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Significant Earnings Growth Opportunities

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Forward-Looking Statement/ Non-GAAP Measures

This presentation contains certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to risks, uncertainty and changes in circumstances, which may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. All statements contained herein that are not clearly historical in nature are forward-looking and the words "opportunities," "anticipate," "believe," "expect," "estimate," "plan" and similar expressions are generally intended to identify forward-looking statements.

The forward-looking statements in this presentation may include statements addressing the following subjects: future financial condition and operating results, economic, business, competitive and/or regulatory factors affecting Tyco's business.
Any of the following factors may affect Tyco's future results:

- overall economic and business conditions;
- the demand for Tyco's goods and services;
- competitive factors in the industries in which Tyco competes;
- changes in tax requirements (including tax rate changes, new tax laws and revised tax law interpretations);
- results and consequences of Tyco's internal investigation and governmental investigations concerning the Company's governance, management, internal controls and operations including its business operations outside the United States;
- the outcome of litigation and governmental proceedings
- effect of income tax audit settlements;
- the ratings on our debt and our ability to repay or refinance our outstanding indebtedness as it matures;
- our ability to operate within the limitations imposed by financing arrangements and to maintain our credit ratings
- interest rate fluctuations and other changes in borrowing costs;
- other capital market conditions, including currency exchange rate fluctuations;
- availability of and fluctuations in the prices of key raw materials, including steel and copper;
- economic and political conditions in international markets, including governmental changes and restrictions on the ability to transfer capital across borders;
- the ability to achieve cost savings in connection with the Company's strategic restructuring and Six Sigma initiatives;
- potential further impairment of our goodwill and/or our long-lived assets;
- the impact of fluctuations in the price of Tyco common shares;
- changes in U.S. and non-U.S. governmental laws and regulations;
- the possible effects on Tyco of future legislation in the United States that may limit or eliminate po9tential U.S. tax benefits resulting from Tyco's incorporation in Bermuda or deny U.S. government contracts to Tyco based upon its incorporation in Bermuda; and
- the potential distraction costs associated with negative publicity relation to actions of our former senior corporate management

These are examples of factors, among others, that could cause actual results to differ materially from those described in the forward-looking statements. In addition, Tyco's pre-separation financial information is not necessarily representative of the results it would have achieved absent its healthcare and electronics businesses and may not be a reliable indicator of its future results. Tyco is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise. More detailed information about these and other factors is set forth in Tyco's Annual Report on Form 10-K for the fiscal year ended September 28 2007 and Quarterly Report on Form 10-Q for the fiscal quarter ended December 28, 2007.

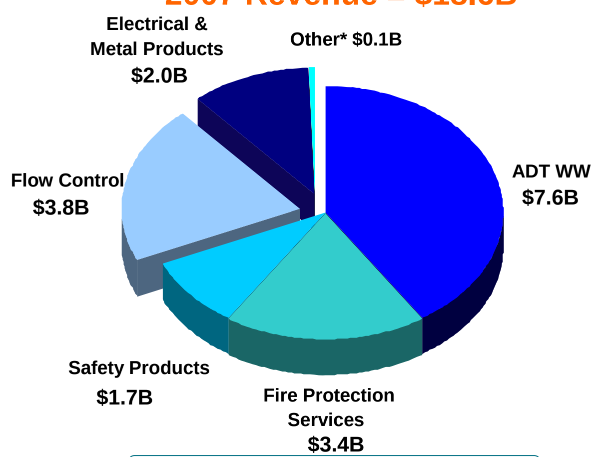
Organic revenue growth, operating income before special items, Adjusted EBITDA, Free Cash Flow, Return On Invested Capital, and Earnings per share from continuing operations before special items are non-GAAP financial measures and are described in the Appendix.

Tyco International Highlights

- A diverse portfolio of market-leading businesses in electronic security, fire, safety services and products, valves and controls, and other industrial products
- Strong global business in attractive, growing markets
- Large service revenue base
- Significant earnings growth opportunities
  - Operational execution
  - Portfolio refinement
  - Appropriate use of capital
- Strong cash flow generation and financial flexibility

We Have A Diverse Portfolio of Market-Leading Businesses

2007 Revenue = $18.6B



Solid Platforms for Growth

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* Revenue of certain international building products businesses

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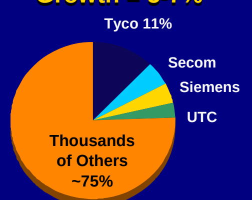
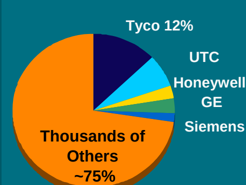
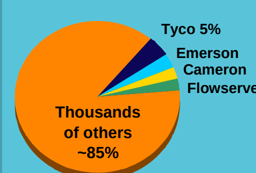
We Are Well-Positioned in Attractive Markets That Are Growing and Fragmented

Global Electronic Security Industry	Global Fire Industry	Global Industrial Valves & Controls Industry
$65+B Market Expected Market Growth = 5-7%	$30+B Market Expected Market Growth = 3-4%	$38+B Market Expected Market Growth = 4-5%







Industry Growth + Market Share Growth Opportunities

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Source: Freedonia, McIlvaine, Industry and Management Estimates

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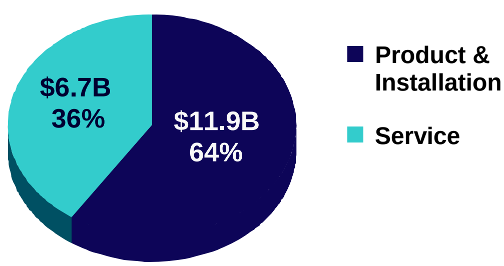
Our Businesses and Our Brands Are Known Around the World

