditic
assets for the six months ended June 30, follows:

(in millions)	**2018**
Balance as of January 1	$—
Adoption of ASC 606	22.8
Revenue recognized and unbilled	69.5
Revenue billed	(49.5)
Balance as of June 30	$42.8

Contract assets were immaterial as of June 30, 2017.

Costs to Obtain a Contract

The Company has applied the practical expedient to recognize costs of obtaining or fulfilling a contract as expense
sales commissions and are included in selling, general and administrative costs in the Condensed Consolidated Sta

Revenues by End-Market

A summary of revenues disaggregated by major end-market industries and reconciliation of disaggregated revenue

	Three Months Ended June 30, 2018				
(in millions)	**CCM**	**CIT**	**CFT**	**CBF**	**Total**
General construction	$768.1	$—	$—	$—	$768.1
Aerospace	—	150.8	—	3.5	154.3
Heavy equipment	31.6	—	—	79.3	110.9
Transportation	—	—	39.9	11.5	51.4
Medical	—	34.6	—	—	34.6
General industrial and other	28.9	52.3	33.4	2.2	116.8
Total revenues	$828.6	$237.7	$73.3	$96.5	$1,236.1

	Three Months Ended June 30, 2017				
(in millions)	**CCM**	**CIT**	**CFT**	**CBF**	**Total**
General construction	$631.2	$—	$—	$—	$631.2
Aerospace	—	126.4	—	4.2	130.6
Heavy equipment	—	—	—	61.8	61.8
Transportation	—	—	39.8	10.8	50.6
Medical	—	32.1	—	—	32.1
General industrial and other	—	43.3	31.2	3.1	77.6
Total revenues	$631.2	$201.8	$71.0	$79.9	$983.9

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	Six Months Ended June 30, 2018				
(in millions)	**CCM**	**CIT**	**CFT**	**CBF**	**Total**
General construction	$1,314.4	$—	$—	$—	$1,314.4
Aerospace	—	305.6	—	9.8	315.4
Heavy equipment	57.8	—	—	158.5	216.3
Transportation	—	—	73.1	21.3	94.4
Medical	—	69.3	—	—	69.3
General industrial and other	55.0	87.1	63.7	5.2	211.0
Total revenues	$1,427.2	$462.0	$136.8	$194.8	$2,220.8

	Six Months Ended June 30, 2017				
(in millions)	**CCM**	**CIT**	**CFT**	**CBF**	**Total**
General construction	$1,077.3	$—	$—	$—	$1,077.3
Aerospace	—	257.9	—	9.1	267.0
Heavy equipment	—	—	—	116.8	116.8
Transportation	—	—	71.7	20.1	91.8
Medical	—	60.4	—	—	60.4
General industrial and other	—	77.7	59.8	7.1	144.6
Total revenues	$1,077.3	$396.0	$131.5	$153.1	$1,757.9

Revenues by Geographic Area

A summary of revenues based on the country to which the product was delivered and reconciliation of disaggregate

	Three Months Ended June 30, 2018				
(in millions)	**CCM**	**CIT**	**CFT**	**CBF**	**Total**
United States	$733.6	$164.7	$30.7	$38.7	$967.7
International:					
Europe	52.4	23.0	15.0	28.9	119.3
Asia	3.6	25.6	24.6	20.6	74.4
Canada	29.5	1.4	1.7	0.7	33.3
Mexico and Latin America	1.4	12.4	0.5	3.9	18.2
Middle East and Africa	5.8	6.7	0.8	0.3	13.6
Other	2.3	3.9	—	3.4	9.6
Total international	95.0	73.0	42.6	57.8	268.4
Total revenues	$828.6	$237.7	$73.3	$96.5	$1,236.1

	Three Months Ended June 30, 2017				
(in millions)	**CCM**	**CIT**	**CFT**	**CBF**	**Total**
United States	$564.7	$129.0	$29.1	$33.9	$756.7
International:					
Europe	43.2	21.9	13.7	23.2	102.0
Asia	2.5	30.5	22.5	16.0	71.5
Canada	14.8	0.9	2.0	1.1	18.8
Mexico and Latin America	0.5	12.0	1.9	3.0	17.4
Middle East and Africa	4.6	5.9	0.6	0.2	11.3
Other	0.9	1.6	1.2	2.5	6.2
Total international	66.5	72.8	41.9	46.0	227.2
Total revenues	$631.2	$201.8	$71.0	$79.9	$983.9

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	Six Months Ended June 30, 2018				
(in millions)	**CCM**	**CIT**	**CFT**	**CBF**	**Total**
United States	$1,262.6	$320.3	$56.3	$80.2	$1,719.4
International:					
Europe	91.8	45.3	28.3	59.2	224.6
Asia	8.8	48.5	44.4	39.5	141.2
Canada	47.9	2.5	3.3	1.4	55.1
Mexico and Latin America	2.3	24.4	2.6	7.5	36.8
Middle East and Africa	8.9	14.3	1.4	0.5	25.1
Other	4.9	6.7	0.5	6.5	18.6
Total international	164.6	141.7	80.5	114.6	501.4
Total revenues	$1,427.2	$462.0	$136.8	$194.8	$2,220.8

	Six Months Ended June 30, 2017				
(in millions)	**CCM**	**CIT**	**CFT**	**CBF**	**Total**
United States	$959.3	$254.7	$54.2	$63.4	$1,331.6
International:					
Europe	79.5	48.4	26.7	45.7	200.3
Asia	4.4	50.5	40.3	29.3	124.5
Canada	24.8	2.3	3.6	2.3	33.0
Mexico and Latin America	0.9	23.6	3.6	5.9	34.0
Middle East and Africa	6.9	13.3	1.0	1.8	23.0
Other	1.5	3.2	2.1	4.7	11.5
Total international	118.0	141.3	77.3	89.7	426.3
Total revenues	$1,077.3	$396.0	$131.5	$153.1	$1,757.9

Note 8—Exit and Disposal Activities

Beginning in the fourth quarter of 2016, and through 2018, the Company has undertaken operational restructuring a processes and manage costs throughout various departments. These actions resulted in exit, disposal and employe from planned reductions in workforce, facility consolidations and relocations, and lease termination costs, as further

CIT

The Company continues to incur costs to relocate certain of its medical manufacturing operations in Shenzhen, Chi Dongguan, China. During the three and six months ended June 30, 2018, employee termination benefit costs assoc $1.2 million, respectively. Cumulative exit and disposal costs recognized are $15.3 million through June 30, 2018, w million. The remaining costs are expected to be incurred principally through the second half of 2018.

During 2017, the Company entered into a letter of undertaking with the Chinese government, whereby the Compan for the payment of employee termination benefits associated with the Chinese medical business action discussed a funds began in August 2017 and were complete as of June 30, 2018.

CFT

During 2017, the Company initiated plans to restructure its global footprint. These plans involve exiting manufacturi systems sales business in Germany, and relocating the manufacturing operations in Angola, Indiana, to its existing manufacturing operations. All facility closures were completed in the first quarter of 2018 and production moved to e Bournemouth facilities. During the six months ended June 30, 2018, exit and disposal costs totaled $0.5 million, prin costs and legal fees. This project was substantially complete as of June 30, 2018, with cumulative exit and disposal

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CBF

During 2017, the Company announced that it would exit its manufacturing operations in Tulsa, Oklahoma, and reloc
existing manufacturing facility in Medina, Ohio. This action is expected to take approximately 18 to 21 months to co
costs are expected to be between $17.0 million to $20.5 million, including:

- Non-cash accelerated depreciation of long-lived assets at the Oklahoma facility, primarily related to property, plant Ohio (between $3.5 million to $4.0 million expected to be recognized ratably through the remainder of 2018),
- Costs to relocate and install equipment (between $4.5 million to $6.5 million, expected to be incurred primarily in mi
- Employee retention and termination benefits (approximately $3.0 million, expected to be incurred ratably through th
- Other associated costs related to the closure of the facility and internal administration of the project (between $6.0 primarily in the second half of 2018).

