



# Third Quarter Review

29 / July / 2016

# *tyco*

# // Important Information

## **NO OFFER OR SOLICITATION**

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law.

## **ADDITIONAL INFORMATION AND WHERE TO FIND IT**

In connection with the proposed transaction between Johnson Controls, Inc. (“JCI”) and Tyco International plc (“Tyco”), Tyco has filed with the U.S. Securities and Exchange Commission (the “SEC”) a registration statement on Form S-4 (the “Registration Statement”) that includes a joint proxy statement of JCI and Tyco that also constitutes a prospectus of Tyco (the “Joint Proxy Statement/Prospectus”). The Registration Statement was declared effective by the SEC on July 6, 2016, and the definitive Joint Proxy Statement/Prospectus was first mailed to shareholders of JCI and Tyco on or about July 6, 2016. INVESTORS AND SECURITY HOLDERS OF JCI AND TYCO ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT JCI, TYCO, THE TRANSACTION AND RELATED MATTERS. Investors and security holders may obtain free copies of the Joint Proxy Statement/Prospectus and other documents filed with the SEC by JCI and Tyco through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). In addition, investors and security holders may obtain free copies of the documents filed with the SEC by JCI by contacting JCI Shareholder Services at [Shareholder.Services@jci.com](mailto:Shareholder.Services@jci.com) or by calling (800) 524-6220 and may obtain free copies of the documents filed with the SEC by Tyco by contacting Tyco Investor Relations at [Investorrelations@tyco.com](mailto:Investorrelations@tyco.com) or by calling (609) 720-4333.

# // Important Information

## **STATEMENT REQUIRED BY THE IRISH TAKEOVER RULES**

The directors of Tyco accept responsibility for the information contained in this communication relating to Tyco and the directors of Tyco and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the directors of Tyco (who have taken all reasonable care to ensure such is the case), the information contained in this communication for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Lazard Frères & Co. LLC, which is a registered broker dealer with the SEC, is acting for Tyco International plc and no one else in connection with the proposed transaction and will not be responsible to anyone other than Tyco International plc for providing the protections afforded to clients of Lazard Frères & Co. LLC, or for giving advice in connection with the proposed transaction or any matter referred to herein.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

This communication is not intended to be and is not a prospectus for the purposes of Part 23 of the Companies Act 2014 of Ireland (the “2014 Act”), Prospectus (Directive 2003/71/EC) Regulations 2005 (S.I. No. 324 of 2005) of Ireland (as amended from time to time) or the Prospectus Rules issued by the Central Bank of Ireland pursuant to section 1363 of the 2014 Act, and the Central Bank of Ireland (“CBI”) has not approved this communication.

# // 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", "confident", "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:

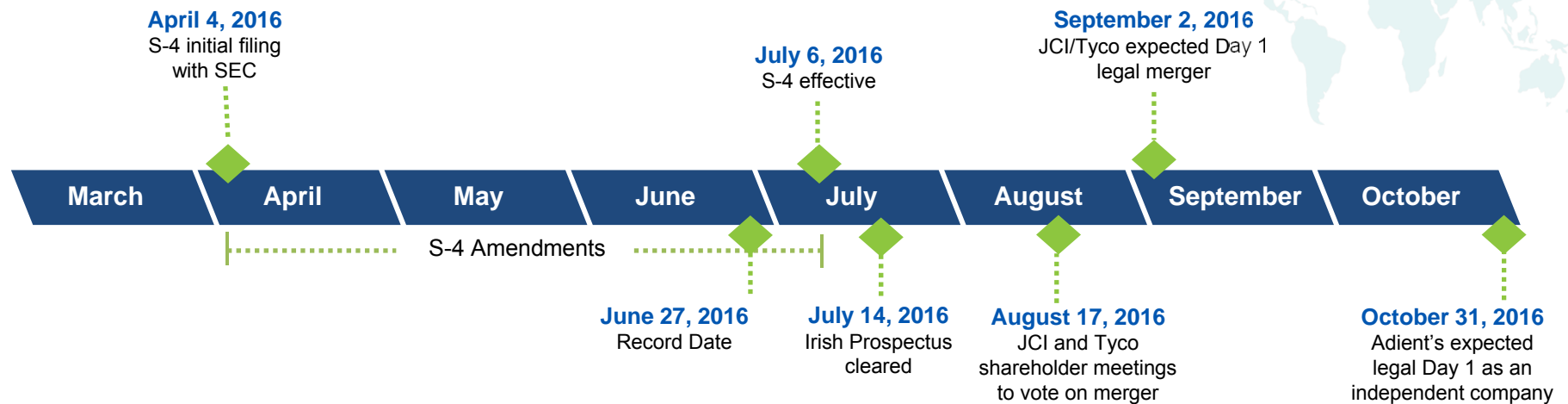
- Economic, business competitive, technological or regulatory factors that adversely impact Tyco or the markets and industries in which it competes;
- Changes in tax requirements (including tax rate changes, new tax laws or treaties and revised tax law interpretations);
- The ability of the Company, 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;
- Our ability to predict end-user demand for new or enhanced product or service offerings;
- 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.
- Our ability to complete the proposed transaction with Johnson Controls on anticipated terms and timing and our ability to achieve the benefits associated with such transaction, including achieving future synergies