ADT	Global leader in security alarm monitoring
Sensormatic	Global leader in anti-theft systems
SimplexGrinnell / Wormald	Global leader in fire alarms and services
Grinnell / Ansul	Global leader in fire suppression systems
Scott	US leader in emergency breathing systems
Software House / American Dynamics / Kantech	Global leader in video and access control
tyco Flow Control	Global leader in industrial valves and controls
allied Tube & Conduit	US leader in electrical conduit

A Global Market Leader in Most of Our Businesses

Approximately 36% of Total Revenue Is Comprised of Monitoring and Service Revenue

2007 Revenue = $18.6B

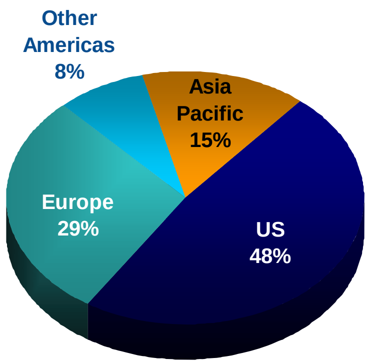


- ADT generates $4.9B of revenue from monitoring and service activities
- Fire generates $1.6B of service and maintenance revenue

A Large, Stable Base of Recurring Revenue

We Have a Strong Presence in Developed Markets with Upside in High-Growth Economies

2007 Revenue = $18.6B



- >50% of our revenue is generated outside of the United States
- Emerging markets represent a large growth opportunity
- We operate in more than 60 countries
- 118,000 employees

Emerging Markets Provide Revenue and Earnings Diversification

Significant Opportunities to Improve Earnings Growth

Earnings Growth

Operational Execution	Portfolio Refinement	Appropriate Use of Capital
Organic Growth Focus	Divestitures	Disciplined Investment in our Businesses
Restructuring Programs	Selective Acquisitions	Return Capital to Shareholders
Operational Excellence		
Corporate Expense Reduction		
Tax Rate Reduction		

Operational Execution Plans

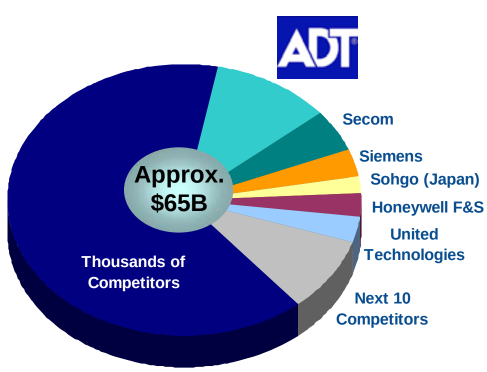
	Revenue Growth	Income Growth
ADT Worldwide	• Disciplined growth in NA • Faster growth in emerging markets	• Restructure / Improve margin in EMEA • Operational execution
Fire Protection Services	• Increasing service revenue	• Operational execution
Safety Products	• Investment in technology	• Operational Excellence • Restructuring
Flow Control	• Gaining share in rapidly growing markets	• Operational Excellence
Electrical & Metal Products	• Maintain market leading position in core product lines	• Productivity through reduced conversion costs
Tyco		• Corporate cost reduction • Tax Planning

ADT and Flow Control are Focus Areas for Today

ADT Worldwide – Global Leader in Electronic Security Products and Services

Estimated Electronic Security Revenue

(Products and Services)

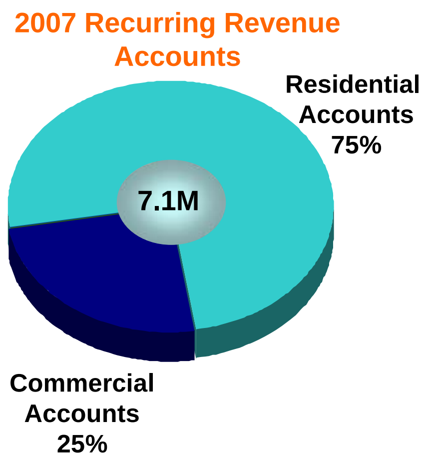


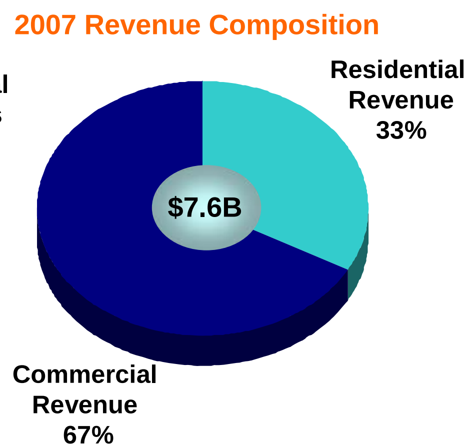
ADT Advantages

- Brand awareness
- Residential/ Commercial capability
- Service coverage
- Call Center capability
- Purchasing leverage
- Global account management
- Vertical integration

Source: Freedonia and Industry Estimates

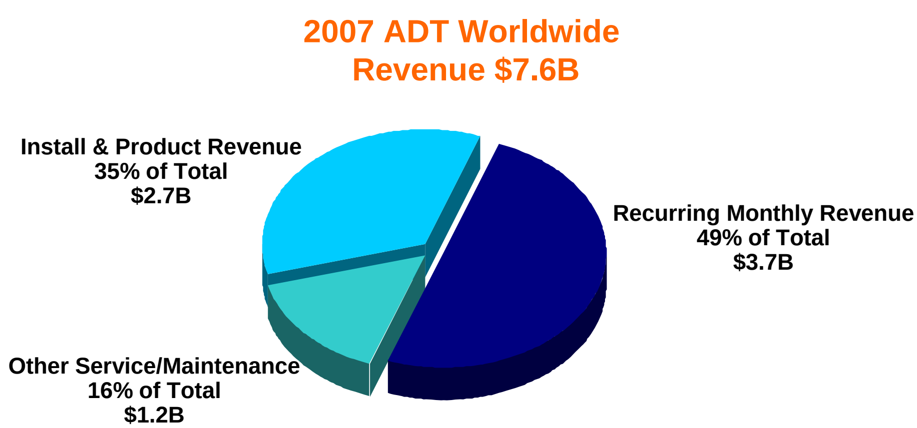
ADT Worldwide - Good Mix of Commercial and Residential Business