During the three and six months ended June 30, 2018, exit and disposal costs totaled $3.3 million and $5.3 million,
moving expenses, accelerated depreciation and employee termination benefits. Remaining costs of approximately $
principally through the second half of 2018.

Consolidated Summary

The Company's exit and disposal costs by activity follows:

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Employee severance and benefit arrangements	$1.0	$3.0	$1.7	$5.4
Accelerated depreciation	$0.3	$—	$1.1	$—
Relocation costs	0.2	0.6	0.4	0.9
Other restructuring costs	3.1	1.4	4.5	1.9
Total exit and disposal costs	$4.6	$5.0	$7.7	$8.2

The Company's exit and disposal activities costs by segment follows:

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Carlisle Brake & Friction	$3.3	$1.7	$5.3	$2.0
Carlisle Interconnect Technologies	0.8	2.5	1.9	4.8
Carlisle Fluid Technologies	0.5	0.5	0.5	1.0
Corporate	—	0.3	—	0.4
Total exit and disposal costs	$4.6	$5.0	$7.7	$8.2

The Company's exit and disposal activities costs by financial statement line item follows:

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Cost of goods sold	$3.7	$2.0	$6.0	$3.8
Selling and administrative expenses	0.7	3.0	1.3	4.3
Other operating (income) expense, net	0.2	—	0.4	—
Research and development expenses	—	—	—	0.1
Total exit and disposal costs	$4.6	$5.0	$7.7	$8.2

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The Company's change in exit and disposal activities liability follows:

(in millions)	**CIT**	**CFT**	**CBF**	**Total**
Balance as of December 31, 2017	$4.9	$6.7	$1.5	$13.1
Charges	1.9	0.5	5.3	7.7
Cash payments	(5.6)	(5.3)	(1.1)	(12.0)
Other adjustments and non-cash settlements	(0.6)	—	(1.1)	(1.7)
Balance as of June 30, 2018	$0.6	$1.9	$4.6	$7.1

The liability of $7.1 million primarily relates to employee severance and benefit arrangements, and is included in acc
Consolidated Balance Sheet.

Note 9—Income Taxes

The effective income tax rate on continuing operations for the six months ended June 30, 2018, was 23.1%. The ye
taxes on earnings at an anticipated rate of approximately 24.7% and a year-to-date net discrete tax benefit of $3.5 r
The effective income tax rate on continuing operations for the six months ended June 30, 2017, was 31.9% and inc
$5.1 million. The change in the rate from June 30, 2017 to June 30, 2018, was primarily caused by the reduction to
from 35% to 21% as part of the Tax Cuts and Jobs Act ("Tax Act") signed in December 2017.

The changes included in the Tax Act are broad and complex. As such, on December 22, 2017, the Securities and E
118. SAB 118 expresses views of the SEC regarding ASC Topic 740, Income Taxes in the reporting period that inc
company does not have the necessary information available, prepared or analyzed for certain income tax effects of
report provisional numbers and adjust those amounts during the measurement period not to extend beyond one yea
amounts for all known and estimable impacts of the Tax Act that are effective for the year ended December 31, 201
provisional numbers included in the current quarter as calculations have not been finalized nor have there been any
additional guidance regarding the law that would materially impact the Company's provisional amount.

The Company continues to review the anticipated impacts of the global intangible low taxed income ("GILTI") and F
("FDII") on the Company for 2018. The combined forecasted net impact of both GILTI and FDII are not anticipated t

Note 10—Inventories

The summarized components of inventory follows:

(in millions)	**June 30, 2018**	**December 31, 2017**
Raw Materials	$200.7	$ 177.7
Work-in-process	74.2	62.9
Finished goods	249.1	238.5
Reserves	(32.8)	(30.3)
Inventories	$491.2	$ 448.8

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Note 11—Goodwill and Other Intangible Assets, net

As a result of the sale of CFS on March 20, 2018, the Company reclassified $149.7 million of goodwill and $169.4 m
to the CFS segment as of December 31, 2017, to discontinued operations within long-term assets on the Condense
The changes in the carrying amount of goodwill, net for the six months ended June 30, 2018, follows:

(in millions)	CCM	CIT	CFT	CBF (1)	Total
Balance as of December 31, 2017	$544.3	$640.3	$171.0	$96.5	$1,452.1
Goodwill acquired during year (2)	2.8	2.6	—	—	5.4
Measurement period adjustments (3)	(7.8)	—	—	—	(7.8)
Currency translation and other	(1.4)	0.3	(0.6)	—	(1.7)
Balance as of June 30, 2018	$537.9	$643.2	$170.4	$96.5	$1,448.0

(1) CBF goodwill balance as of December 31, 2017, is presented net of accumulated impairment losses of $130.0 million recorded in 2016. No other segments

(2) For the first six months of 2018, Carlisle acquired three businesses for an aggregate purchase price of $20.0 million.

(3) Refer to Note 4 for further information on goodwill adjustments resulting from recent acquisitions.

A summary of the Company's other intangible assets, net follows:

	June 30, 2018			December 31, 2017		
(in millions)	Acquired Cost	Accumulated Amortization	Net Book Value	Acquired Cost	Accumulated Amortization	Net Book Value
Assets subject to amortization:						
Customer relationships	$845.6	$ (258.6)	$587.0	$844.8	$ (230.8)	$614.0
Technology and intellectual property	232.6	(106.1)	126.5	272.0	(95.6)	176.4
Trade names and other	79.7	(18.7)	61.0	40.1	(9.6)	30.5
Assets not subject to amortization:						
Trade names	244.7	—	244.7	244.1	—	244.1
Other intangible assets, net	$1,402.6	$ (383.4)	$1,019.2	$1,401.0	$ (336.0)	$1,065.0

The net book values of other intangible assets, net by reportable segment follows:

(in millions)	June 30, 2018	December 31, 2017
Carlisle Construction Materials	$307.9	$ 325.1
Carlisle Interconnect Technologies	329.2	344.5
Carlisle Fluid Technologies	292.0	302.5
Carlisle Brake & Friction	89.8	92.9
Corporate	0.3	—
Total	$1,019.2	$ 1,065.0

Note 12—Commitments and Contingencies

Litigation

Over the years, the Company has been named as a defendant, along with numerous other defendants, in lawsuits i
alleged injury due to exposure to asbestos-containing brakes, which Carlisle manufactured in limited amounts betw
addition to compensatory awards, these lawsuits may also seek punitive damages. Generally, the Company has ob
asbestos-related lawsuits with no material effect on its financial condition, results of operations, or cash flows. The C
applies to the Company's defense costs and payments of settlements or judgments in connection with asbestos-rel
reasonably possible additional asbestos claims, if any, is not material to the Company's financial position, results of
these matters could result in the Company being subject to monetary damages, costs or expenses, and charges ag

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The Company may occasionally be involved in various other legal actions arising in the normal course of business.
outcome of such actions, either individually or in the aggregate, will not have a material adverse effect on the conso
for a particular period, or annual operating cash flows of the Company.