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 25, 2015 and in subsequent filings.

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

# // Johnson Controls/Tyco Merger\*

## Executing Against Our Day 1 Plan



- // Senior leadership team announced
- // Shareholder record date set at June 27
- // S-4 effective July 6; Irish prospectus cleared July 14
- // All antitrust clearances have been received
- // Shareholder vote on August 17
- // Expected close date acceleration to September 2
- // Reconfirm previously announced synergy / productivity initiatives
- // December 5 Analyst Day in New York

# // Q3 2016 Results – Financial Overview

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

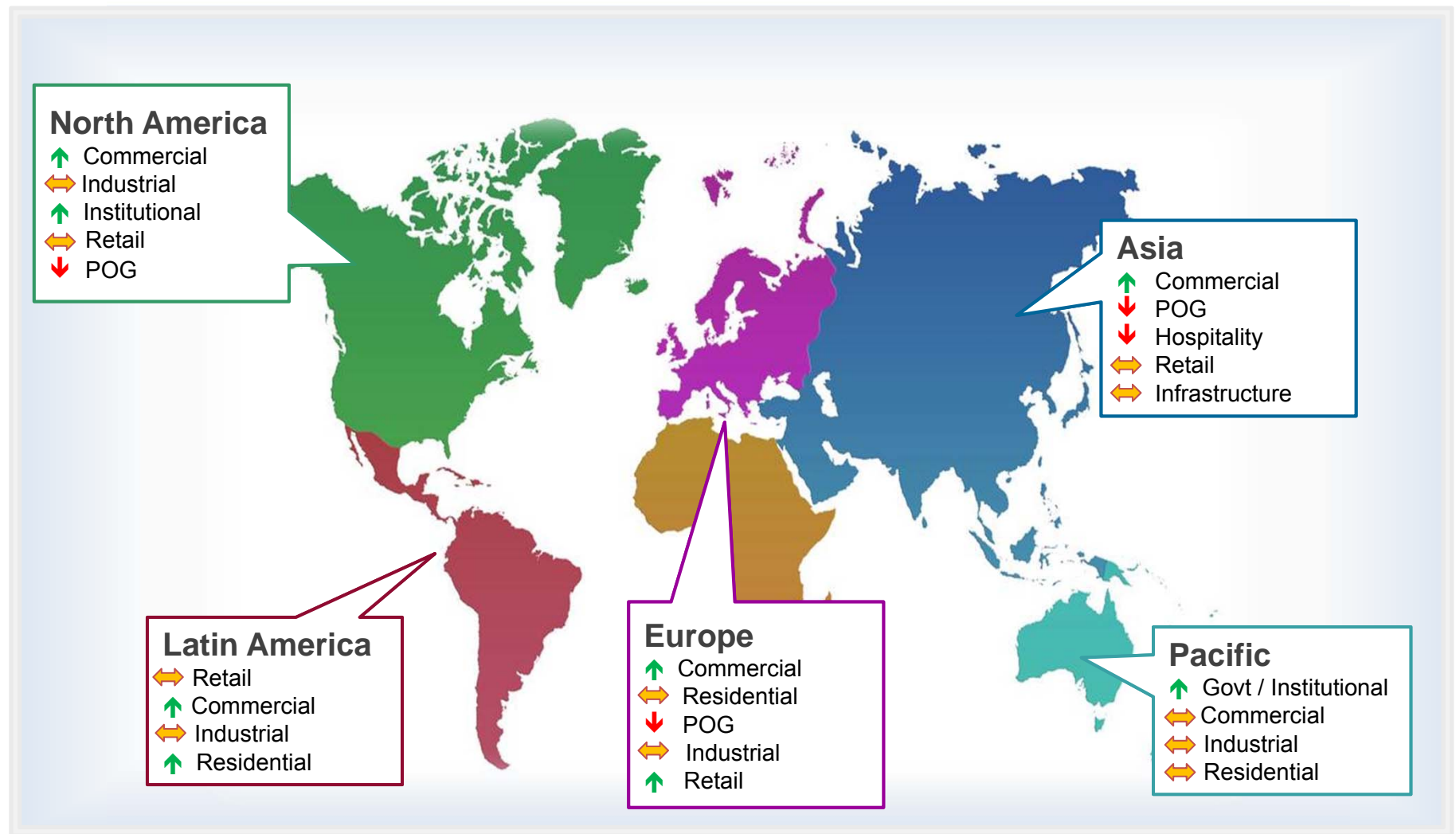
	Q3FY16	Q3FY15	Change
<b>Revenue</b> <i>Organic Growth*</i>	\$2,449 1.5%	\$2,489 (1%)	(2%)
<b>Segment Operating Income</b> before special items*	\$355	\$369	(4%)
<b>Segment Operating Margin</b> before special items*	14.5%	14.8%	(30bps) (Ex-purchase accounting down 10bps)
<b>Corporate Expense</b> before special items*	\$44	\$50	(12%)
<b>Restructuring &amp; Repositioning</b>	\$15	\$65	(77%)
<b>Tax Rate</b> before special items*	17.3%	16.8%	
<b>EPS from Cont. Ops.</b> before special items*	\$0.54	\$0.46	17%