Two Different Business Models…Both Provide Attractive Returns

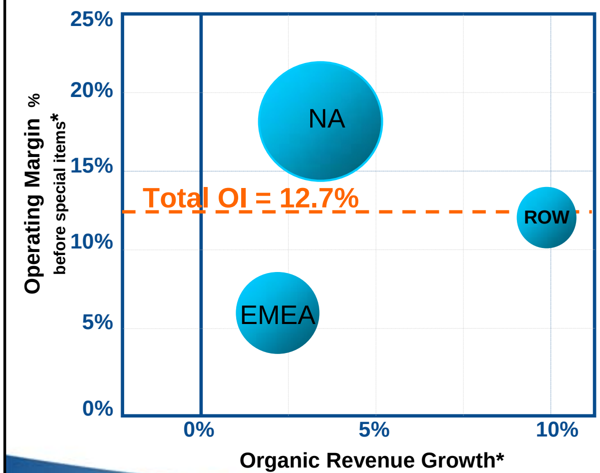
ADT Worldwide – Approximately 65% of Revenue is from Monitoring and Maintenance



Large Base of Stable Recurring Revenue

ADT Worldwide – A Global And Local Business with Different Opportunities by Region

2007 Results



- NA - largest and most profitable market with growth and earnings upside
- EMEA - improving with margin upside
- Rest of the World (ROW) - good returns and strong growth opportunities

* Organic Revenue Growth and Operating Margin before special items are Non-GAAP measures. For a reconciliation to the most comparable GAAP measure, please see Appendix.

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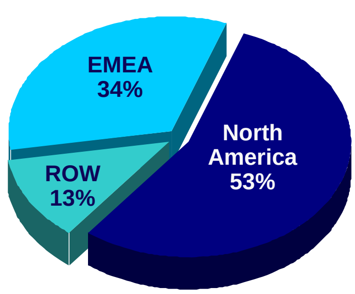
ADT North America – Disciplined Growth and Improving Operational Efficiency

2007 Revenue $7.6B



2007 ADT North America

	Resi-dential	Comm-ercial	Total NA
Revenue	$1.8B	$2.3B	$4.1B
% Recurring	86%	41%	61%
Op Inc*	$433M	$267M	$700M
% Margin	23.6%	11.8%	17.1%
Adjusted EBITDA*	$919M	$502M	$1,421M
EBITDA %	50.1%	22.5%	34.8%

Our Largest, Most Profitable Market with Growth + Earnings Upside

* Adjusted EBITDA, Operating Income before special items and Operating Margin before special items are Non-GAAP measures. For a reconciliation, please see Appendix.

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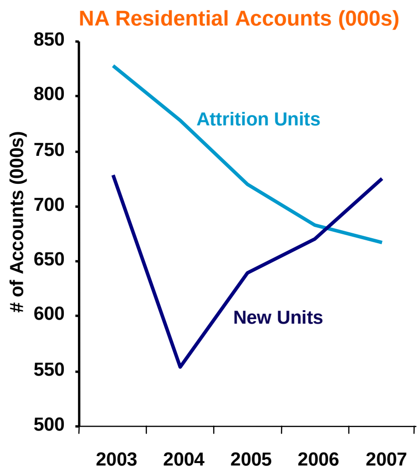
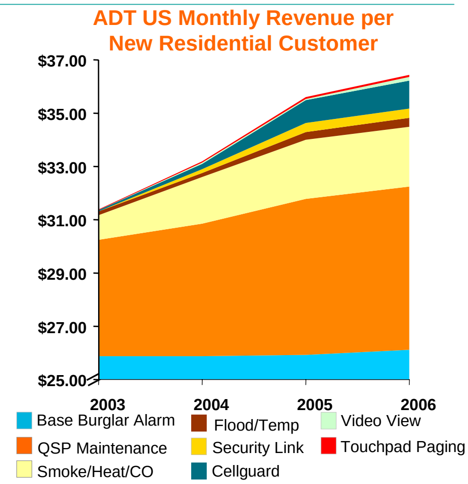
ADT North America – Drive Disciplined Growth in Residential





New Account + ARPU Growth => Recurring Revenue Growth

ADT North America – Improve Operating Efficiency

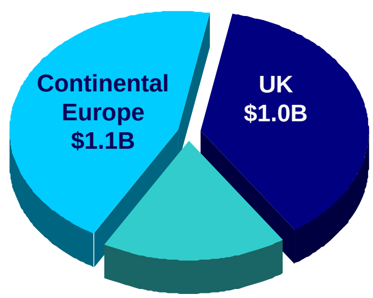
We Are Standardizing Operations Across the Business

- Leveraging scale and improving service through a standardized approach
- Fully deploying operating playbooks and Performance Management Scorecards
- Improving sales force and installation efficiency through business simplification, training and systems
- Investing in IT to simplify operations, improve information flow and provide better service levels

Operational Improvement Is Fundamental to Our Strategy

ADT Europe, Middle East & Africa – Improve Operating Margin

2007 EMEA Revenue $2.6B
34% of Total



	ADT EMEA	ADT NA
Revenue	**$2.6B**	**$4.1B**
Resi/Comm Split	15%/85%	44%/56%
% Recurring	30%	61%
Op Inc*	**$152M**	**$700M**
% Margin	5.9%	17.1%
Adjusted EBITDA*	**$264M**	**$1,427M**
EBITDA %	10.3%	34.8%

Target 10% Operating Margin in 2010

* Adjusted EBITDA, Operating Income before special items and Operating Margin before special items are Non-GAAP measures. For a reconciliation, please see Appendix.

