



Second Quarter Review

24 / April / 2015

tyco

// Forward-Looking Statements / Safe Harbor

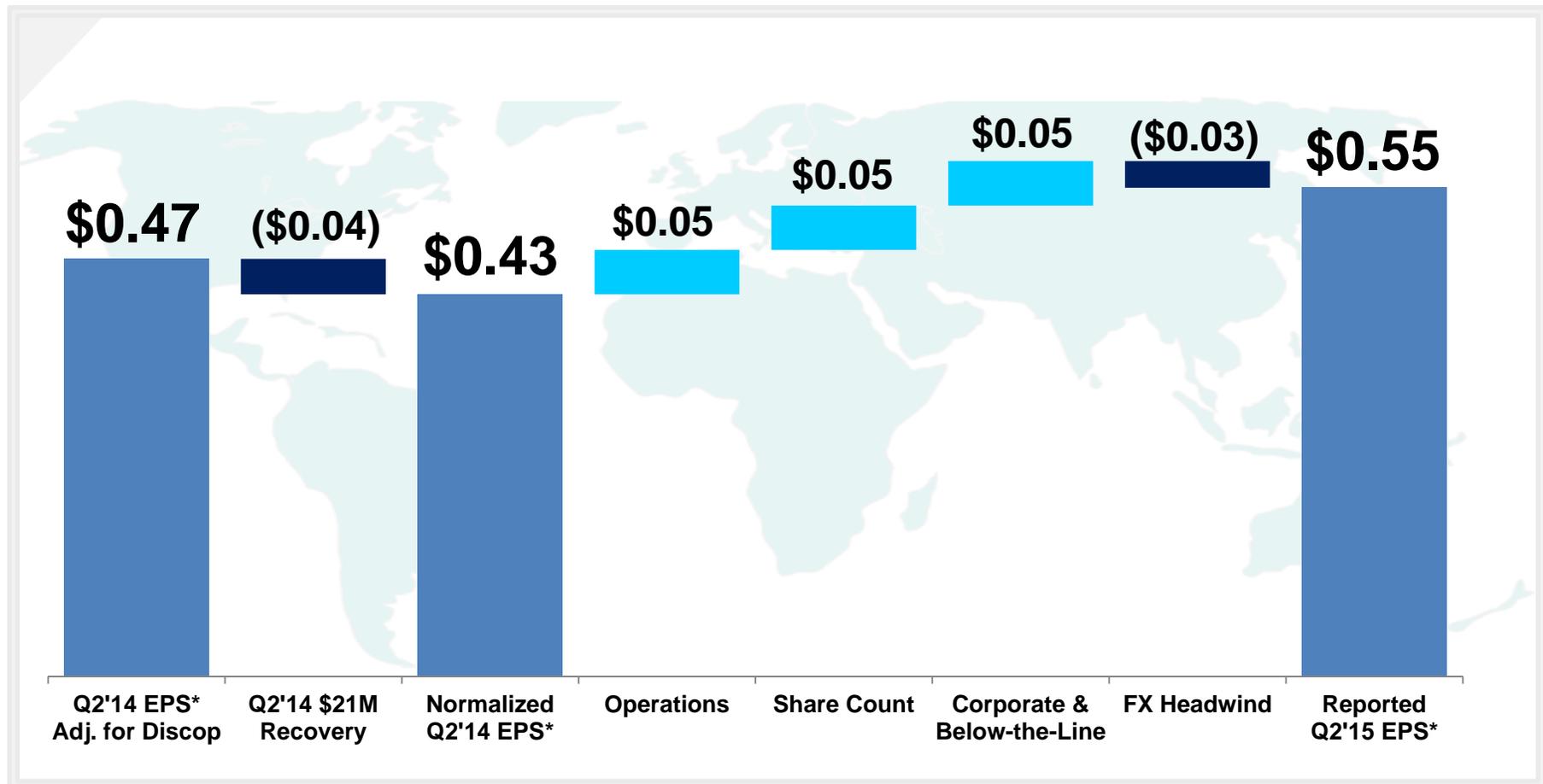
This presentation contains a number of forward-looking statements. In many cases forward-looking statements are identified by words, and variations of words, such as "anticipate", "estimate", "believe", "commit", "continue", "could", "intend", "may", "plan", "potential", "predict", "positioned", "should", "will", "expect", "objective", "projection", "forecast", "goal", "guidance", "outlook", "effort", "target", and other similar words. However, the absence of these words does not mean the statements are not forward-looking. Examples of forward-looking statements include, but are not limited to, revenue, operating income and other financial projections, statements regarding the health and growth prospects of the industries and end markets in which Tyco operates, the leadership, resources, potential, priorities, and opportunities for Tyco in the future, statements regarding other projections, earnings and Tyco's credit profile, capital allocation priorities and other capital market related activities, and statements regarding Tyco's acquisition, divestiture, restructuring and other productivity initiatives. The forward-looking statements in this presentation are based on current expectations and assumptions that are subject to risks and uncertainties, many of which are outside of our control, and could cause results to materially differ from expectations. Such risks and uncertainties include, but are not limited to:

- Economic, business competitive, technological or regulatory factors that adversely impact Tyco or the markets and industries in which it competes;
- Changes in tax requirements (including tax rate changes, new tax laws or treaties and revised tax law interpretations);
- The ability of the Company, its employees and its agents to comply with complex and continually changing laws and regulations that govern our international operations, including the U.S. Foreign Corrupt Practices Act, similar anti-bribery laws in other jurisdictions, a variety of export control, customs, currency exchange control and transfer pricing regulations, and our corporate policies governing these matters;
- The outcome of litigation, arbitrations and governmental proceedings, including the effect of income tax audits, appeals and litigation;
- Economic, legal and political conditions in international markets, including governmental changes and restrictions on the ability to transfer capital across borders;
- Changes in capital market conditions, including availability of funding sources, currency exchange rate fluctuations, and interest rate fluctuations and other changes in borrowing cost;
- The possible effects on us of pending and future legislation in the United States that may limit or eliminate potential U.S. tax benefits resulting from Tyco's jurisdiction of incorporation or deny U.S. government contracts to us based upon Tyco's jurisdiction of incorporation;
- The ability of the Company to achieve anticipated cost savings and to execute on its portfolio refinement and acquisition strategies, including successfully integrating acquired operations;
- The ability of the Company to realize the expected benefits of the 2012 separation transactions, including the integration of its commercial security and fire protection businesses;
- Availability and fluctuations in the prices of key raw materials, and events that could impact the ability of our suppliers to perform ;
- Natural events such as severe weather, fires, floods and earthquakes.

More information on potential factors that could affect the Company's financial results is included from time to time in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's public reports filed with the SEC, including the Company's Form 10-K for the fiscal year ended September 26, 2014 and in subsequent filings.

Tyco is under no obligation (and expressly disclaims any obligation) to update its forward-looking statements.

// Another Strong Quarter Of Operational Performance



Earnings Per Share Increased 17% Over Prior Period



* EPS from continuing operations before special items is a non-GAAP measure. For a reconciliation to the most comparable GAAP measures, please see Appendix.