Environmental Matters

The Company is subject to increasingly stringent environmental laws and regulations, including those relating to air
and hazardous waste management, and disposal. Some of these environmental laws hold owners or operators of la
previous owners' or operators' releases of hazardous or toxic substances or wastes. Other environmental laws and
compliance with, environmental permits. To date, costs of complying with environmental, health, and safety require
Company did not have any significant accruals related to potential future costs of environmental remediation as of J
retirement obligations recorded as of that date. However, the nature of the Company's operations and its long histo
current or former facilities, as well as those acquired, could potentially result in material environmental liabilities or a
While the Company must comply with existing and pending climate change legislation, regulation, international trea
do not have a material impact on its business, capital expenditures or financial position. Future events, including th
gas regulation, could require the Company to incur expenses related to the modification or curtailment of operations
investigation and cleanup of contaminated sites.

Note 13—Long-term Debt

A summary of the Company's long-term debt follows:

(in millions)	June 30, 2018	December 31, 2017	Fair Value [1] June 30, 2018	December 31, 2017
3.75% Notes due 2027	$600.0	$ 600.0	$571.9	$ 607.1
3.5% Notes due 2024	400.0	400.0	386.4	403.7
3.75% Notes due 2022	350.0	350.0	349.6	358.9
5.125% Notes due 2020	250.0	250.0	258.5	264.8
Unamortized discount, debt issuance costs, and other	(13.1)	(13.8)		
Total long term-debt	$1,586.9	$ 1,586.2		

(1) The fair value is estimated based on current yield rates plus the Company's estimated credit spread available for financings with similar terms and maturitie
as Level 2 in the fair value hierarchy.

Revolving Credit Facility (the "Facility")

During the six months ended June 30, 2018, there were no borrowings under the Facility. As of June 30, 2018, and
outstanding balance and $1.0 billion available for use.

Covenants and Limitations

Under the Company's debt and credit facilities, the Company is required to meet various restrictive covenants and l
leverage ratios, interest coverage, and limits on outstanding debt balances held by certain subsidiaries. The Compa
limitations as of June 30, 2018 and December 31, 2017.

Letters of Credit and Guarantees

During the normal course of business, the Company enters into commitments in the form of letters of credit and ba
performance assurance to third parties. As of June 30, 2018 and December 31, 2017, the Company had $25.9 milli
bank guarantees outstanding, respectively. The Company has multiple arrangements to obtain letters of credit, whi
availability and separate agreements for up to $80.0 million in letters of credit, of which $55.9 million was available f

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Note 14—Defined Benefit Plan

The Company recognizes net periodic benefit cost based on the actuarial analysis performed at the previous year e
during the year.

The components of net periodic benefit cost follows:

(in millions)	Three Months Ended June 30, 2018	2017	Six Months Ended June 30, 2018	2017
Service cost	$0.8	$0.6	$1.6	$1.3
Interest cost	1.4	1.3	2.8	2.6
Expected return on plan assets	(2.6)	(2.6)	(5.2)	(5.1)
Amortization of unrecognized loss (1)	1.2	0.7	2.3	1.3
Net periodic benefit cost	$0.8	$—	$1.5	$0.1

(1) Includes amortization of unrecognized actuarial (gain) loss and prior service credits and excludes provision for income tax of $(0.3) million for the six month
for the three and six months ended June 30, 2017, respectively.

The components of net periodic benefit cost, other than the service cost component, are included in other non-oper
Condensed Consolidated Statements of Income.

Note 15—Standard Product Warranties

The Company offers various standard warranty programs on its products, primarily for certain installed roofing syste
assemblies, fluid technologies and braking products. The Company's liability for such warranty programs is included
Consolidated Balance Sheets.

The change in standard product warranty liabilities for the six months ended June 30, follows:

(in millions)	2018	2017
Balance as of January 1	$30.4	$29.1
Current year provision	9.1	8.9
Current year claims	(7.8)	(7.9)
Currency translation	(0.2)	0.5
Balance as of June 30	$31.5	$30.6

Note 16—Financial Instruments

Foreign Currency Forward Contracts

The Company uses foreign currency forward contracts to hedge a portion of its foreign currency exchange rate expo
denominated cash flows. These instruments are not held for speculative or trading purposes.

A summary of the Company's designated and non-designated cash flow hedges follows:

(in millions)	June 30, 2018 Fair Value (1)	Notional Value	December 31, 2017 Fair Value (1)	Notional Value
Designated hedges	$0.1	$ 10.5	$(0.2)	$ 22.3
Non-designated hedges	(2.0)	55.6	0.2	38.6

(1) The fair value of foreign currency forward contracts is included in other current assets. The fair value was estimated using observable market inputs such a
Based on these inputs, derivative assets and liabilities are classified as Level 2 in the fair value hierarchy.

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For instruments that are designated and qualify as cash flow hedges, the Company had foreign forward contracts w
changes in the fair value of the contracts are recorded in accumulated other comprehensive income (loss) on the C
Shareholders' Equity and recognized in the same Condensed Consolidated Statements of Income line item as the i
goods sold, when the underlying forecasted transaction impacts earnings. Gains and losses on the contracts repres
assessment of hedged effectiveness are recognized in the same Condensed Consolidated Statements of Income li
of goods sold, currently.

The change in accumulated other comprehensive income (loss) related to cash flow hedges for the three and six m

(in millions)	**2018**	**2017**
Balance as of April 1	$ (3.8)	$ 0.8
Other comprehensive income before reclassifications	—	(0.3)
Amounts reclassified from accumulated other comprehensive loss	0.3	(0.3)
Other comprehensive income (loss)	0.3	(0.6)
Balance as of June 30	$ (3.5)	$ 0.2

(in millions)	**2018**	**2017**
Balance as of January 1	$ (4.0)	$ 0.9
Other comprehensive income before reclassifications	0.3	(0.2)
Amounts reclassified from accumulated other comprehensive loss	0.2	(0.5)
Other comprehensive income (loss)	0.5	(0.7)
Balance as of June 30	$ (3.5)	$ 0.2

For instruments that are not designated as a cash flow hedge, the Company had foreign exchange contracts with m
gains and losses resulting from these contracts were immaterial and are recognized in other non-operating (income
corresponding foreign exchange gains and losses on these balances.

Rabbi Trust

The Company has established a Rabbi Trust to provide for a degree of financial security to cover its obligations ass
Contributions to the Rabbi Trust by the Company are made at the discretion of management and generally are mac
funds. The Company consolidates the Rabbi Trust and therefore includes the investments in its Condensed Consol
and December 31, 2017, the Company had $10.7 million and $13.2 million of cash, respectively, and $4.8 million ar
respectively. The short-term investments are measured at fair value using quoted market prices in active markets (i
fair value recorded in net income and the associated cash flows presented as operating cash flows.

Other Financial Instruments

Other financial instruments include cash and cash equivalents, accounts receivable, net, accounts payable, accruec
value for cash and cash equivalents, accounts receivable, net, accounts payable and accrued expenses approxima
nature and generally negligible credit losses (refer to Note 13 for the fair value of long-term debt).

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Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Carlisle Companies Incorporated ("Carlisle", the "Company", "we", "us" or "our") is a multi-national company that de of products primarily throughout North America, Western Europe and the Asia Pacific region. Management’s Discus Results of Operations ("MD&A") is designed to provide a reader of our financial statements with a narrative from the references to "Notes" refer to our Notes to Condensed Consolidated Financial Statements in this quarterly report or

Executive Overview

We are pleased with Carlisle's record second quarter sales and diluted earnings per share results. Carlisle experien U.S. commercial construction demand at our Carlisle Construction Materials segment ("CCM"), robust commercial a Technologies segment ("CIT"), strengthening of Carlisle Brake & Friction's ("CBF") off-highway vehicle markets, and improvement at Carlisle Fluid Technologies ("CFT"). We are very encouraged by CCM's ability to drive meaningful p price discipline.