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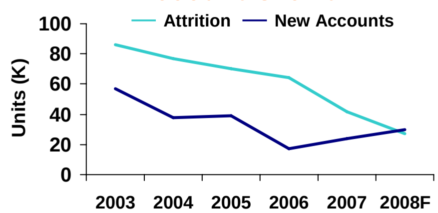
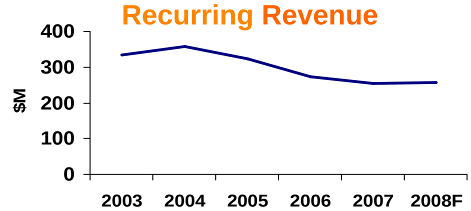
ADT Europe, Middle East & Africa – Continental Europe

Account Growth



Recurring Revenue



Challenges

- Structural Issues
- High Continental Europe attrition rates; now improving
- Less favorable revenue mix (e.g., recurring and residential revenue)
- Low sales productivity

Improving but Continues to Face Headwinds

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ADT Europe, Middle East & Africa – Focused on Restructuring, Improved Execution & Mix

2008 – A Year of Transition and Rebuilding

- Reduce Headcount by 20-25% in Continental Europe
- Redefine territories and operations based on population density
  - Consolidate number of duplicate locations (many back office locations)
- Business simplification
  - Centralize operations and dispatch
  - Reduce the number of legal entities
  - Process reengineering – less manual work; more technology
- Standardize pricing and execution across projects
- Rebuild our recurring revenue base – implement customer retention centers

Making Good Progress on Our Initiatives

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ADT Rest of World – Grow Faster in Emerging Markets

Asia

- **2007 Revenue = $533M; Organic revenue growth* of 12%**
- Strong presence across the region
- Market leadership in Korea, Hong Kong and Singapore
- China and India markets are still small but represent growing opportunities for us
  - Opened first foreign-owned licensed monitoring center in China in 2007
  - Retail customers represent a significant opportunity both in China and India

Latin America

- **2007 Revenue = $264M; Organic revenue growth* of 12%**
- Strong presence and market leadership >25% market share across the region
- Mexico, Brazil, Chile and Argentina represent our largest markets
- Building our base of accounts throughout the region
- Focus on opportunities for growth across all markets

Securing Our Position in Faster Growth Markets

* Organic revenue growth is a Non-GAAP measure. For a reconciliation, please see Appendix.

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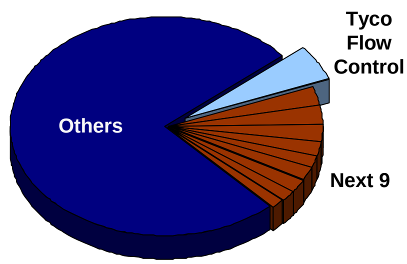
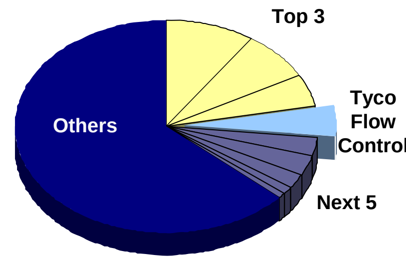
Flow Control is Tyco's Second Largest and Fastest Growing Business

Industrial Valves & Controls
Market Revenue ~ $38B



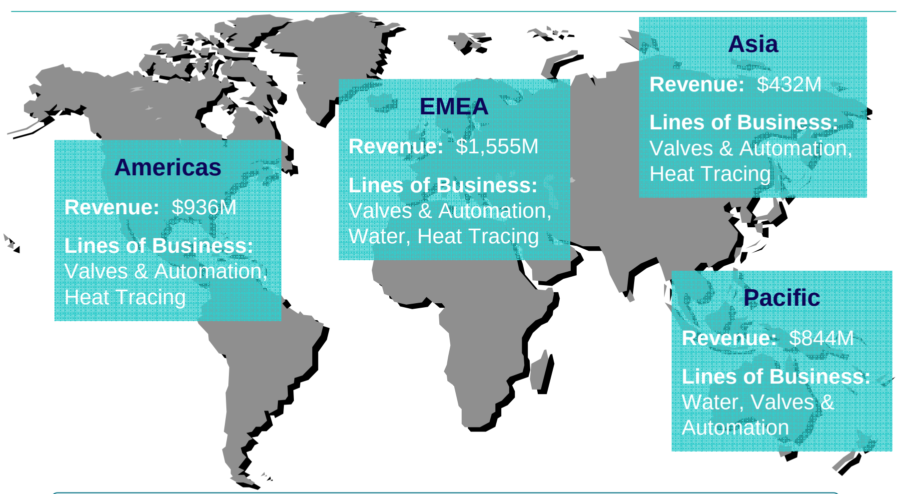
Global Water
Market Revenue ~ $18B



Large & Fragmented Markets … Tyco Well Positioned

Source: McIlvaine, Management Estimates

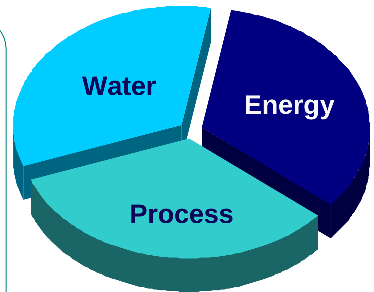
Flow Control - A Strong Global Business



Approximately 75% of Revenue Is From International Markets

Flow Control – Balanced Across End Markets

Flow Control End Markets



- Storage
- Transmission
- Distribution

Trends

- Aging infrastructure throughout Europe driving need for upgrades
- Increasing potable water demand for developing countries