Continued EPS Headwinds From Strong US Dollar

	Original FX Guidance Q4'14 Earnings Call	Prior FX Guidance Q1'15 Earnings Call	Current FX Guidance Q2'15 Earnings Call				
2015 Revenue Headwind	(\$255M) (~4%)	(\$585M) (~6%)	(\$645M) (~6%)	Top Foreign Currency Exposures			
2015 EPS Headwind	(\$0.07)	(\$0.16)	(\$0.18)				
				Prior FX Rates*	Current FX Rates*	Variance	
				EUR/USD	1.12	1.06	(5%)
				GBP/USD	1.50	1.48	(1%)
				USD/CAD	1.26	1.25	1%
				AUD/USD	0.80	0.76	(5%)

**Incremental \$0.02 FX Headwind To 2015 EPS Guidance
All Translational Exposure**



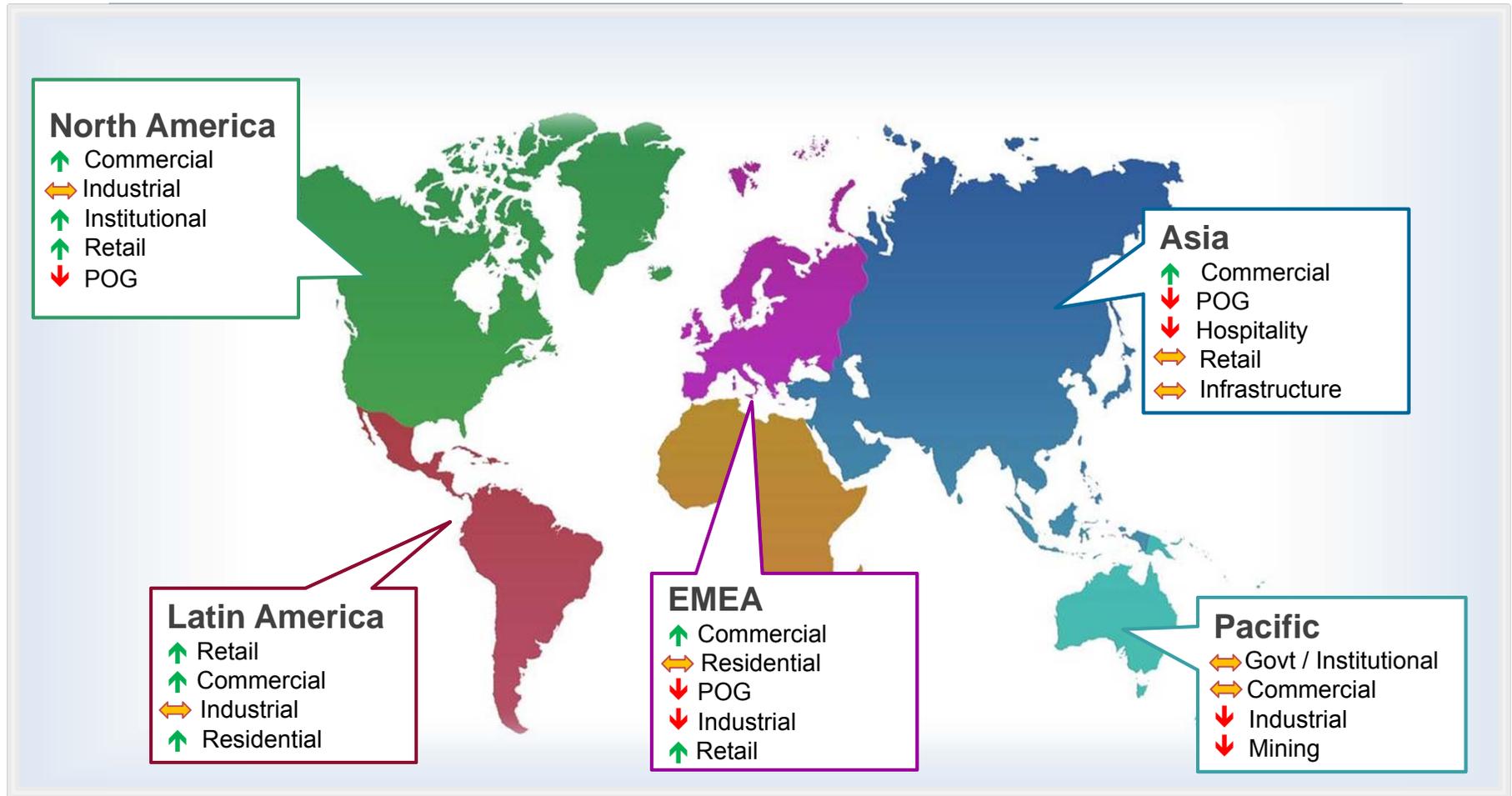
* Prior foreign exchange rates quoted from January 23, 2015. Current foreign exchange rates quoted as of April 16, 2015.

// Oil & Gas Market Exposure

	Region	Exposure (\$ of Annual Sales)	Commentary
North America I&S	Canada	~\$55M	<ul style="list-style-type: none"> ▪ Cancellation/delays to installation projects in Alberta ▪ High margin service work down ▪ Western Canada economy severely impacted
Rest of World I&S	UK Asia	~\$285M	<ul style="list-style-type: none"> ▪ Discretionary service maintenance delays in North Sea ▪ Decline of new install oil & gas projects in Asia
Global Products	Europe Middle East Canada	~\$175M	<ul style="list-style-type: none"> ▪ Fire Products special hazards vertical ▪ Life Safety gas detection with POG
Total Tyco Exposure		~\$515M or ~5% of Total Revenue	

Expect ~15% Decline From Oil & Gas Vertical For 2015

Geographic & End Market Overview



Weaker Macro Environment

// Q2 2015 Results – Financial Overview

(EPS amounts are fully diluted and attributable to Tyco ordinary shareholders)
(\$ in millions, except per-share amounts)

	Q2FY15	Q2FY14	Change
Revenue	\$2,430	\$2,480	(2%)
Segment Operating Income before special items*	\$331	\$346**	(4%)**
Segment Operating Margin before special items*	13.6%	14.0%**	(40bps)**
Corporate Expense before special items*	\$51	\$54	6%
Tax Rate before special items*	11.5%	16.9%	
EPS from Cont. Ops. before special items*	\$0.55	\$0.47	17%

Another Quarter Of Strong Earnings Growth



* Segment operating income, segment operating margin, corporate expense, tax rate and EPS from continuing operations before special items are non-GAAP measures. For a reconciliation to the most comparable GAAP measures, please see Appendix.

** Includes \$21 million insurance recovery; year-on-year change +2%; year-on-year margin improvement +50bps. See Appendix for reconciliation.