Progress and momentum continue to build on the deployment of Vision 2025. Consistent with our key strategic initia organic growth was almost double our goal of 5%; we made three small but meaningful acquisitions; two metal roof European aerospace engineering firm within CIT. During the first six months of 2018, we continued to return capital dividends and repurchasing $240.6 million of Carlisle shares. Additionally, recognizing the important contribution of we announced a stock option grant to U.S. employees, and a stock appreciation right grant to all employees outside 14,000 global employees to be engaged in, and benefit from our success. The cost of this grant, which includes app 50% cash settled stock appreciation rights, is expected to approximate $2 million to $3 million in the second-half of fluctuations of Carlisle stock price and employee forfeitures. These costs will be reported within Corporate and othe

Summary of Financial Results

(in millions, except per share amounts)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Revenues	$1,236.1	$983.9	$2,220.8	$1,757.9
Operating income	$159.7	$146.3	$254.4	$235.8
Operating margin percentage	12.9 %	14.9 %	11.5 %	13.4 %
Income from continuing operations	$114.7	$94.7	$172.6	$152.6
(Loss) income from discontinued operations	$(1.0)	$7.6	$250.7	$11.5
Diluted earnings per share attributable to common shares:				
Income from continuing operations	$1.87	$1.46	$2.78	$2.34
(Loss) income from discontinued operations	$(0.02)	$0.12	$4.04	$0.18
Items affecting comparability: [1]				
Impact to operating income	$7.7	$8.5	$12.1	$15.5
Impact to income from continuing operations	$5.7	$5.9	$9.1	$10.8
Impact on diluted EPS from continuing operations	$0.10	$0.09	$0.15	$0.17

(1) Items affecting comparability primarily include acquisition related costs, exit and disposal costs, facility rationalization costs, litigation costs and gains from c where the expense is deductible. Refer to *Items Affecting Comparability* in this MD&A for further discussion.

Revenues increased in the second quarter and first six months of 2018 primarily reflecting contribution from the acc higher sales volumes. Increased revenues also reflect the adoption of Accounting Standards Codification 606, *Reve* 606") in 2018 and favorable foreign currency effects. Refer to Notes 2 and 7, and *Critical Accounting Estimates* with the impact of adoption of ASC 606.

The increase in operating income and diluted earnings per share from continuing operations in the second quarter a higher sales volumes, price realization, contributions from acquisitions, and

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continued operational improvements and cost savings from Carlisle Operating System ("COS"), partially offset by ri
costs, and unfavorable product mix. Diluted earnings per share from continuing operations also benefited from a lov
shares outstanding.

Outlook

Following our strong second quarter performance, we enter the second half of 2018 well-positioned to achieve our g
continue to have a positive outlook for 2018, bolstered by the strong commitment of our CCM team to maintaining p
improved profitability at CFT, and the progress made on our restructuring efforts. We now expect overall revenue gr
Favorably positioned with our ample liquidity and strong balance sheet, we remain committed to pursuing growth op
acquisitions, and returning capital to shareholders.

Disposition

On March 20, 2018, the Company completed the sale of its CFS operations to The Jordan Company for gross proc
certain adjustments. In the first six months of 2018, CFS used $1.5 million and $8.1 million in operating and investin
in the Condensed Consolidated Statements of Cash Flows. Refer to Note 5 for additional information regarding disc

Acquisitions

During the second quarter of 2018, we acquired three businesses for an aggregate purchase price of $20.0 million,
CCM segment and one European aerospace engineering firm in the CIT segment.

On November 1, 2017, we acquired Accella, a specialty polyurethane platform, for total consideration of $671.4 mill
polyurethane products and solutions across a broad diversity of markets and applications. Accella provides an exce
polyurethane market, which includes spray polyurethane foam and liquid applied roofing. The results of operations
the CCM segment.

On July 3, 2017, we acquired Drexel Metals, Inc., ("Drexel Metals") for consideration of $55.8 million. Drexel Metals
seam metal roofing systems for commercial, institutional and residential applications. The results of operations of th
CCM segment.

On January 31, 2017, we acquired Arbo Holdings Limited ("Arbo") for consideration of $11.5 million, including the e
of $2.5 million. Arbo is a leading provider of sealants, coatings and membrane systems used for waterproofing and
results of operations of the acquired business are reported within the CCM segment.

Consolidated Results of Operations

Revenues

(in millions)	Three Months Ended June 30, 2018	2017	Change	%	Acquisition Effect	Price / Volume Effect	Exchange Rate Effect
Revenues	$1,236.1	$983.9	$252.2	25.6%	14.3 %	10.6 %	0.7 %

The increase in revenues from acquired businesses in the second quarter of 2018 primarily reflected contribution of
Accella and Drexel in the CCM segment. The increase in sales volume in the second quarter of 2018 primarily refle
conditions for CCM, an increase in demand for SatCom and aerospace products at CIT and higher demand for our

(in millions)	Six Months Ended June 30, 2018	2017	Change	%	Acquisition Effect	Price / Volume Effect	Exchange Rate Effect
Revenues	$2,220.8	$1,757.9	$462.9	26.3%	14.8 %	10.4 %	1.1 %

The increase in revenues from acquired businesses in the first six months of 2018 primarily reflected contribution of
Accella and Drexel in the CCM segment. The increase in sales volume in the

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first six months of 2018 primarily reflected favorable commercial roofing market conditions for CCM, an increase in d
at CIT and higher demand for our heavy equipment products at CBF.

Gross Margin

(in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	2017	Change	%	2018	2017	Change	%
Gross margin	$332.2	$286.5	$ 45.7	16.0%	$581.6	$512.6	$ 69.0	13.5%
Gross margin percentage	26.9 %	29.1 %			26.2 %	29.2 %		
Depreciation and amortization	$24.1	$20.4			$50.3	$39.6		

The decrease in gross margin percentage (gross margin expressed as a percentage of revenues) in the second qua
by unfavorable changes in mix and unfavorable raw material dynamics. Also included in cost of goods sold were ex
the second quarter of 2018, compared with $2.0 million in the second quarter of 2017, and $6.0 million in the first six
in the first six months of 2017, primarily at CIT and CBF attributable to our restructuring initiatives. The decrease wa
resulting from higher capacity utilization as a result of higher sales volume in the CCM and CIT segments and savin

Selling and Administrative Expenses

(in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	2017	Change	%	2018	2017	Change	%
Selling and administrative expenses	$159.9	$127.0	$ 32.9	25.9%	$308.5	$251.9	$ 56.6	22.5%
As a percentage of revenues	12.9 %	12.9 %			13.9 %	14.3 %		
Depreciation and amortization	$21.9	$13.7			$41.2	$27.7		

The increase in selling and administrative expense in the second quarter and first six months of 2018 primarily refle
administrative costs from the acquisition of Accella, increased stock-based and other compensation costs, and char
restructuring projects at CIT. The selling and administrative costs from the acquired businesses also included non-c
assets. Refer to Note 8 for further information on exit and disposal activities.

Research and Development Expenses

(in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	2017	Change	%	2018	2017	Change	%
Research and development expenses	$14.2	$13.1	$ 1.1	8.4%	$28.1	$25.1	$ 3.0	12.0%
As a percentage of revenues	1.1 %	1.3 %			1.3 %	1.4 %		
Depreciation and amortization	$0.3	$0.3			$0.7	$0.6		

The increase in research and development expenses primarily reflected acquired research and development expen
product development at our CFT and CCM segments in the second quarter and first six months of 2018.

Other Operating (Income) Expense, Net

(in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	2017	Change	%	2018	2017	Change	%
Other operating (income) expense, net	$(1.6)	$0.1	$(1.7)	NM	$(9.4)	$(0.2)	$(9.2)	NM

The increase in other operating (income) expense, net in the second quarter of 2018 primarily reflected $2.0 million
and CFT.