- Chemical & Pharma
- Marine
- Food & Beverage
- Mining & Minerals

- Oil and Gas
- Refining
- Power Generation

Trends

- Need for new capacity has been driving strong demand for valves and controls
- Thermal Controls expected to benefit from large refinery expansion projects

Strong Growth Driven by Macro-Economic Trends

Flow Control – Good Growth Opportunities Ahead

Thermal Controls Business
$650+M Global leader in Industrial Heating Solutions

Growth Prospects

- Winning ‘mega’ oil projects in NA; future ‘mega’ projects in emerging markets
- Support alternative fuel exploration techniques
- Growing conversion from steam to more economical electrical heat
- Sophisticated modeling tools optimize design and reduce client’s project cost
- Integrated Flow Control/Tyco offering

Key Management Actions

- Developing/executing North American ‘mega’ projects
- Growing services capabilities in emerging markets and Europe
- R+D investment to further differentiate electronics capabilities
- Growing engineering design centers in emerging markets

Capitalizing on Strong Energy Trends

Flow Control – Strong Revenue and Operating Income Growth Outlook

Revenue and Income Potential

- Strong end market demand – particularly energy and water
- Operating income improvement
  - productivity improvements
  - higher volume
  - pricing

$ in 000s	2006	2007	Q1 08
Revenue	$3,135	$3,766	$1,074
Organic Revenue* Growth	13.3%	14.4%	17.7%
Operating Income*	$356	$486	$173
Operating Income Growth	6%	36%	53%
Operating Margin*	11.4%	12.9%	16.1%

* Organic revenue growth, Operating Income before special items and Operating Margin before special items are Non-GAAP measures. For a reconciliation, please see Appendix.

Significant Opportunities to Improve Earnings Growth

Earnings Growth

Operational Execution	Portfolio Refinement	Appropriate Use of Capital
Organic Growth Focus Restructuring Programs Operational Excellence Corporate Expense Reduction Tax Rate Reduction	Divestitures Selective Acquisitions	Disciplined Investment in our Businesses Return Capital to Shareholders

Portfolio Refinement

- **Divestitures:** Significant progress in divesting businesses that do not fit within our portfolio
  - Reached agreement to sell Brazilian subsidiary of Infrastructure Services business for approximately $300 million; Expected to close Q2 2008
  - Remainder of Infrastructure Services is in sale process
  - Divest or exit other small businesses that are non-core or lower margin
- **Acquisitions:** We will continue to make selective acquisitions in areas that strengthen our existing businesses, primarily technologically and geographically
  - Acquired Trident-Tek (a leading developer of video surveillance solutions) in Q1 08 that will strengthen the video and access product group

Driving Cash and Margin Improvement

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Significant Opportunities to Improve Earnings Growth

Earnings Growth

Operational Execution
- Organic Growth Focus
- Restructuring Programs
- Operational Excellence
- Corporate Expense Reduction
- Tax Rate Reduction

Portfolio Refinement
- Divestitures
- Selective Acquisitions

Appropriate Use of Capital
- Disciplined Investment in our Businesses
- Return Capital to Shareholders

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We Generate A Substantial Amount of Free Cash Flow

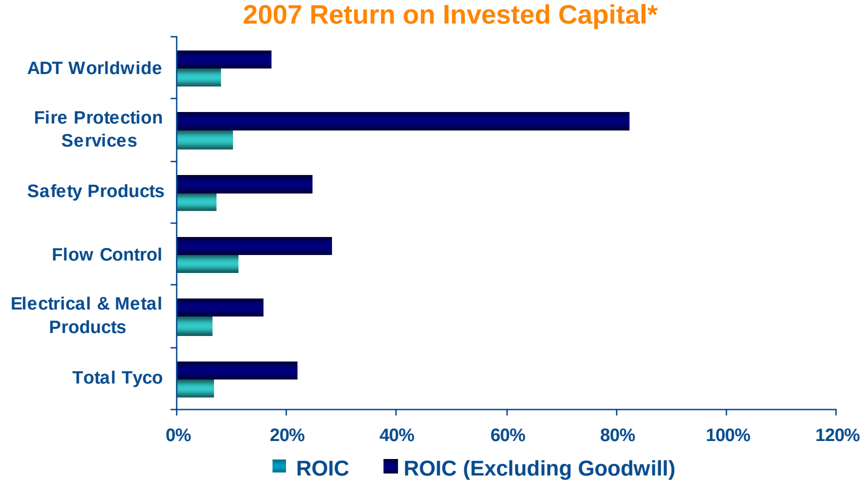
- Invest in profitable organic revenue growth initiatives
- Fund cost reduction and operational improvement opportunities within our businesses
- Make selective acquisitions to enhance our market leadership positions
- Return capital to our shareholders

…Which Provides Significant Financial Flexibility

Free Cash Flow is a non-GAAP measure. For a reconciliation to the most comparable GAAP measure, please see Appendix.

We Generate Strong Incremental Returns on Invested Capital

2007 Return on Invested Capital*



*ROIC is a non-GAAP financial measure. Please see Appendix for a reconciliation.