// Second Quarter Highlights

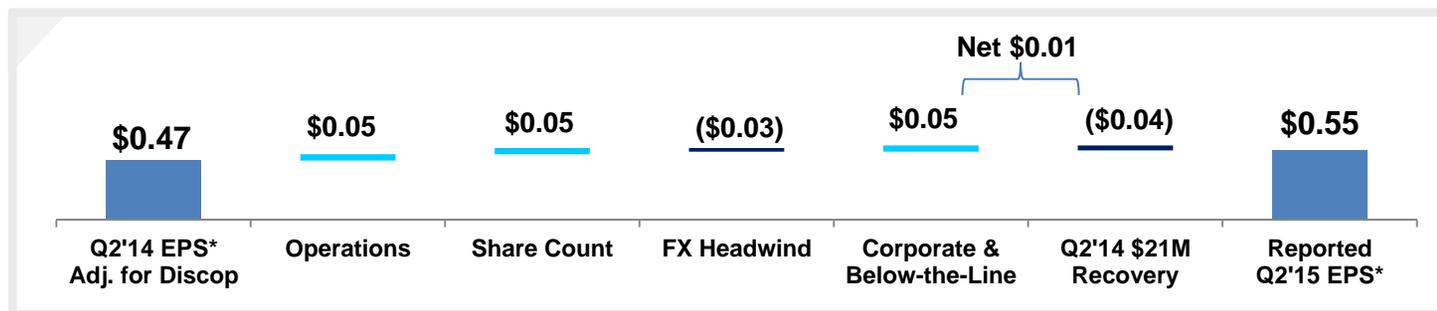
// Revenue of \$2.43 billion declined 2% year over year on a reported basis, including 6% headwind from foreign currency exchange rates

- Revenue ex. FX grew +4% with organic growth +2% and acquisitions contributing 2%
- Excluding FX service +2%, installation +5%, products +11%

// Before special items, segment operating income* was \$331 million and the operating margin* decreased 40 basis points to 13.6%

- Normalizing for prior year \$21 million insurance recovery, segment operating margin expanded +50bps

// Earnings per share before special items* increases \$0.08 or 17% year over year



* Organic revenue, segment operating income, segment operating margin and earnings per share before special items are non-GAAP measures. For a reconciliation to the most comparable GAAP measures, please see Appendix.

// Second Quarter Highlights Continued

//Orders growth of 1%, excluding impact of foreign currency

- Products +9%, Service +2% and Installation (6%)

//Backlog of \$4.7 billion was relatively flat on both a year over year and quarter sequential basis, excluding impact of foreign currency

// Second Quarter – NA Installation & Services

(\$ in millions)

	Q2FY15	Q2FY14	Change
Revenue	\$944	\$939	1%
Operating Income*	\$125	\$117	7%
Operating Margin*	13.2%	12.5%	+70bps

// Organic revenue* increased 2%

- Installation increased 3%
- Service relatively flat

// Foreign currency rates negatively impacted revenues by one percentage point

// Orders decreased 2% year over year, excluding currency

- Service orders were flat
- Install orders decreased 5%; underlying mid-single digit install order growth was more than offset by a \$30 million fire order in the prior year as well as a decline in the oil & gas vertical

// Operating margin* increased 70 bps year over year

- Driven by improved execution and the benefit of restructuring and productivity initiatives

// Backlog of \$2.5 billion was relatively flat on a quarter sequential basis, excluding the impact of foreign currency

- Up 3% year over year



* Organic revenue, operating income and operating margin before special items are non-GAAP measures. For a reconciliation to the most comparable GAAP measures, please see Appendix.

// Second Quarter – ROW Installation & Services

(\$ in millions)	Q2FY15	Q2FY14	Change
Revenue	\$847	\$936	(10%)
Operating Income*	\$90	\$120	(25%)
Operating Margin*	10.6%	12.8%	(220bps)

// Orders decreased 2% year over year, excluding currency

- Service orders were up 3%
- Installation orders decreased 7%, driven by the timing of large orders in the prior year as well as weakness in the oil & gas vertical

// Backlog of \$2.0 billion decreased 1% on a quarter sequential basis, excluding impact of foreign currency

- Decreased 2% year over year

// Organic revenue* relatively flat

- Service increased 1%
- Installation decreased 1%

// A 1% benefit from acquisitions was offset by an 11% negative impact from foreign currency exchange rates

- Foreign currency rates negatively impacted operating income* by \$10 million

// Normalized operating margin* was flat year over year

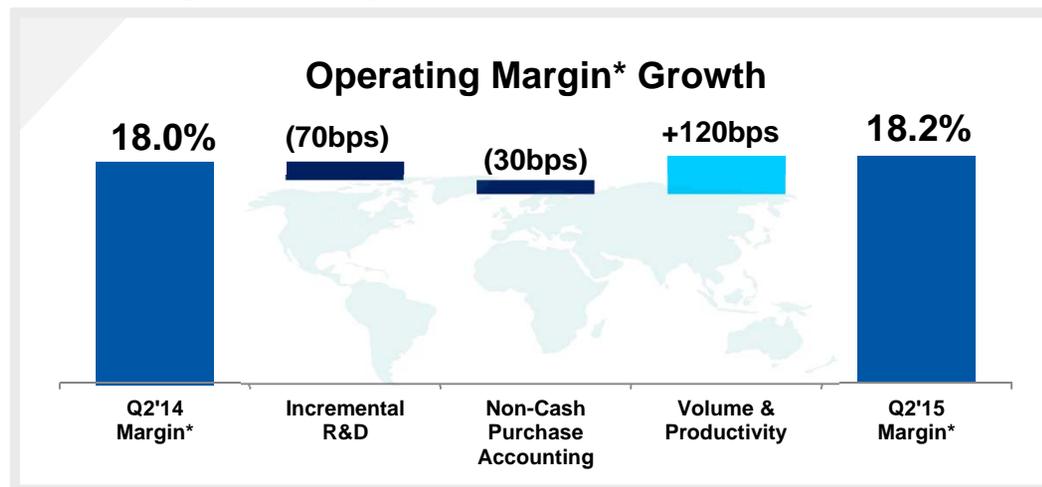
- Benefits of ongoing productivity and restructuring were offset by the mix of geographies contributing to growth

// Second Quarter – Global Products

(\$ in millions)

	Q2FY15	Q2FY14	Change
Revenue	\$639	\$605	6%
Operating Income*	\$116	\$109	6%
Operating Margin*	18.2%	18.0%	+20bps

// Orders increased 9% year over year, excluding impact of foreign currency



// Organic revenue* increased 7%

- Included a 3% benefit from increased shipments of Scott Safety Air-Pak X3

// Acquisition growth of 4% was more than offset by a 6% negative impact from foreign currency exchange rates

- Foreign currency rates negatively impacted operating income by \$6 million

// Operating margin* increased 20 bps year over year

- Operating leverage from increased revenues and productivity benefits was partially offset by 100bps related to incremental R&D investments and non-cash purchase accounting

// Other Items

// Corporate expense before special items* was \$51 million in the quarter

- **Outlook:** Expect Q3 fiscal 2015 corporate expense before special items to be ~\$55 million; expect full year corporate expense to be ~\$220 million

// Incremental net interest expense expected to be approximately \$4 million for the remainder of the year

- Driven by addition of €500 million debt with 1.375% coupon

// Tax rate excluding special items was 11.5% for the quarter

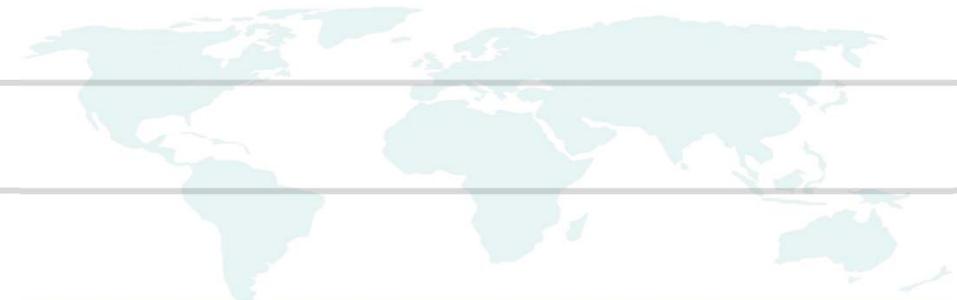
- **Outlook:** Expect Q3 & Q4 tax rate before special items to be ~18%; expect full year 2015 tax rate before special items to be ~16.5%