The increase in other operating (income) expense, net in the first six months of 2018 primarily reflected the $4.9 mil
million of gains on sales of assets primarily at CCM, CIT and CFT.

Operating Income

(in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	**2017**	**Change**	**%**	**2018**	**2017**	**Change**	**%**
Operating income	$159.7	$146.3	$ 13.4	9.2%	$254.4	$235.8	$ 18.6	7.9%
Operating margin percentage	12.9 %	14.9 %			11.5 %	13.4 %		

The decrease in operating margin percentage in the second quarter and first six months of 2018 primarily reflected
percentage, acquired selling, general and administrative costs from Accella, and higher stock-based and other com
operating income from legal settlements and gains on sales of assets. Refer to *Segment Results of Operations* with
segment operating income results.

Interest Expense, Net

(in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	**2017**	**Change**	**%**	**2018**	**2017**	**Change**	**%**
Interest expense	$17.5	$7.0			$32.9	$13.8		
Interest income	(3.3)	—			(4.2)	(0.2)		
Interest expense, net	$14.2	$7.0	$ 7.2	102.9%	$28.7	$13.6	$ 15.1	111.0%

The increase in interest expense, net during the second quarter and first six months of 2018 primarily reflected the i
stated interest rate of 3.75% and $400.0 million of notes with a stated interest rate of 3.5% that were issued in Nove

Other Non-operating (Income) Expense, Net

(in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	**2017**	**Change**	**%**	**2018**	**2017**	**Change**	**%**
Other non-operating (income) expense	$(0.7)	$(0.4)	$(0.3)	75.0%	$1.2	$(1.8)	$ 3.0	(166.7)%

Other-non operating (income) expense, net in the first six months of 2018 primarily reflected the weakening of the U
exchange losses and higher amortization of unrecognized pension cost, compared with the the first six months of 2

Income Taxes

(in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	**2017**	**Change**	**%**	**2018**	**2017**	**Change**	**%**
Provision for income taxes	$31.5	$45.0	$(13.5)	(30.0)%	$51.9	$71.4	$(19.5)	(27.3)%
Effective tax rate	21.5 %	32.2 %			23.1 %	31.9 %		

The effective income tax rate on continuing operations for the first six months of 2018 was 23.1%. The year-to-date
earnings at an anticipated annual rate of approximately 24.7% and a year-to-date discrete tax benefit of $3.5 million
The effective income tax rate on continuing operations for the first six months of 2017 was 31.9% and included a ye
million. The change in the rate from the first six months of 2017 to the first six months of 2018 was primarily caused
States income tax rate from 35% to 21% as part of the Tax Cuts and Jobs Act ("Tax Act") signed in December 2017
The changes included in the Tax Act are broad and complex. As such, on December 22, 2017, the Securities and E
118. SAB 118 expresses views of the SEC regarding ASC Topic 740, Income Taxes in the reporting period that inc
company does not have the necessary information available, prepared or analyzed for certain income tax effects of
report provisional numbers and adjust those amounts during the measurement period not to extend beyond one yea
all known and estimable impacts of the Tax Act that are effective for the year ended December 31, 2017. There are
included in the current quarter, as calculations have not been finalized nor have there been any changes in the inte
regarding the law that would materially impact our provisional amount.

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We continue to review the anticipated impacts of the global intangible low taxed income (“GILTI”) and Foreign-Deriv
the Company for 2018. The combined forecasted net impact of both GILTI and FDII are not anticipated to be materi

Income from Discontinued Operations

(in millions)	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	2017	Change	%	2018	2017	Change	%
(Loss) income from discontinued operations before taxes	$(1.3)	$12.1			$297.7	$18.3		
(Benefit) provision for income taxes	(0.3)	4.5			47.0	6.8		
(Loss) income from discontinued operations	$(1.0)	$7.6	$(8.6)	NM	$250.7	$11.5	$239.2	NM

Income from discontinued operations primarily reflects the pre-tax gain on sale of CFS totaling $293.5 million. Exclu
discontinued operations primarily reflects activity from January 1, 2018 through March 20, 2018, the date that the sa
full second quarter and first six months of 2017.

Segment Results of Operations

Carlisle Construction Materials ("CCM")

(in millions)	Three Months Ended June 30,				Acquisition Effect	Price / Volume Effect	Exchange Rate Effect
	2018	2017	Change	%			
Revenues	$828.6	$631.2	$197.4	31.3%	22.3%	8.5%	0.5%
Operating income	$141.4	$129.1	$12.3	9.5%			
Operating margin percentage	17.1%	20.5%					
Depreciation and amortization	$19.5	$8.7					
Items affecting comparability [(1)]	$0.7	$0.3					

(1) Items affecting comparability include acquisition related costs of $0.7 million in the second quarter of 2018, and $0.3 million in the second quarter of 2017,

CCM’s revenue growth in the second quarter of 2018 primarily reflected revenue contributions from the acquisitions
growth primarily reflected higher volume driven by strong U.S. commercial construction demand in addition to contin
CCM’s operating margin percentage decrease in the second quarter of 2018 was driven by higher raw material, lab
mix.

(in millions)	Six Months Ended June 30,				Acquisition Effect	Price / Volume Effect	Exchange Rate Effect
	2018	2017	Change	%			
Revenues	$1,427.2	$1,077.3	$349.9	32.5%	24.2%	7.6%	0.7%
Operating income	$217.2	$209.8	$7.4	3.5%			
Operating margin percentage	15.2%	19.5%					
Depreciation and amortization	$38.6	$17.4					
Items affecting comparability [(1)]	$(1.1)	$0.9					

(1) Items affecting comparability include gains from divestitures of $(1.8) million in the first six months of 2018, and acquisition related costs of $0.7 million in th
months of 2017, refer to *Items Affecting Comparability*.

CCM’s revenue growth in the first six months of 2018 primarily reflected revenue contributions from the acquisitions
growth primarily reflected higher volume driven by strong U.S. commercial construction demand.
CCM’s operating margin percentage decrease in the first six months of 2018 was also driven by rising raw material
mix.

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Outlook

We now expect CCM revenues to grow in the mid-twenty percent range in 2018, including contributions from acquis
mid-to-high single digits.

CCM's revenues and operating income are generally higher in the second and third quarters of the year due to incre
periods. CCM's commercial roofing business is comprised predominantly of revenues from reroofing, which derives
requiring replacement in a given year, and less extensively from roofing for new commercial construction. Demand
driven by increased enforcement of building codes related to energy efficiency. Growth in demand in the commercia
impacted by changes in fiscal policy and increases in interest rates. The availability of labor to fulfill installations ma
commercial roofing market.

CCM's ability to increase current selling price and volume levels is subject to significant competition, in particular fro
manufacturing capacity of commercial roofing and commercial insulation products. Raw material input costs are exp
to crude oil and related commodity pricing. Despite recent price realization, price competition could negatively impa
income margin levels or obtain incremental operating margin.

Carlisle Interconnect Technologies ("CIT")

We continue to relocate certain of our medical manufacturing operations in Shenzhen, China, to a new manufacturi
completed the relocation of certain of our aerospace manufacturing operations in Littleborough, United Kingdom, to
result of these efforts, focused on improving operational efficiencies throughout the business, we anticipate continui
facility rationalization throughout 2018. Refer to Note 8 for further information regarding exit and disposal activities.

(in millions)	Three Months Ended June 30, 2018	2017	Change	%	Acquisition Effect	Price / Volume Effect	Exchange Rate Effect
Revenues	$237.7	$201.8	$ 35.9	17.8%	0.1 %	17.6 %	0.1 %
Operating income	$27.5	$20.2	$ 7.3	36.1%			
Operating margin percentage	11.6 %	10.0 %					
Depreciation and amortization	$14.7	$13.9					
Items affecting comparability [(1)]	$1.9	$5.6					

(1) Items affecting comparability include gains from divestitures of $(1.6) million and litigation costs of $1.4 million in the second quarter of 2018, and exit and d
second quarter of 2018 and $5.6 million in the second quarter of 2017), refer to *Items Affecting Comparability*.