Appropriately Return Capital to Shareholders

- Dividend
  - Current quarterly dividend of $0.15 per share
  - Increase of 36% over the quarterly dividend of approximately $0.11 that the company expected to pay following the separation
- Share Repurchase
  - Announced $1 Billion share repurchase program in September 2007
  - To date, Tyco has repurchased more than 13 million shares or approximately 2.7% of shares outstanding ($531 million)
  - Expect to complete program within the year which would result in a 4-5% reduction of total shares outstanding

Q1 2008 Results – Delivering Earnings Growth

($ in millions, except EPS)	Q1 2008	Q1 2007	% Change
Revenue	$4,870	$4,365	12%
*Organic Revenue Growth**	*6.0%*	*5.4%*	
Operating Income*	523	337	55%
*Operating Margin**	*10.7%*	*7.7%*	
EPS from Cont. Ops.*	$0.73	$0.49	49%

- Organic revenue growth of 6.0% led by Flow Control (+17.7%)
- Double-digit earnings growth in all business segments led by Flow control at 53%
- Significant reduction in corporate expense
- EPS from Continuing Ops before Special Items increased 49% year over year

Strong Start to 2008; FY 2008 Guidance Increased to $2.60 - $2.70

* Organic revenue growth is a non-GAAP measure. Operating income, operating margin and EPS from continuing operations are before special items, which are non-GAAP measures. Please refer to Appendix for a reconciliation.

Summary

- A diverse portfolio of market-leading businesses in electronic security, fire, safety services and products, valves and controls, and other industrial products
- Strong global business in attractive, growing markets
- Large service revenue base
- Significant earnings growth opportunities
  - Operational execution
  - Portfolio refinement
  - Appropriate use of capital
- Strong cash flow generation and financial flexibility

Positioned for a Stronger Future

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Appendix

ADT Worldwide At A Glance

2007 Financial Summary

- Revenue of $7.6B
- Operating Income before Special Items of $971M and Adjusted EBITDA of $1.9B*

- Global provider of residential and commercial security systems
- Market leadership position
- 7.1 million customers globally
- Large stable recurring revenue base (~$4 billion)

Opportunities

- Disciplined growth and operational execution focus in NA
- Improving operating margin in EMEA
- Faster growth in emerging markets

* Adjusted EBITDA and Operating Income before special items are Non-GAAP measures. For a reconciliation, please see Appendix.

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Fire Protection Services At A Glance

2007 Financial Summary

- Revenue of $3.4B
- Operating Income before Special Items of $280M*

- Global provider of electronic and mechanical fire systems
- Service represents almost half of the total revenue
- Strong global presence
- NA is the largest market and has been steadily improving profitability

Opportunities

- Increase service revenue
- Operational execution – standardizing operations across the business

* Operating Income before special items is a Non-GAAP measure. For a reconciliation, please see Appendix.

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Safety Products At A Glance

2007 Financial Summary

- Revenue of $1.7B
- Operating Income before Special Items of $313M*

- Market leading provider of:
  - Fire Suppression
  - Electronic Security
  - Life Safety products
- Strong market position with leading technologies
- Attractive markets with good growth and profit opportunities

Opportunities

- Invest in Technology
- Operational Excellence/ Restructuring to improve productivity
- Global expansion

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* Operating Income before special items is a Non-GAAP measure. For a reconciliation, please see Appendix.

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Flow Control At A Glance

2007 Financial Summary

- Revenue of $3.8B
- Operating Income before Special Items of $486M*

- Global leader in valves, controls and related products
- Well-known brands with strong positions
- Geographic and end market diversity
- Strong macro-economic trends driving strong growth

Opportunities

- Gain market share in strong growth markets
- Grow thermal controls business
- Operating leverage and Operational Excellence

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* Operating Income before special items is a Non-GAAP measure. For a reconciliation, please see Appendix.

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Electrical & Metal Products At A Glance

- Market leader in steel tubes and pipes, armored cable and electrical conduit products
- Strong, well known brands
- Purchases and processes over one million tons of steel per year
- Profit is dependent on metal spreads – primarily steel and copper

2007 Financial Summary

- Revenue of $2.0B
- Operating Income before Special Items of $166M*

Opportunities

- Operational Excellence – improve productivity and reduce conversion costs
- Consolidate facilities

* Operating Income before special items is a Non-GAAP measure. For a reconciliation, please see Appendix.

2006 Organic Growth

$M	2005 Rev	Acq/Disp	FX	Organic Growth	2006 Rev	Organic %
ADT Worldwide	7,104	(19)	(35)	155	7,205	2.2%
Flow Control	2,806	-	(43)	372	3,135	13.3%
Fire Protection	3,064	(39)	(12)	149	3,162	4.9%
Safety Products	1,621	(56)	(2)	61	1,624	3.8%
Electrical & Metal	1,798	-	15	136	1,949	7.6%
Corporate & Other	93	-	(3)	1	91	1.1%
	16,486	**(114)**	**(80)**	**874**	**17,166**	**5.3%**

2007 Organic Growth

$M	2006 Rev	Acq/Disp & Other	FX	Organic Growth	2007 Rev	Organic %
ADT Worldwide	7,205	(24)	213	254	7,648	3.5%
Flow Control	3,135	(16)	197	450	3,766	14.4%
Fire Protection	3,162	(30)	102	143	3,377	4.5%
Safety Products	1,624	-	49	46	1,719	2.8%
Electrical & Metal	1,949	1	20	4	1,974	0.2%
Corporate & Other	91	-	9	20	120	22.0%
Total	**17,166**	**(69)**	**590**	**917**	**18,604**	**5.3%**

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Q1 07 Organic Growth

$M	Q1FY06 Revenues	Acq/Disp & Other	FX	Organic Growth	Q1FY07 Revenues	Organic %
ADT Worldwide	766	(1)	50	48	863	2.7%
Flow Control	716	1	35	83	865	11.6%
Fire Protection	733	(14)	24	48	791	6.5%
Safety Products	371	-	12	23	406	6.2%
Electrical & Metal	436	-	2	5	443	1.1%
Corporate & Other	0	-	2	5	27	25.0%
Total	**4,042**	**(14)**	**125**	**212**	**4,365**	**5.2%**