// Weighted average diluted share count of 427 million shares for the quarter

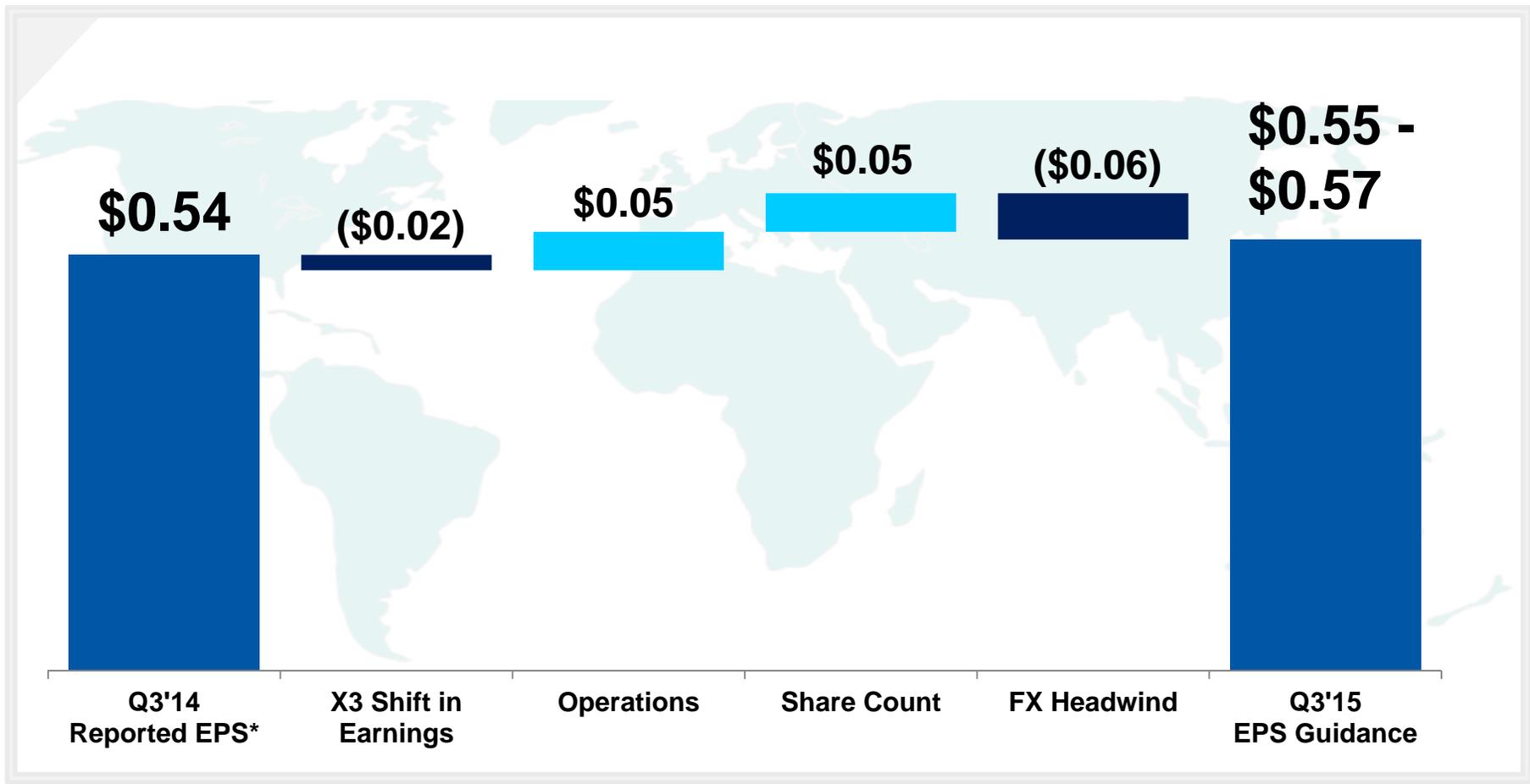
- **Outlook:** Expected weighted average diluted share count of ~428 million shares for Q3 and the full year

// Q3'15 Outlook

(EPS amounts are fully diluted and attributable to Tyco ordinary shareholders)
(\$ in millions, except per-share amounts)

	Q3FY15 Guidance	Commentary
Revenue	~(5%) on a reported basis vs. prior year	<ul style="list-style-type: none"> Organic growth +1-2%: NA I&S: +2-3%; ROW I&S: flat to +1%; Global Products: flat Prior year Life Safety benefit results in negative compare of 1% Net M&A contribute ~1.5%; FX headwind of 8%; (~\$205M)
Segment Operating Margin before special items	~14.5% "relatively flat"	<ul style="list-style-type: none"> Prior year Life Safety benefit results in headwind of 30bps Non-cash purchase accounting headwind of 30bps Underlying operations +60bps yoy
Corporate Expense before special items	~\$55M	
Tax Rate before special items	~18%	
Weighted Average Diluted Share Count	~428M	
EPS from Cont. Ops. before special items	\$0.55- \$0.57	

// Q3'15 EPS Bridge

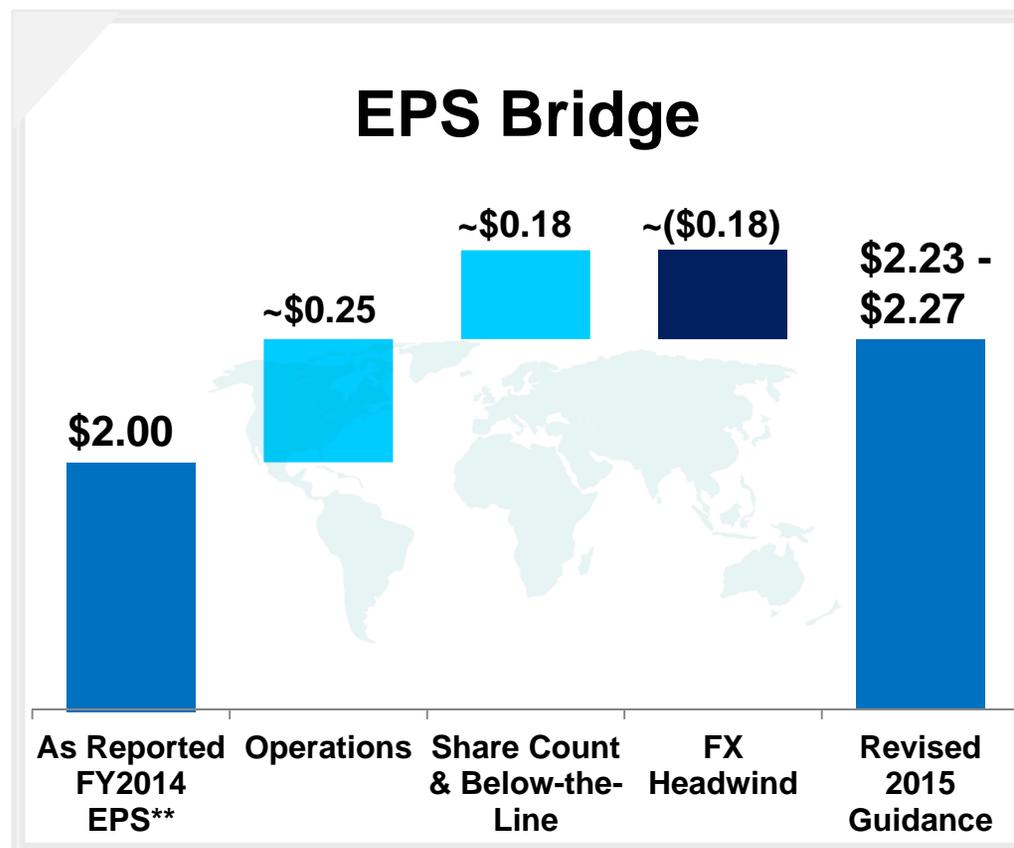


* Earnings per share before special items is a non-GAAP measures. For a reconciliation to the most comparable GAAP measures, please see Appendix.