CIT's revenue increased in the second quarter of 2018 primarily reflecting increased volumes driven largely by the a
markets, inclusive of CIT's adoption of the new revenue recognition standard. Refer to Notes 2 and 7, and *Critical A*
further information regarding the impact of adoption of ASC 606.

CIT's operating income and operating margin percentage increase in the second quarter of 2018 was primarily relat
lower restructuring and facility rationalization costs, partially offset by foreign exchange pressure related to the Chin

(in millions)	Six Months Ended June 30, 2018	2017	Change	%	Acquisition Effect	Price / Volume Effect	Exchange Rate Effect
Revenues	$462.0	$396.0	$ 66.0	16.7%	— %	16.6 %	0.1 %
Operating income	$54.7	$41.7	$ 13.0	31.2%			
Operating margin percentage	11.8 %	10.5 %					
Depreciation and amortization	$29.3	$27.3					
Items affecting comparability [(1)]	$4.5	$9.9					

(1) Items affecting comparability include gains from divestitures of $(1.6) million and litigation costs of $1.4 million in the first six months of 2018, and exit and d
six months of 2018 and $9.9 million in the first six months of 2017), refer to *Items Affecting Comparability*.

CIT's revenue increased in the first six months of 2018 primarily reflecting increased volumes as a result of recover
aerospace market, inclusive of CIT's adoption of the new revenue recognition

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standard. Refer to Notes 2 and 7, and *Critical Accounting Estimates* within this MD&A for further information regard
CIT's operating income and operating margin percentage increase in the first six months of 2018 was primarily relat
lower restructuring and facility rationalization costs, partially offset by foreign exchange pressure related to the Chin

Outlook

The longer term outlook in the commercial aerospace market remains favorable with a strong delivery cycle for new several years. The outlook for the market for in-flight entertainment and connectivity ("IFEC") applications also rema on-board connectivity applications used in both installed aircraft seating and through personal mobile devices using CIT is actively pursuing new products, customers and complementary technologies to support its expansion into the medical technology markets in which CIT competes are experiencing vendor consolidation trends among larger me ("OEM's"), to whom CIT offers improved product verification capabilities and value added vertical integration throug We continue to expect CIT revenues to exceed 10% growth in 2018.

Carlisle Fluid Technologies ("CFT")

Driven by focus on improving operational efficiencies throughout the business, we initiated facility consolidation effo involved exiting our manufacturing operations in Brazil and Mexico, exiting the systems sales business in Germany, currently in Angola, Indiana, to our existing Bournemouth, United Kingdom, manufacturing operations. All facility clo 2018 and production moved to either our Jackson, Tennessee, or Bournemouth facilities. Refer to Note 8 for further activities.

(in millions)	Three Months Ended June 30, 2018	2017	Change	%	Acquisition Effect	Price / Volume Effect	Exchange Rate Effect
Revenues	$73.3	$71.0	$ 2.3	3.2%	— %	0.4 %	2.8 %
Operating income	$7.8	$7.4	$ 0.4	5.4%			
Operating margin percentage	10.6 %	10.4 %					
Depreciation and amortization	$6.0	$5.4					
Items affecting comparability [1]	$1.0	$0.5					

(1) Items affecting comparability include exit and disposal and facility rationalization costs ($1.3 million in the second quarter of 2018 and $0.5 million in the se million in the second quarter of 2018, refer to *Items Affecting Comparability*.

CFT's revenues in the second quarter of 2018, excluding foreign exchange impacts, increased slightly. Strong grow industrial markets was offset by weakness in the transportation market.

CFT's operating income and operating margin percentage for the second quarter of 2018 benefited from previous a from our multiple facility rationalization efforts, progress on vertical integration, and sourcing initiatives.

(in millions)	Six Months Ended June 30, 2018	2017	Change	%	Acquisition Effect	Price / Volume Effect	Exchange Rate Effect
Revenues	$136.8	$131.5	$ 5.3	4.0%	— %	0.1 %	3.9 %
Operating income	$13.5	$12.3	$ 1.2	9.8%			
Operating margin percentage	9.9 %	9.4 %					
Depreciation and amortization	$11.4	$10.8					
Items affecting comparability [1]	$1.5	$1.0					

(1) Items affecting comparability include exit and disposal and facility rationalization costs ($2.0 million in the first six months of 2018 and $1.0 million in the firs in the first six months of 2018), refer to *Items Affecting Comparability*.

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CFT's revenues in the first six months of 2018, excluding foreign exchange impacts, increased slightly. Price realiza
offset by lower volumes.

CFT’s operating income and operating margin percentage for the first six months of 2018 also benefited from the pr
efficiencies from our multiple facility rationalization efforts, progress on vertical integration, and sourcing initiatives.

Outlook

The longer term outlook in the transportation and general industrial markets remains steady with a stable backlog o
over the next year. We expect the opportunity for growth in the Asia-Pacific markets to continue to increase in conju
opportunities.

We continue to expect CFT revenues to grow mid-single digits in 2018.

Carlisle Brake & Friction ("CBF")

In 2017, we announced that we would exit our manufacturing operations in Tulsa, Oklahoma, and relocate the majo
manufacturing facility in Medina, Ohio, which is on track to be completed by year end. Refer to Note 8 for further inf
As part of the relocation effort, we are also investing additional capital in our Medina, Ohio, facility. The capital inves
million to $19.0 million to expand the facility and between $17.0 million to $19.0 million to purchase new, more effici
being relocated.

(in millions)	Three Months Ended June 30, 2018	2017	Change	%	Acquisition Effect	Price / Volume Effect	Exchange Rate Effect
Revenues	$96.5	$79.9	$16.6	20.8 %	— %	17.7 %	3.1 %
Operating income	$2.9	$1.3	$1.6	123.1%			
Operating margin percentage	3.0 %	1.6 %					
Depreciation and amortization	$5.4	$5.8					
Items affecting comparability (1)	$3.9	$1.7					

(1) Items affecting comparability and include exit and disposal and facility rationalization costs ($3.9 million in the second quarter of 2018 and $1.7 million in th
Comparability.

CBF achieved strong organic revenue growth in the second quarter of 2018, reflecting a continued recovery in off-h
end markets of construction, agriculture, and mining.

CBF's operating income and operating margin percentage growth in the second quarter of 2018 was largely driven
offset by higher restructuring and facility rationalization costs, associated with the exit of our Tulsa, Oklahoma, man

(in millions)	Six Months Ended June 30, 2018	2017	Change	%	Acquisition Effect	Price / Volume Effect	Exchange Rate Effect
Revenues	$194.8	$153.1	$41.7	27.2 %	— %	22.8 %	4.4 %
Operating income	$7.4	$2.5	$4.9	196.0%			
Operating margin percentage	3.8 %	1.6 %					
Depreciation and amortization	$11.5	$11.1					
Items affecting comparability (1)	$5.9	$2.0					

(1) Items affecting comparability and include exit and disposal and facility rationalization costs ($5.9 million in the first six months of 2018 and $2.0 million in th
Comparability.

CBF’s revenue growth in the first six months of 2018 also reflected a continued recovery in off-highway vehicle mar
mining, construction and agriculture.

CBF’s operating income and operating margin percentage also increased in the first six months of 2018 primarily re
realization, partially offset by higher restructuring and facility rationalization costs, associated with the exit of our Tu

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Outlook

We remain cautiously optimistic that CBF has emerged from the bottom of the cycle in our key end-markets and is s
aggressively realigning its cost structure through plant consolidations and seeking to realize associated savings.
We continue to expect CBF revenues to grow in the mid-teens in 2018.