## Growth And Productivity Offsetting FX And Mix Pressures



\* Organic 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.

# Mixed Macro-Economic Environment





## // Third Quarter Highlights

// Revenue of \$2.45 billion declined 2% year over year on a reported basis, including 3% headwind from foreign currency exchange rates

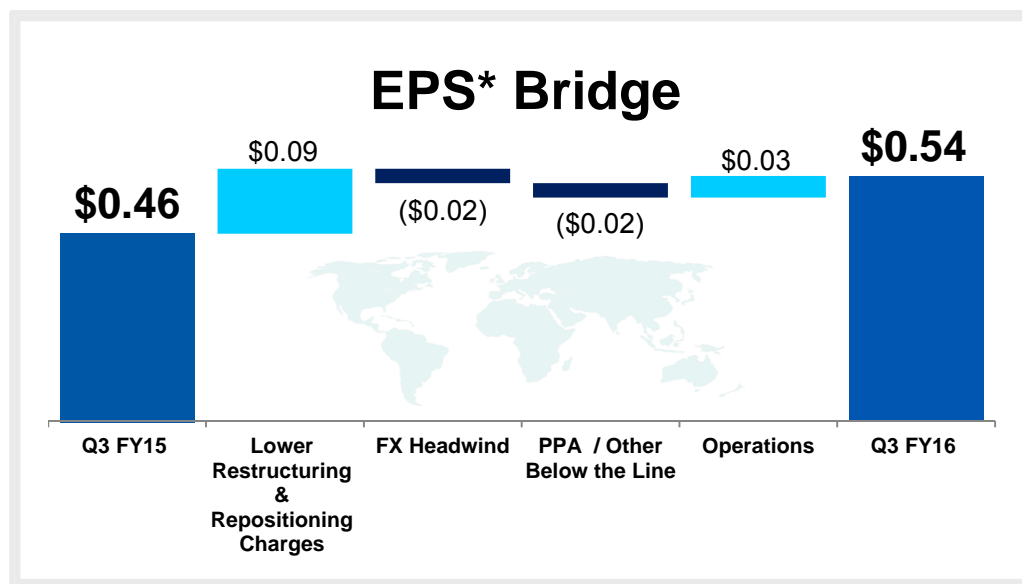
- Acquisitions contributed 3%, offset by 3% decline related to divestitures
- Organic revenue\* growth of 1.5%

// Segment operating income\* of \$355 million and operating margin\* of 14.5%

- Includes a 20 basis point headwind related to non-cash purchase accounting

// Earnings per share before special items\* increased \$0.08 year over year

- Reduced restructuring and repositioning charges
- Productivity savings
- FX, PPA and mix headwinds