Revised 2015 Full Year Outlook

(EPS amounts are fully diluted and attributable to Tyco ordinary shareholders)
(\$ in millions, except per-share amounts)

	Prior* Guidance	Revised Guidance
2015 Revenue	~\$10.3B	~\$10.0B (3%) on a reported basis vs. prior year
Organic Growth	~4%	~2-3%
Net M&A Activity Incl. Divestiture	~\$200M	~\$145M
FX Headwind	(~\$585M)	(~\$645M)
Seg. Operating Margin Before Special Items	+80 to 110bps Excl. acquisitions	~+50 bps Incl. 20bps purchase accounting



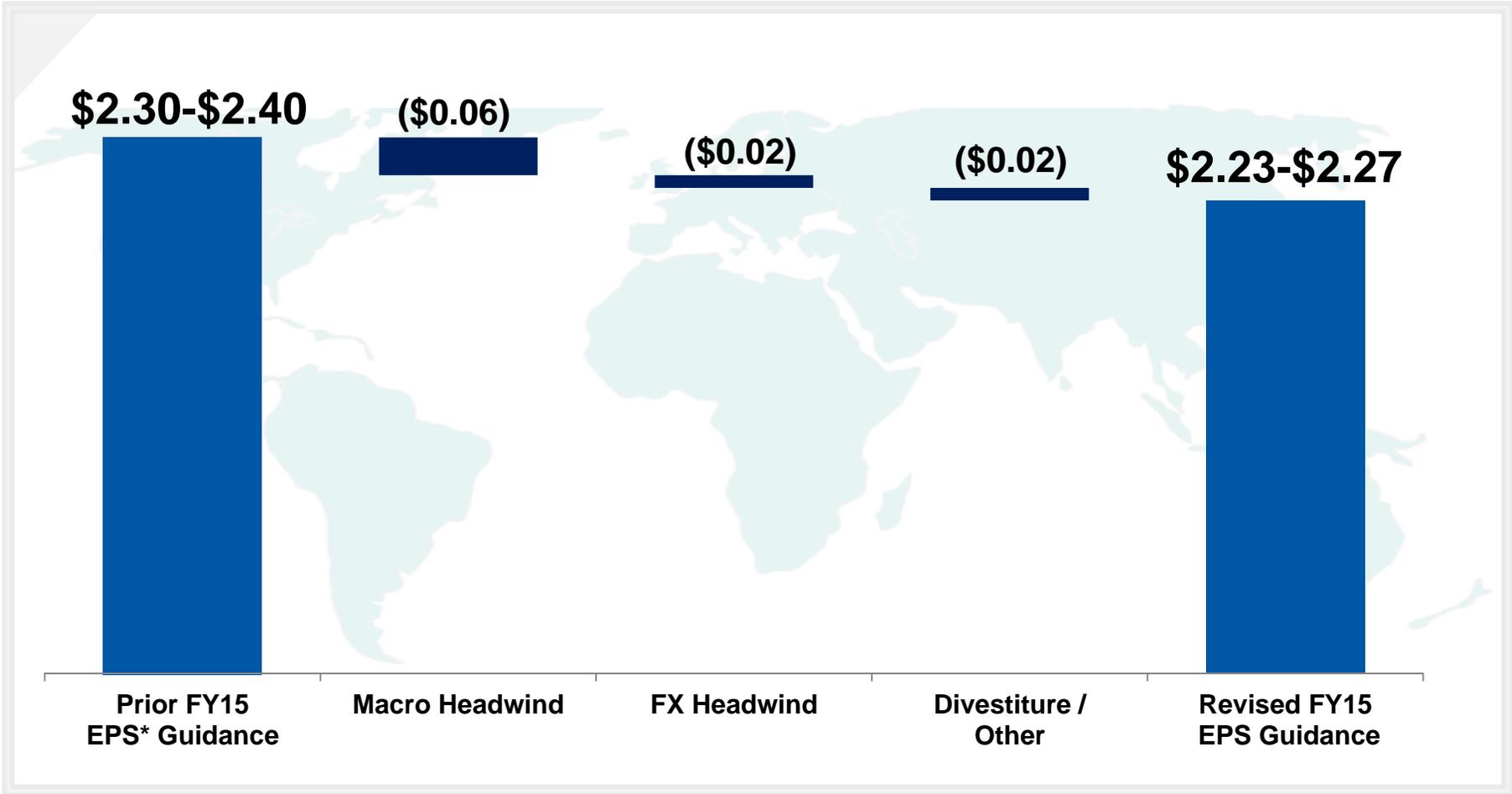
Revised Full Year 2015 Guidance Of \$2.23 - \$2.27



* Prior 2015 guidance as stated in the company's Q1 2015 earnings call on January 31, 2015.

** Earnings per share before special items is a non-GAAP measures. For a reconciliation to the most comparable GAAP measures, please see Appendix.

// Full Year Guidance Revision - Bridge



Represents 12% - 14% Increase In EPS Year Over Year



* Prior 2015 guidance as stated in the company's Q1 2015 earnings call on January 31, 2015.

// Updated 2015 Guidance

	Prior* Guidance		Current Guidance	
	Revenue	Operating Margin	Revenue	Operating Margin
North America I&S	Organic: ~3% Net M&A: ~\$10M FX: (\$50M)	+110 – 150bps	Organic: ~2% Net M&A: ~\$10M FX: (\$50M)	+110 – 150bps
Rest of World I&S	Organic: 3-4% Net M&A: ~\$40M FX: (\$395M)	~11.5%	Organic: ~2% Net M&A: ~(\$15M) FX: (\$445M)	~11%
Global Products	Organic: MSD Net M&A: ~\$150M FX: (\$140M)	+70 – 110bps	Organic: MSD Net M&A: ~\$150M FX: (\$150M)	~18.0% <i>Includes 60bps of non-cash purchase accounting</i>
Total Tyco	~\$10.3B Organic: ~4% Net M&A: \$200M FX: (\$585M)	+80 – 110bps	~\$10.0B (3%) on reported basis Organic: 2-3% Net M&A: ~\$145M FX: (\$645M)	~+50bps <i>Includes 20bps of non-cash purchase accounting</i>

Appendix

// Normalizing Q2 FY2014 For \$21M Insurance Recovery

(EPS amounts are fully diluted and attributable to Tyco ordinary shareholders)
(\$ in millions, except per-share amounts)

	As Reported Q2'14		Insurance Recovery		Normalized Q2'14		As Reported Q2'15	
Total Revenue	\$2,480 \$2,480						\$2,430	
North America I&S	\$939				\$939		\$944	
ROW I&S	\$936				\$936		\$847	
Global Products	\$605				\$605		\$639	
Segment Operating Income before special items*	\$346				\$325		\$331	
North America I&S	\$117	12.5%	-		\$117	12.5%	\$125	13.2%
ROW I&S	\$120	12.8%	(\$21)	(220bps)	\$99	10.6%	\$90	10.6%
Global Products	\$109	18.0%	-		\$109	18.0%	\$116	18.2%
Segment Operating Margin before special items*	14.0%		(90bps)		13.1%		13.6%	
EPS from Cont. Ops. before special items*	\$0.47		(\$0.04)		\$0.43		\$0.55	



* Segment operating income, segment operating margin and earnings per share before special items are non-GAAP measures. For a reconciliation to the most comparable GAAP measures, please see Appendix.