Liquidity and Capital Resources

A summary of our cash and cash equivalents by region follows:

(in millions)	June 30, 2018	December 31, 2017
Europe	$ 34.9	$ 38.1
China	19.0	17.6
Asia Pacific region (excluding China)	13.0	21.0
Other international regions	15.6	21.7
Non-U.S. subsidiaries cash and cash equivalents	82.5	98.4
U.S. subsidiaries cash and cash equivalents	679.9	279.9
Cash and cash equivalents	$ 762.4	$ 378.3

We maintain liquidity sources primarily consisting of cash and cash equivalents as well as availability under the Fac
primary source of liquidity. Another potential source of liquidity is access to public capital markets via our automatic
November 8, 2017, subject to market conditions at that time. The increase in cash and cash equivalents compared
to the cash consideration received for the disposition of CFS, which was completed on March 20, 2018. During the
hand to fund share repurchases, capital expenditures and pay dividends to shareholders.

Cash held by subsidiaries in China is subject to local laws and regulations that require government approval for con
Dollars, as well as for transfer of such cash to entities that are outside of China.

In December 2017, the U.S. enacted comprehensive tax legislation that included significant changes to existing tax
reduction to the U.S. federal corporate income tax rate from 35% to 21% and a one-time tax on deferred foreign inc
reinvestment assertions due to the impact of tax reform and recorded a deferred tax liability of $7.9 million in the fou
repatriation primarily related to foreign withholding taxes. We expect the “Tax Cuts and Jobs Act” will allow greater f
future years.

We believe we have sufficient financial resources to meet our business requirements for at least the next 12 months
manufacturing, working capital requirements, dividends, common stock repurchases, acquisitions and strategic inve
We also anticipate we will have sufficient cash on hand, as well as available liquidity under our revolving credit facil
our existing notes by the respective maturity dates. We intend to obtain additional liquidity by accessing the capital
these sources of liquidity have been used for other strategic purposes by the time of maturity. Refer to *Debt Instrum*

Sources and Uses of Cash and Cash Equivalents

	Six Months Ended June 30,	
(in millions)	2018	2017
Net cash (used in) provided by operating activities	$ (2.8)	$ 134.7
Net cash provided by (used in) investing activities	674.1	(291.9)
Net cash used in financing activities	(285.9)	(90.4)
Effect of foreign currency exchange rate changes on cash	—	2.1
Change in cash and cash equivalents	$ 385.4	$ (245.5)

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Operating Activities

We used operating cash flows totaling $2.8 million for the first six months of 2018 (including working capital uses of cash inflows totaling $134.7 million for the first six months of 2017 (including working capital uses of $135.0 million). months of 2018 primarily reflect higher tax payments for taxes on the sale of CFS and and increased accounts rece in our CCM segment.

Investing Activities

Cash provided by investing activities of $674.1 million for the first six months of 2018 primarily reflected the sale of partially offset by capital expenditures of $66.9 million. Cash used in investing activities of $291.9 million for the first acquisitions of San Jamar in the CFS segment for $213.7 million, net of cash acquired, and Arbo in the CCM segme capital expenditures of $66.1 million.

Financing Activities

Cash used in financing activities of $285.9 million in the first six months of 2018 primarily reflected $235.7 million of dividend payments, reflecting the increased dividend of $0.74 per share. Cash used in financing activities of $90.4 primarily reflected $150.0 million of share repurchases and $45.8 million of dividend payments, partially offset by ne Credit Facility.

Outlook

Our priorities for the use of cash are to invest in growth and performance improvement opportunities for our existing pursue strategic acquisitions that meet shareholder return criteria, pay dividends to shareholders and return value t

Debt Instruments

Senior Notes

We have senior unsecured notes outstanding of $250.0 million due 2020 (at a stated interest rate of 5.125%), $350 3.75%), $400.0 million due 2024 (at a stated interest rate of 3.5%) and $600.0 million due 2027 (at a stated interest Standard & Poor’s and Baa2 by Moody’s.

Revolving Credit Facility (the "Facility")

During second quarter of 2018, we had no borrowings or repayments under the Facility. As of June 30, 2018, the Fa billion available for use.

We are required to meet various restrictive covenants and limitations under our senior notes and revolving credit fa coverage ratios and limits on outstanding debt balances held by certain subsidiaries. We were in compliance with a 2018 and December 31, 2017.

Refer to Note 13 for further information on our debt instruments.

Critical Accounting Estimates

In preparing the Condensed Consolidated Financial Statements in conformity with accounting principles generally a management must make informed decisions which impact the reported amounts and related disclosures. Such deci accounting principles to be applied and assumptions on which to base estimates and judgments that affect the repo and expenses, and related disclosure of contingent assets and liabilities. We evaluate our estimates, including thos product warranties, goodwill and indefinite-lived intangible assets, valuation of long-lived assets and income taxes estimates on historical experience, terms of existing contracts, our observation of trends in the industry, information available from other outside sources, that are believed to be reasonable under the circumstances, the results of wh the carrying values of assets and liabilities. Actual results

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may differ from these estimates under different assumptions or conditions. Management believes the critical accour
Management's Discussion and Analysis of Financial Condition and Results of Operations" of the Company's 2017 F
important to the fair presentation of the Company's financial conditions and results of operations. These estimates r
judgments in the preparation of our Condensed Consolidated Financial Statements.

Revenue Recognition

Beginning January 1, 2018, the Company began recognizing revenues under the guidance in ASC 606. Revenue is
of a contract with a customer are satisfied; generally this occurs with the transfer of control of the Company's produ
amount of total consideration expected to be received in exchange for transferring goods or providing services. Tota
estimated at each reporting period, including interim periods, and is subject to change with variability dependent on
related to future purchase volumes, returns, early payment discounts and other customer allowances. Estimates for
customers and other adjustments for variable consideration are provided for at the time of sale as a deduction to rev
experience and actual sales data. Changes in these estimates are reflected as an adjustment to revenue in the peri
taxes collected concurrently with revenue-producing activities are excluded from revenue.

The Company receives payment at the inception of the contract for separately priced extended service warranties, a
straight-line basis over the life of the contracts. The term of these warranties range from 5 to 40 years. The weighted
2018, is approximately 19 years.

New Accounting Pronouncements

Refer to Note 2 for more information regarding new accounting pronouncements.

Items Affecting Comparability

Items affecting comparability include costs, and losses or gains related to, among other things, growth and profitabi
outside of core business operations (such as asset impairments, exit and disposal and facility rationalization charge
litigation costs, gains and losses from and costs related to divestitures, and discrete tax items). Because these item
segment's, financial condition or results in a specific period in which they are recognized, we believe it is appropriat
information regarding the comparability of results of operations period to period.