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Q1 08 Organic Growth

$M	Q1FY07 Revenues	Acq/Disp & Other	FX	Organic Growth	Q1FY08 Revenues	Organic %
ADT Worldwide	1,863	(11)	84	63	1,999	3.4%
Flow Control	835	(1)	92	148	1,074	17.7%
Fire Protection	791	-	41	-	832	0.0%
Safety Products	406	-	22	19	447	4.7%
Electrical & Metal	443	-	11	33	487	7.4%
Corporate & Other	27	-	3	1	31	3.7%
Total	**4,365**	**(12)**	**253**	**264**	**4,870**	**6.0%**

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2006 Operating Income Before Special Items

	ADT Worldwide	Flow Control	Fire Protection Services	Safety Products	Electrical & Metal Products	Corporate and Other	Operating Income
Operating Income	$907	$356	$237	$196	$319	($645)	**$1,370**
Separation costs			(1)			50	**49**
Losses on divestitures	2						**2**
Reduction in estimated workers' compensation liabilities						(48)	**(48)**
Voluntary Replacement Program				100			**100**
Former Management Settlement						(72)	**(72)**
Operating Income Before Special Items	$909	$356	$236	$296	$319	($715)	**$1,401**

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2007 Operating Income Before Special Items

	ADT Worldwide	Flow Control	Fire Protection Services	Safety Products	Electrical & Metal Products	Corporate and Other	Operating Income
Operating Income	$842	$457	$246	$274	$159	($3,698)	**($1,720)**
Restructuring charges in cost of sales		6	1				**7**
Class action settlement, net						2,871	**2,871**
Separation costs		1				117	**118**
Losses on divestitures		3	1				**4**
Restructuring and asset impairment charges, net	83	19	32	29	7	40	**210**
Goodwill impairment	46						**46**
Voluntary Replacement Program				10			**10**
Operating Income Before Special Items	$971	$486	$280	$313	$166	($670)	**$1,546**

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Q1 07 Operating Income Before Special Items

	ADT Worldwide	Flow Control	Fire Protection Services	Safety Products	Electrical & Metal Products	Corporate and Other	Operating Income
Operating Income	$201	$108	$59	$71	$41	($224)	**$256**
Separation costs						25	**25**
Restructuring and asset impairment charges, net	31	5		7		13	**56**
Operating Income Before Special Items	$232	$113	$59	$78	$41	($186)	**$337**

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Q1 08 Operating Income Before Special Items

	ADT Worldwide	Flow Control	Fire Protection Services	Safety Products	Electrical & Metal Products	Corporate and Other	Operating Income
Operating Income	$249	$171	$72	$86	$41	($120)	**$499**
Restructuring charges in cost of sales		1			2		**3**
Separation costs						10	**10**
Restructuring and asset impairment charges, net	7	1		1	2		**11**
Operating Income Before Special Items	$256	$173	$72	$87	$45	($110)	**$523**

EBITDA Reconciliation

$M	2007 Revenue	2007 Op Inc*	2007 D&A	2007 EBITDA	2007 EBITDA Margin
ADT Worldwide	$7,648	$971	$925	$1,896	24.8%
Fire Protection	$3,377	$280	$30	$310	9.2%
Flow Control	$3,766	$486	$62	$548	14.6%
Safety Products	$1,719	$313	$94	$407	23.7%
Elect. & Metal	$1,974	$166	$27	$193	9.8%
Other	$120	$24	$1	$25	20.8%
Corporate	-	($694)	$11	($683)	NM
Total	**$18,604**	**$1,546**	**$1,150**	**$2,696**	**14.5%**

* Operating Income is before special items which is a Non-GAAP measure.

2006 - 2007 Free Cash Flow

	Year Ended	
	Sep 28, 2007	Sep 29, 2006
Reconciliation to "Free Cash Flow":		
Net cash provided by operating activities	$ 1,836	$ 1,993
Decrease in sale of accounts receivable	7	8
Capital expenditures, net	(646)	(519)
Acquisition of customer accounts (ADT dealer program)	(409)	(373)
Purchase accounting and holdback liabilities	(10)	(7)
Voluntary pension contributions	23	-
Free Cash Flow	$ 801	$ 1,102
Cash separation costs	$ 93	$ -
Cash restructuring costs	70	-
IRS advance funding	295	-
Former Exec Restitution	(136)	-
SEC Settlement	-	50
One time items	$ 322	$ 50

NOTE: Includes NDC.

Return on Invested Capital (Including Goodwill)

$M	2007 Op Inc* After Tax	2007 Avg Invested Capital	2007 ROIC
ADT Worldwide	$699	$8,704	8%
Fire Protection	$202	$1,978	10%
Flow Control	$349	$3,087	11%
Safety Products	$225	$3,086	7%
Elec. & Metal	$119	$1,829	7%
Other	$17	$69	25%
Corporate	-	($2,406)	NM
Total	**$1,103**	**$16,345**	**7%**

* Operating Income is before special items which is a Non-GAAP measure. For a reconciliation, please see preceding tables.

Return on Invested Capital (Excluding Goodwill)

$M	2007 Op Inc* After Tax	2007 Avg Invested Capital	2007 ROIC
ADT Worldwide	$699	$4,061	17%
Fire Protection	$202	$245	82%
Flow Control	$349	$1,239	28%
Safety Products	$225	$913	25%
Elec. & Metal	$119	$759	16%
Other	$17	$17	102%
Corporate	-	($2,406)	NM
Total	**$1,103**	**$5,013**	**22%**

* Operating Income is before special items which is a Non-GAAP measure. For a reconciliation, please see preceding tables.

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Non-GAAP Measures

“Organic revenue growth”, “free cash flow”, ”operating income before special items”, “operating margin before special items” , “earnings per share (EPS) from continuing operations before special items”, “adjusted earnings before interest, taxes, depreciation and amortization” (Adjusted EBITDA), and “return on invested capital” (ROIC) are non-GAAP measures and should not be considered replacements for GAAP results.