TYCO INTERNATIONAL PLC
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)
(Unaudited)

	Quarters Ended		Six Months Ended	
	March 27, 2015	March 28, 2014	March 27, 2015	March 28, 2014
Revenue from product sales	\$ 1,458	\$ 1,464	\$ 2,946	\$ 2,930
Service revenue	972	1,016	1,962	2,039
Net revenue	2,430	2,480	4,908	4,969
Cost of product sales	999	1,003	2,021	2,001
Cost of services	550	575	1,097	1,150
Selling, general and administrative expenses	648	635	1,300	1,205
Separation costs	—	1	—	1
Restructuring and asset impairment charges, net	12	7	70	10
Operating income	221	259	420	602
Interest income	4	3	7	6
Interest expense	(25)	(25)	(49)	(49)
Other (expense) income, net	(1)	(1)	3	(2)
Income from continuing operations before income taxes	199	236	381	557
Income tax expense	(18)	(39)	(37)	(109)
Equity loss in earnings of unconsolidated subsidiaries	—	(5)	—	(9)
Income from continuing operations	181	192	344	439
(Loss) income from discontinued operations, net of income taxes	(16)	15	(18)	40
Net income	165	207	326	479
Less: noncontrolling interest in subsidiaries net (loss) income	(2)	—	(3)	2
Net income attributable to Tyco ordinary shareholders	\$ 167	\$ 207	\$ 329	\$ 477
Amounts attributable to Tyco ordinary shareholders:				
Income from continuing operations	\$ 183	\$ 192	\$ 347	\$ 437
(Loss) income from discontinued operations	(16)	15	(18)	40
Net income attributable to Tyco ordinary shareholders	\$ 167	\$ 207	\$ 329	\$ 477
Basic earnings per share attributable to Tyco ordinary shareholders:				
Income from continuing operations	\$ 0.44	\$ 0.41	\$ 0.83	\$ 0.94
(Loss) income from discontinued operations	(0.04)	0.04	(0.05)	0.09
Net income attributable to Tyco ordinary shareholders	\$ 0.40	\$ 0.45	\$ 0.78	\$ 1.03
Diluted earnings per share attributable to Tyco ordinary shareholders:				
Income from continuing operations	\$ 0.43	\$ 0.41	\$ 0.81	\$ 0.93
(Loss) income from discontinued operations	(0.04)	0.03	(0.04)	0.08
Net income attributable to Tyco ordinary shareholders	\$ 0.39	\$ 0.44	\$ 0.77	\$ 1.01
Weighted average number of shares outstanding:				
Basic	420	461	420	462
Diluted	427	469	427	470

Note: These financial statements should be read in conjunction with the Consolidated Financial Statements and accompanying notes contained in the Company's Annual Report on Form 10-K filed on November 14, 2014 for the fiscal year ended September 26, 2014 and Quarterly Report on Form 10-Q filed on January 30, 2015 for the quarter ended December 26, 2014.

TYCO INTERNATIONAL PLC
RESULTS OF SEGMENTS
(in millions)
(Unaudited)

	Quarters Ended				Six Months Ended							
	March 27, 2015		March 28, 2014		March 27, 2015		March 28, 2014					
Net Revenue												
NA Installation & Services	\$	944	\$	939	\$	1,895	\$	1,896				
ROW Installation & Services		847		936		1,763		1,903				
Global Products		639		605		1,250		1,170				
Total Net Revenue	\$	2,430	\$	2,480	\$	4,908	\$	4,969				
Operating Income and Margin												
NA Installation & Services	\$	119	12.6%	\$	99	10.5%	\$	224	11.8%	\$	216	11.4%
ROW Installation & Services		60	7.1%		114	12.2%		130	7.4%		208	10.9%
Global Products		110	17.2%		107	17.7%		208	16.6%		193	16.5%
Corporate and Other		(68)	N/M		(61)	N/M		(142)	N/M		(15)	N/M
Operating Income and Margin	\$	221	9.1%	\$	259	10.4%	\$	420	8.6%	\$	602	12.1%

TYCO INTERNATIONAL PLC
CONSOLIDATED BALANCE SHEETS
(in millions)
(Unaudited)

	<u>March 27, 2015</u>	<u>September 26, 2014</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 432	\$ 892
Accounts receivable, net	1,643	1,734
Inventories	677	625
Prepaid expenses and other current assets	867	1,051
Deferred income taxes	304	304
Assets held for sale	155	180
Total Current Assets	<u>4,078</u>	<u>4,786</u>
Property, plant and equipment, net	1,216	1,262
Goodwill	4,265	4,122
Intangible assets, net	908	712
Other assets	1,228	927
Total Assets	<u>\$ 11,695</u>	<u>\$ 11,809</u>
Liabilities and Equity		
Current Liabilities:		
Loans payable and current maturities of long-term debt	\$ 278	\$ 20
Accounts payable	735	825
Accrued and other current liabilities	1,959	2,114
Deferred revenue	405	400
Liabilities held for sale	102	118
Total Current Liabilities	<u>3,479</u>	<u>3,477</u>
Long-term debt	1,732	1,443
Deferred revenue	315	335
Other liabilities	1,927	1,871
Total Liabilities	<u>7,453</u>	<u>7,126</u>
Redeemable noncontrolling interest in businesses held for sale	<u>12</u>	<u>13</u>
Total Tyco shareholders' equity	4,181	4,647
Nonredeemable noncontrolling interest	49	23
Total Equity	<u>4,230</u>	<u>4,670</u>
Total Liabilities, Redeemable Noncontrolling Interest and Equity	<u>\$ 11,695</u>	<u>\$ 11,809</u>

Note: These financial statements should be read in conjunction with the Consolidated Financial Statements and accompanying notes contained in the Company's Annual Report on Form 10-K filed on November 14, 2014 for the fiscal year ended September 26, 2014 and Quarterly Report on Form 10-Q filed on January 30, 2015 for the quarter ended December 26, 2014.