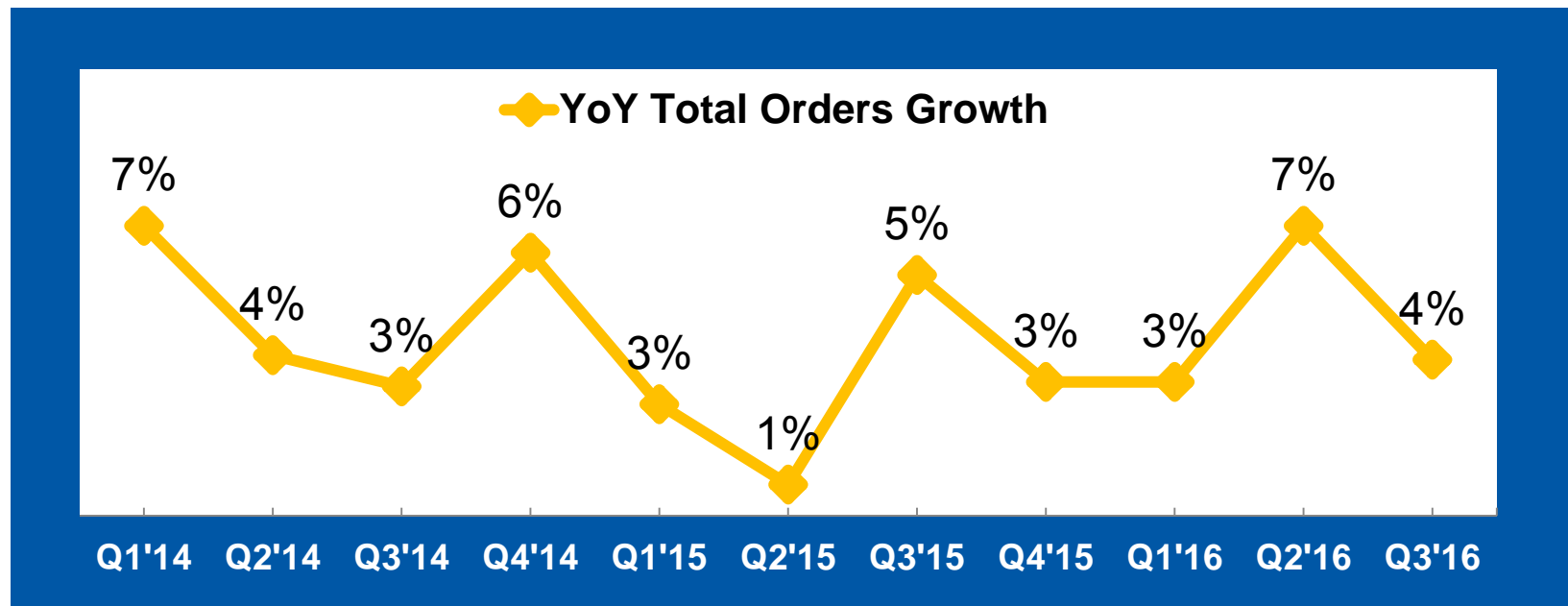




## // Third Quarter Highlights Continued

// Orders growth of 4%, excluding impact of foreign currency and divestiture

- Service +5%, Integrated Solutions +8%, and Products (3%)



// Backlog of \$4.79 billion increased 3% on a quarter sequential basis and 8% year over year, partly driven by acquisitions

- Total backlog increased 4% organically on a year over year basis

# // Third Quarter – NA Integrated Solutions & Services

(\$ in millions)	Q3FY16	Q3FY15	Change
<b>Revenue</b>	\$1,004	\$972	3%
<b>Operating Income*</b>	\$148	\$157	(6%)
<b>Operating Margin*</b>	14.7%	16.2%	(150bps)

// Orders increased 3% year over year, excluding foreign currency

- Service orders increased 3%
- Integrated Solutions orders increased 4%

// Backlog of \$2.67 billion increased 5% on a year over year basis, excluding the impact of foreign currency

- Increased 3% on quarter sequential basis

// Organic revenue\* growth of 2.5%

- Service up 1%
- Integrated Solutions increased 4%

// Acquisition growth of 1% was partially offset by the negative impact of the weaker Canadian dollar

// Operating margin\* decreased 150bps year over year, including 30bp headwind related to non-cash purchase accounting

- Underlying margin declined 120 basis points year over year due to increased investments and a higher mix of installation revenue

# // Third Quarter – ROW Integrated Solutions & Services

(\$ in millions)	Q3FY16	Q3FY15	Change
<b>Revenue</b>	\$794	\$842	(6%)
<b>Operating Income*</b>	\$92	\$93	(1%)
<b>Operating Margin*</b>	11.6%	11.0%	+60bps

// Orders increased 10% year over year, excluding foreign currency and divestitures; total orders increased 3% on an organic basis

- Service orders increased 8%; 2% organically
- Integrated Solutions orders increased 12%; 4% organically

// Backlog of \$1.94 billion increased 14% on a year over year basis, excluding impact of foreign currency and divestitures; organically backlog increased 6%

- Increased 2% on a quarter sequential basis

// Organic revenue\* growth of 2%

- Service increased 2%
- Integrated Solutions increased 2%

// Foreign currency exchange rates negatively impacted revenue by 6%. A 7% benefit from acquisitions was more than offset by a 9% impact from divestitures