Organic revenue growth is a useful measure used by the company to measure the underlying results and trends in the business. The difference between reported net revenue growth (the most comparable GAAP measure) and organic revenue growth (the non-GAAP measure) consists of the impact from foreign currency, acquisitions and divestitures, and other changes that do not reflect the underlying results and trends (for example, revenue reclassifications and changes to the fiscal year). Organic revenue growth is a useful measure of the company’s performance because it excludes items that: i) are not completely under management’s control, such as the impact of foreign currency exchange; or ii) do not reflect the underlying growth of the company, such as acquisition and divestiture activity. It may be used as a component of the company’s compensation programs. The limitation of this measure is that it excludes items that have an impact on the company’s revenue. This limitation is best addressed by using organic revenue growth in combination with the GAAP numbers. See the accompanying tables to this press release for the reconciliation presenting the components of organic revenue growth.

FCF is a useful measure of the company’s cash which is free from any significant existing obligation. The difference between cash flows from operating activities (the most comparable GAAP measure) and FCF (the non-GAAP measure) consists mainly of significant cash outflows that the company believes are useful to identify. FCF permits management and investors to gain insight into the number that management employs to measure cash that is free from any significant existing obligation. It may also be a significant component in the company’s incentive compensation plans. The difference reflects the impact from:

- the sale of accounts receivable programs,
- net capital expenditures,
- acquisition of customer accounts (ADT dealer program),
- cash paid for purchase accounting and holdback liabilities, and
- voluntary pension contributions.

The impact from the sale of accounts receivable programs and voluntary pension contributions is added or subtracted from the GAAP measure because this activity is driven by economic financing decisions rather than operating activity. Capital expenditures and the ADT dealer program are subtracted because they represent long-term commitments. Cash paid for purchase accounting and holdback liabilities is subtracted from Cash Flow from Operating Activities because these cash outflows are not available for general corporate uses.

The limitation associated with using FCF is that it subtracts cash items that are ultimately within management’s and the Board of Directors’ discretion to direct and that therefore may imply that there is less or more cash that is available for the company's programs than the most comparable GAAP measure. This limitation is best addressed by using FCF in combination with the GAAP cash flow numbers.

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Non-GAAP Measures

FCF as presented herein may not be comparable to similarly titled measures reported by other companies. The measure should be used in conjunction with other GAAP financial measures. Investors are urged to read the company's financial statements as filed with the Securities and Exchange Commission, as well as the accompanying tables to this press release that show all the elements of the GAAP measures of Cash Flows from Operating Activities, Cash Flows from Investing Activities, Cash Flows from Financing Activities and a reconciliation of the company's total cash and cash equivalents for the period. See the accompanying tables to this press release for a cash flow statement presented in accordance with GAAP and a reconciliation presenting the components of FCF.

The company has presented operating income and margin before special items and EPS from continuing operations before special items. Special Items include charges and gains related to divestitures, acquisitions, restructurings (including transaction costs related to the separations of Tyco Electronics and Covidien into separate public companies), and other income or charges that may mask the underlying operating results and/or business trends of the company or business segment, as applicable. The company utilizes EPS and operating income and margin before special items to assess overall operating performance, segment level core operating performance and to provide insight to management in evaluating overall and segment operating plan execution and underlying market conditions.

There may also be significant components in the company's incentive compensation plans. Operating income, operating margin, and EPS before special items are useful measures for investors because they permit more meaningful comparisons of the company's underlying operating results and business trends between periods. The difference between operating income and margin before special items versus operating income and operating margin (the most comparable GAAP measures) consists of the impact of charges and gains related to divestitures, acquisitions, restructurings (including transaction costs related to the separations of Tyco Electronics and Covidien into separate public companies), and other income or charges that may mask the underlying operating results and/or business trends. The limitation of these measures is that they exclude the impact (which may be material) of items that increase or decrease the company's reported EPS and operating income and margin. This limitation is best addressed by using operating income and margin before special items in combination with the most comparable GAAP measures in order to better understand the amounts, character and impact of any increase or decrease on reported results.

Adjusted Earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA) is a non-GAAP financial measure which represents earnings, excluding certain items such as depreciation and amortization, interest and financing expenses net of any interest income and income taxes and special items excluded from operating income. The difference between reported net income (the most comparable GAAP measure) and Adjusted EBITDA the non-GAAP measure) consists of the impact of depreciation and amortization, interest and financing expenses net of any interest income and income taxes. Management considers Adjusted EBITDA as an important measure of our operations and financial performance as Adjusted EBITDA is reflective of our operating effectiveness and financial performance. Use of Adjusted EBITDA, in conjunction with our GAAP results, provides transparency to investors and enhances period-to-period comparability of our operations and financial performance. The limitation of this measure is that it excludes items that have an impact on the GAAP earnings and net income results. This limitation is best addressed by using Adjusted EBITDA in combination with net income.

Non-GAAP Measures

Return on invested capital (ROIC) is a non-GAAP measure that management believes provides useful supplemental information for management and the investor. ROIC is a tool by which we track how much value we are creating for our shareholders. ROIC is a useful measure of the company's performance because it quantifies the effectiveness of management's capital investment activities. Management calculates annual ROIC, both with and without the impact of goodwill, as a percentage, by dividing after-tax operating income by the amount of capital invested across the business segment. We believe that ROIC provides our management with a means to analyze and improve their business, measuring segment profitability in relation to net asset investments. The limitation associated with using ROIC is that is it is dependent on items that are ultimately within management's and the Board of Directors' discretion and therefore may imply that there is better or worse investment return over a given time period. In addition, ROIC may not be calculated the same way by every company. We compensate for this limitation by monitoring and providing to the reader a full GAAP income statement and balance sheet.