TYCO INTERNATIONAL PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(Unaudited)

	For the Quarters Ended		For the Six Months Ended	
	March 27, 2015	March 28, 2014	March 27, 2015	March 28, 2014
Cash Flows From Operating Activities:				
Net income attributable to Tyco ordinary shareholders	\$ 167	\$ 207	\$ 329	\$ 477
Noncontrolling interest in subsidiaries net (loss) income	(2)	—	(3)	2
Income (loss) from discontinued operations, net of income taxes	16	(15)	18	(40)
Income from continuing operations	181	192	344	439
Adjustments to reconcile net cash provided by operating activities:				
Depreciation and amortization	81	87	171	180
Non-cash compensation expense	15	16	30	31
Deferred income taxes	(23)	5	(29)	56
Provision for losses on accounts receivable and inventory	18	13	34	23
Legacy legal matters	—	—	—	(92)
Other non-cash items	25	10	23	17
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:				
Accounts receivable, net	29	13	22	36
Contracts in progress	(38)	(17)	(30)	(5)
Inventories	(21)	6	(64)	(24)
Prepaid expenses and other assets	(41)	12	(44)	(40)
Accounts payable	(46)	(7)	(87)	(48)
Accrued and other liabilities	(31)	(113)	(64)	(220)
Deferred revenue	42	50	4	11
Other	(24)	3	(48)	2
Net cash provided by operating activities	167	270	262	366
Net cash provided by discontinued operating activities	2	51	3	77
Cash Flows From Investing Activities:				
Capital expenditures	(57)	(72)	(123)	(135)
Proceeds from disposal of assets	2	2	3	6
Acquisition of businesses, net of cash acquired	(373)	—	(525)	(54)
Acquisition of dealer generated customer accounts and bulk account purchases	(4)	(5)	(8)	(16)
Divestiture of business, net of cash divested	(1)	—	(1)	—
Sales and maturities of investments	4	29	279	141
Purchases of investments	(287)	(8)	(288)	(40)
(Increase) decrease in restricted cash	6	2	(39)	6
Other	—	(2)	(1)	—
Net cash used in investing activities	(710)	(54)	(703)	(92)
Net cash used in discontinued investing activities	—	(28)	(15)	(57)
Cash Flows From Financing Activities:				
Proceeds from issuance of short-term debt	—	405	—	715
Repayment of short-term debt	(1)	(565)	(1)	(715)
Proceeds from issuance of long-term debt	567	—	567	—
Proceeds from exercise of share options	24	22	57	62
Dividends paid	(76)	(74)	(151)	(148)
Repurchase of ordinary shares	—	—	(417)	(250)
Transfer from (to) discontinued operations	2	23	(12)	20
Payment of contingent consideration	—	—	(23)	—
Other	(8)	(1)	(23)	(10)
Net cash provided by (used in) financing activities	508	(190)	(3)	(326)
Net cash (used in) provided by discontinued financing activities	(2)	(23)	12	(20)
Effect of currency translation on cash	(6)	(9)	(16)	(16)
Net decrease in cash and cash equivalents	(41)	17	(460)	(68)
Cash and cash equivalents at beginning of period	473	478	892	563
Cash and cash equivalents at end of period	\$ 432	\$ 495	\$ 432	\$ 495

Reconciliation to "Free Cash Flow":

Net cash provided by operating activities	\$	167	\$	270	\$	262	\$	366
Capital expenditures, net		(55)		(70)		(120)		(129)
Acquisition of dealer generated customer accounts and bulk account purchases		(4)		(5)		(8)		(16)
Payment of contingent consideration		(1)		—		(24)		—
Free Cash Flow	\$	107	\$	195	\$	110	\$	221

Reconciliation to "Adjusted Free Cash Flow":

CIT settlement	\$	—	\$	43	\$	—	\$	(17)
IRS litigation costs		—		—		—		1
Separation costs		—		22		3		44
Restructuring and repositioning costs		37		27		71		56
Environmental remediation payments		1		23		8		54
Legal settlements		—		—		(12)		—
Net asbestos payments		3		4		8		7
Tax related separation costs and other tax matters		—		3		—		2
Cash payment from ADT Resi / Pentair		1		11		1		11
Acquisition / integration costs		2		—		3		—
Special Items	\$	44	\$	133	\$	82	\$	158
Adjusted Free Cash Flow	\$	151	\$	328	\$	192	\$	379

Note: Free cash flow is a non-GAAP measure. See description of non-GAAP measures contained in this release.

TYCO INTERNATIONAL PLC
ORGANIC GROWTH RECONCILIATION - REVENUE
(in millions)
(Unaudited)

Quarter Ended March 27, 2015

	Net Revenue for the Quarter Ended March 28, 2014	Base Year Adjustments		Adjusted Fiscal 2014 Base Revenue	Foreign Currency		Acquisitions		Organic Revenue ⁽¹⁾		Net Revenue for the Quarter Ended March 27, 2015	
		Divestitures / Other										
NA Installation & Services	\$ 939	\$ —	— %	\$ 939	\$ (12)	(1.3) %	\$ 2	0.2 %	\$ 15	1.6 %	\$ 944	0.5 %
ROW Installation & Services	936	—	— %	936	(100)	(10.7) %	13	1.4 %	(2)	(0.2) %	847	(9.5) %
Global Products	605	—	— %	605	(37)	(6.1) %	26	4.3 %	45	7.4 %	639	5.6 %
Total Net Revenue	\$ 2,480	\$ —	— %	\$ 2,480	\$ (149)	(6.0) %	\$ 41	1.7 %	\$ 58	2.3 %	\$ 2,430	(2.0) %

⁽¹⁾ Organic revenue growth percentage based on adjusted fiscal 2014 base revenue.

Six Months Ended March 27, 2015

	Net Revenue for the Six Months Ended March 28, 2014	Base Year Adjustments		Adjusted Fiscal 2014 Base Revenue	Foreign Currency		Acquisitions		Organic Revenue ⁽¹⁾		Net Revenue for the Six Months Ended March 27, 2015	
		Divestitures / Other										
NA Installation & Services	\$ 1,896	\$ —	— %	\$ 1,896	\$ (21)	(1.1) %	\$ 6	0.3 %	\$ 14	0.7 %	\$ 1,895	(0.1) %
ROW Installation & Services	1,903	(13)	(0.7) %	1,890	(163)	(8.6) %	33	1.7 %	3	0.2 %	1,763	(7.4) %
Global Products	1,170	—	— %	1,170	(54)	(4.6) %	31	2.6 %	103	8.8 %	1,250	6.8 %
Total Net Revenue	\$ 4,969	\$ (13)	(0.3) %	\$ 4,956	\$ (238)	(4.8) %	\$ 70	1.4 %	\$ 120	2.4 %	\$ 4,908	(1.2) %

⁽¹⁾ Organic revenue growth percentage based on adjusted fiscal 2014 base revenue.

**Earnings Per Share Summary
(Unaudited)**

	Quarter Ended March 27, 2015	Quarter Ended March 28, 2014
Diluted EPS from Continuing Operations Attributable to Tyco Shareholders (GAAP)	\$ 0.43	\$ 0.41
<i>expense / (benefit)</i>		
Restructuring and repositioning activities	0.05	0.02
Separation costs included in SG&A	—	0.02
(Gains) / losses on divestitures, net included in SG&A	0.06	—
Tax items	—	0.01
2012 Tax Sharing Agreement	0.01	0.01
Total Before Special Items	\$ 0.55	\$ 0.47

Note: Prior period has been recast to present certain businesses as a discontinued operation.