The components of items affecting comparability follows:

	Three Months Ended June 30, 2018			Three Months Ended June 30, 2017		
(in millions, except per share amounts)	**Impact to Operating Income**	**Impact to Income from Continuing Operations**	**Impact to Diluted EPS from Continuing Operations**	**Impact to Operating Income**	**Impact to Income from Continuing Operations**	**Impact to Diluted EPS from Continuing Operations**
Exit and disposal costs	$4.6	$ 3.4	$ 0.05	$5.0	$ 3.4	$ 0.06
Other facility rationalization costs	2.7	2.0	0.04	3.1	2.2	0.02
Acquisition related costs:						
Inventory step-up amortization	0.4	0.3	0.01	—	—	—
Other acquisition costs	0.5	0.5	0.01	0.4	0.3	0.01
Litigation costs	1.4	1.1	0.02	—	—	—
(Gains) losses from divestitures	(1.9)	(1.6)	(0.03)	—	—	—
Total items affecting comparability	$7.7	$ 5.7	$ 0.10	$8.5	$ 5.9	$ 0.09

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(in millions, except per share amounts)	**Six Months Ended June 30, 2018** Impact to Operating Income	Impact to Income from Continuing Operations	Impact to Diluted EPS	**Six Months Ended June 30, 2017** Impact to Operating Income	Impact to Income from Continuing Operations	Impact to Diluted EPS
Exit and disposal costs	$7.7	$ 5.8	$0.09	$8.2	$ 5.6	$ 0.09
Other facility rationalization costs	4.9	3.7	0.06	5.1	3.7	0.05
Acquisition related costs:						
Inventory step-up amortization	0.4	0.3	0.01	0.5	0.4	0.01
Other acquisition costs	1.6	1.3	0.02	1.7	1.1	0.02
Litigation costs	1.4	1.1	0.02	—	—	—
(Gains) losses from divestitures	(3.9)	(3.1)	(0.05)	—	—	—
Total items affecting comparability	$12.1	$ 9.1	$0.15	$15.5	$ 10.8	$ 0.17

The tax effect of items affecting comparability is based on the statutory rate in the jurisdiction in which the expense share impact of items affecting comparability to each period is based on diluted shares outstanding using the two-cl

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act o use words such as "expect," "foresee," "anticipate," "believe," "project," "should," "estimate," "will," "plans," "intends reflect our expectations concerning the future. Such statements are made based on known events and circumstanc subject in the future to unforeseen risks and uncertainties. It is possible that our future performance may differ mate these forward-looking statements, due to a variety of factors such as: increasing price and product/service competit including new entrants; technological developments and changes; the ability to continue to introduce competitive ne cost-effective basis; our mix of products/services; increases in raw material costs which cannot be recovered in pro governmental and public policy changes including environmental and industry regulations; threats associated with a validity of patent and other intellectual property rights; the successful integration and identification of our strategic a businesses; and the outcome of pending and future litigation and governmental proceedings. In addition, such state and market conditions and growth rates, the condition of the financial and credit markets, and general domestic and interest rate and currency exchange rate fluctuations. Further, any conflict in the international arena may adversely future performance. We undertake no duty to update forward-looking statements.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

There have been no material changes in the Company’s market risk for the six months ended June 30, 2018. For ac 7A. Quantitative and Qualitative Disclosures About Market Risk" of the Company’s 2017 Annual Report on Form 10

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures. Under the supervision and with the participation of the Compa Chief Executive Officer and Chief Financial Officer, the Company carried out an evaluation of the effectiveness o disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon that evaluation and as o and Chief Financial Officer concluded that the Company’s disclosure controls and procedures are effective.

(b) Changes in internal controls. During fourth quarter of 2017, the Company completed its acquisition of Accella Ho Performance Materials Inc. (collectively "Accella"). This acquisition is material to the Company's results of operat June 30, 2018, the assets of Accella represented 14.7 percent of total assets, and for the six months ended June represented 10.3 percent of total revenues. Refer to Note 4 for additional information regarding the Accella acqu

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The Company is currently in the process of integrating Accella, including internal controls and procedures and exter
compliance program to include Accella. The Company anticipates a successful integration of Accella's operations a
continue to evaluate its internal control over financial reporting as the Company executes integration activities. The
of controls and procedures for the year ended December 31, 2018, will include Accella.
During the first and second quarters of 2018, there have been no changes in the Company's internal control over fi
or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

Item 1. Legal Proceedings

Litigation

Over the years, we have been named as a defendant, along with numerous other defendants, in lawsuits in various
injury due to exposure to asbestos-containing brakes, which Carlisle manufactured in limited amounts between the
compensatory awards, these lawsuits may also seek punitive damages. We typically obtains dismissals or settleme
material effect on our financial condition, results of operations, or cash flows. We maintain insurance coverage tha
of settlements or judgments in connection with asbestos-related lawsuits, excluding punitive damages. Based on a
resolution of our pending asbestos claims will not have a material impact on our financial condition, results of opera
could result in the Company being subject to monetary damages, costs or expenses, and charges against earnings
In addition, we may occasionally be involved in various other legal actions arising in the normal course of business.
outcome of such actions, either individually or in the aggregate, will not have a material adverse effect on the conso
cash flows of the Company, but may have a more than inconsequential impact on our results of operations for a pa

Environmental Matters

We are subject to increasingly stringent environmental laws and regulations, including those relating to air emissio
hazardous waste management and disposal. Some of these environmental laws hold owners or operators of land o
previous owners' or operators' releases of hazardous or toxic substances or wastes. Other environmental laws and
compliance with, environmental permits. To date, costs of complying with environmental, health and safety requiren
our operations and our long history of industrial activities at certain of our current or former facilities, as well as thos
environmental liabilities.

While we must comply with existing and pending climate change legislation, regulation, international treaties or acc
a material impact on its business, capital expenditures or financial position. Future events, including those relating t
regulation could require the Company to incur expenses related to the modification or curtailment of operations, ins
investigation and cleanup of contaminated sites.

Item 1A. Risk Factors

During the six months ended June 30, 2018, there were no material changes to the risk factors disclosed in "PART
2017 Annual Report on Form 10-K.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table summarizes the repurchase of common stock during the three months ended June 30, 2018:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (1)
April 2018	90,000	$ 107.54	90,000	5,838,308
May 2018	498,267	107.03	495,000	5,343,308
June 2018	492,473	108.71	460,000	4,883,308
Total	1,080,740		1,045,000	

(1) Represents the number of shares that can be repurchased under the Company's stock repurchase program. On February 6, 2018, the Board approved an i
million shares.

The Company may also reacquire shares outside of the repurchase program from time to time in connection with th
withholding obligations from the vesting of share-based compensation. There were 35,740 shares reacquired in tra
program during the three months ended June 30, 2018.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

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Item 6. Exhibits

Exhibit Number	Exhibit Title
2.1*	Stock Purchase Agreement, dated as of January 31, 2018, by and among Carlisle, LLC, Carlisle Foodservice Products, Incorporated, CFSP Acquisi and Carlisle Companies Incorporated.
3.1	Restated Certificate of Incorporation of the Company.
3.2	Amended and Restated Bylaws of the Company.
4.1[P]	Form of Trust Indenture between the Company and Fleet National Bank.
4.2	First Supplemental Indenture, dated as of August 18, 2006, among the Company, U.S. Bank National Association (as successor to State Street Ban Company, as successor to Fleet National Bank) and The Bank of New York Mellon Trust Company, N.A.
4.3	Second Supplemental Indenture, dated as of December 9, 2010, among the Company, U.S. Bank National Association (as successor to State Stree Trust Company, as successor to Fleet National Bank) and The Bank of New York Mellon Trust Company, N.A.
4.4	Third Supplemental Indenture, dated as of November 20, 2012, among the Company, U.S. Bank National Association (as successor to State Street Trust Company, as successor to Fleet National Bank) and The Bank of New York Mellon Trust Company, N.A.
4.5	Form of 3.500% Notes due 2024.
4.6	Form of 3.750% Notes due 2027.
10.1	Form of Trademark License Agreement between Carlisle Intangible Company, LLC and Carlisle FoodService Products, Incorporated.
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).
32.1	Section 1350 Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data file because its XBRL tags are embedded within the Inlin document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished suppleme request.

[P] Indicates paper filing.

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Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to b
thereunto duly authorized.

Carlisle Companies Incorporated

July 26, 2018

By: /s/ Robert M. Roche
Name: Robert M. Roche
Title: Vice President and Chief
Financial Officer

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