Tyco International plc
For the Quarter Ended March 27, 2015

(in millions, except per share data)

(Unaudited)

expense / (benefit)

Segments						
	NA Installation & Services	ROW Installation & Services	Global Products	Segment Revenue	Corporate and Other	Total Revenue
Revenue (GAAP)	\$944	\$847	\$639	\$2,430	\$—	\$2,430

Operating Income																			
	NA Installation & Services		ROW Installation & Services		Global Products		Segment Operating Income	Corporate and Other			Total Operating Income	Interest (Expense), net	Other Income, net	Income Tax (Expense)	Equity in earnings of unconsolidated subsidiaries	Noncontrolling Interest	Income from Continuing Operations Attributable to Tyco Shareholders	Diluted EPS from Continuing Operations Attributable to Tyco Shareholders	
	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	
Operating Income (GAAP)	\$119	12.6%	\$60	7.1%	\$110	17.2%	\$289	11.9%	(\$68)	N/M	\$221	9.1%	(\$21)	(\$1)	(\$18)	\$—	\$2	\$183	\$0.43
Restructuring and repositioning activities	6		7		4		17		12		29			(10)				19	0.05
(Gains) / losses on divestitures, net included in SG&A			22				22				22							22	0.06
Acquisition / integration costs					1		1				1							1	—
Legacy legal items			1				1				1							1	—
Amortization of inventory step-up					1		1				1							1	—
Asbestos									3		3			(1)				2	—
IRS litigation costs									2		2			(1)				1	—
2012 Tax Sharing Agreement													4					4	0.01
Total Before Special Items	\$125	13.2%	\$90	10.6%	\$116	18.2%	\$331	13.6%	(\$51)	N/M	\$280	11.5%	(\$21)	\$3	(\$30)	\$—	\$2	\$234	\$0.55

Diluted Shares Outstanding	427
Diluted Shares Outstanding - Before Special Items	427

Tyco International plc
For the Quarter Ended March 28, 2014

(in millions, except per share data)

(Unaudited)

expense / (benefit)

Segments						
	NA Installation & Services	ROW Installation & Services	Global Products	Segment Revenue	Corporate and Other	Total Revenue
Revenue (GAAP)	\$939	\$936	\$605	\$2,480	\$—	\$2,480

Operating Income																			
	NA Installation & Services	Margin	ROW Installation & Services	Margin	Global Products	Margin	Segment Operating Income	Margin	Corporate and Other	Margin	Total Operating Income	Margin	Interest (Expense), net	Other (Expense), net	Income Tax (Expense)	Equity in earnings of unconsolidated subsidiaries	Noncontrolling Interest	Income from Continuing Operations Attributable to Tyco Shareholders	Diluted EPS from Continuing Operations Attributable to Tyco Shareholders
Operating Income (GAAP)	\$99	10.5%	\$114	12.2%	\$107	17.7%	\$320	12.9%	(\$61)	N/M	\$259	10.4%	(\$22)	(\$1)	(\$39)	(\$5)	\$—	\$192	\$0.41
Restructuring and repositioning activities	3		4		2		9		7		16				(6)			10	0.02
Separation costs included in SG&A	15						15				15				(5)			10	0.02
(Gains) / losses on divestitures, net included in SG&A			1				1				1							1	—
Acquisition / integration costs			1				1				1							1	—
IRS litigation costs									(1)		(1)							(1)	—
Separation costs									1		1							1	—
Tax items															4			4	0.01
2012 Tax Sharing Agreement														3				3	0.01
Total Before Special Items	\$117	12.5%	\$120	12.8%	\$109	18.0%	\$346	14.0%	(\$54)	N/M	\$292	11.8%	(\$22)	\$2	(\$46)	(\$5)	\$—	\$221	\$0.47

Note: This period has been recast to present certain businesses as a discontinued operation.

Diluted Shares Outstanding	469
Diluted Shares Outstanding - Before Special Items	469

// Non-GAAP Measures

Organic revenue, free cash flow (outflow) (FCF), and income from continuing operations, earnings per share (EPS) from continuing operations, operating income and segment operating income, in each case “before special items,” are non-GAAP measures and should not be considered replacements for GAAP results.

Organic revenue is a useful measure used by the company to measure the underlying results and trends in the business. The difference between reported net revenue (the most comparable GAAP measure) and organic revenue (the non-GAAP measure) consists of the impact from foreign currency, acquisitions and divestitures, and other changes that either do not reflect the underlying results and trends of the Company’s businesses or are not completely under management’s control. There are limitations associated with organic revenue, such as the fact that, as presented herein, the metric may not be comparable to similarly titled measures reported by other companies. These limitations are best addressed by using organic revenue in combination with the GAAP numbers. Organic revenue may be used as a component in the company’s incentive compensation plans.

FCF is a useful measure of the company’s cash that permits management and investors to gain insight into the number that management employs to measure cash that is free from any significant existing obligation and is available to service debt and make investments. The difference between Cash Flows from Operating Activities (the most comparable GAAP measure) and FCF (the non-GAAP measure) consists mainly of significant cash flows that the company believes are useful to identify. It, or a measure that is based on it, may be used as a component in the company’s incentive compensation plans. The difference reflects the impact from:

- *net capital expenditures,*
- *dealer generated accounts and bulk accounts purchased,*
- *cash paid for purchase accounting and holdback liabilities, and*
- *voluntary pension contributions.*

Capital expenditures and dealer generated and bulk accounts purchased are subtracted because they represent long-term investments that are required for normal business activities. Cash paid for purchase accounting and holdback liabilities is subtracted because these cash outflows are not available for general corporate uses. Voluntary pension contributions are added because this activity is driven by economic financing decisions rather than operating activity. In addition, the company presents adjusted free cash flow, which is free cash flow, adjusted to exclude the cash impact of the special items highlighted below. This number provides information to investors regarding the cash impact of certain items management believes are useful to identify, as described below.

// Non-GAAP Measures Continued

The limitation associated with using these cash flow metrics is that they adjust for cash items that are ultimately within management's and the Board of Directors' discretion to direct and therefore may imply that there is less or more cash that is available for the company's programs than the most comparable GAAP measure. Furthermore, these non-GAAP metrics may not be comparable to similarly titled measures reported by other companies. These limitations are best addressed by using FCF in combination with the GAAP cash flow numbers.

The company has presented its income and EPS from continuing operations, operating income and segment operating income before special items. Special items include charges and gains related to divestitures, acquisitions, restructurings, impairments, certain changes to accounting methodologies, legacy legal and tax charges 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 these measures to assess overall operating performance and segment level core operating performance, as well as to provide insight to management in evaluating overall and segment operating plan execution and underlying market conditions. The Company also presents its effective tax rate as adjusted for special items for consistency, and presents corporate expense excluding special items. One or more of these measures may be used as components in the company's incentive compensation plans. These measures are useful for investors because they may permit more meaningful comparisons of the company's underlying operating results and business trends between periods. The difference between income and EPS from continuing operations before special items and income and EPS from continuing operations (the most comparable GAAP measures) consists of the impact of the special items noted above on the applicable GAAP measure. 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 GAAP metrics, and these non-GAAP metrics may not be comparable to similarly titled measures reported by other companies. These limitations are best addressed by using the non-GAAP measures 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.

The company provides general corporate services to its segments and those costs are reported in the "Corporate and Other" segment. This segment's operating income (loss) is presented as "Corporate Expense." Segment Operating Income represents Tyco's operating income excluding the Corporate and Other segment, and reflects the results of Tyco's three operating segments. Segment Operating Income before special items reflects GAAP operating income adjusted for the special items noted in the paragraph above.

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