// Operating margin\* increased 60bps year over year, including 30bp headwind related to non-cash purchase accounting

- Underlying margin improved 90bps driven by volume leverage, improved execution and productivity benefits

## // Third Quarter – Global Products

(\$ in millions)	Q3FY16	Q3FY15	Change
<b>Revenue</b>	\$651	\$675	(4%)
<b>Operating Income*</b>	\$115	\$119	(3%)
<b>Operating Margin*</b>	17.7%	17.6%	+10bps

// Organic revenue\* was flat

// Revenue includes a 2% negative impact from foreign currency exchange rates, and 2% negative impact from divestitures

// Orders decreased 3% year over year, excluding impact of foreign currency

- Driven by the timing of orders in the prior year

// Operating margin\* increased 10bps year over year

- Productivity benefits more than offset mix headwinds

## // Other Items

//Corporate expense before special items\* was \$44 million in the quarter

//Tax rate before special items\* was 17.3% for the quarter

//Restructuring and repositioning charges were \$15 million in the quarter

//Adjusted free cash flow\* of \$214 million in quarter – 93% conversion rate;  
YTD adjusted free cash flow of \$625 million – 104% conversion rate

# Appendix

# // FY15 Recast – To Include Restructuring & Repositioning Including Tax Impact

	Q1FY15		Q2FY15		Q3FY15		Q4FY15		YTD FY15	
<b>Revenue</b>										
NA IS&S	951		944		972		1,012		3,879	
ROW IS&S	916		847		842		827		3,432	
Global Products	611		639		675		666		2,591	
<b>Total Revenue</b>	<b>2,478</b>		<b>2,430</b>		<b>2,489</b>		<b>2,505</b>		<b>9,902</b>	
<b>Operating Income</b>										
NA IS&S	131	13.8%	125	13.2%	157	16.2%	180	17.8%	593	15.3%
ROW IS&S	91	9.9%	90	10.6%	93	11.0%	90	10.9%	364	10.6%
Global Products	105	17.2%	116	18.2%	119	17.6%	124	18.6%	464	17.9%
<b>Segment Operating Income</b>	<b>327</b>	<b>13.2%</b>	<b>331</b>	<b>13.6%</b>	<b>369</b>	<b>14.8%</b>	<b>394</b>	<b>15.7%</b>	<b>1,421</b>	<b>14.4%</b>
Corporate	(55)		(51)		(50)		(45)		(201)	
Restructuring & Repositioning	(75)		(29)		(65)		(120)		(289)	
<b>Operating Income</b>	<b>197</b>	<b>7.9%</b>	<b>251</b>	<b>10.3%</b>	<b>254</b>	<b>10.2%</b>	<b>229</b>	<b>9.1%</b>	<b>931</b>	<b>9.4%</b>
Interest	(21)		(21)		(22)		(23)		(87)	
Other income(expense)	2		3		6		(10)		1	
Income before Tax	178		233		238		196		845	
Tax	(17)		(20)		(40)		(25)		(102)	
Tax Rate	9.6%		8.6%		16.8%		12.8%		12.1%	
Equity in earnings of consol sub	-		-		-		-		-	
Non-controlling Interest	1		2		-		(1)		2	
<b>Net Income</b>	<b>162</b>		<b>215</b>		<b>198</b>		<b>170</b>		<b>745</b>	
EPS	\$ 0.38		\$ 0.50		\$ 0.46		\$ 0.40		\$ 1.74	
Shares	427		427		427		427		427	



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

	For the Quarters Ended		For the Nine Months Ended	
	June 24, 2016	June 26, 2015	June 24, 2016	June 26, 2015
Revenue from product sales	\$ 1,487	\$ 1,511	\$ 4,293	\$ 4,457
Service revenue	962	978	2,863	2,940
<b>Net revenue</b>	<b>2,449</b>	<b>2,489</b>	<b>7,156</b>	<b>7,397</b>
Cost of product sales	1,026	1,025	2,956	3,046
Cost of services	508	548	1,550	1,645
Selling, general and administrative expenses	667	625	1,842	1,925
Merger costs	7	—	33	—
Restructuring and asset impairment charges, net	5	38	21	108
<b>Operating income</b>	<b>236</b>	<b>253</b>	<b>754</b>	<b>673</b>
Interest income	3	4	11	11
Interest expense	(22)	(26)	(68)	(75)
Other income (expense), net	54	6	(111)	9
<b>Income from continuing operations before income taxes</b>	<b>271</b>	<b>237</b>	<b>586</b>	<b>618</b>
Income tax expense	(31)	(49)	(130)	(86)
<b>Income from continuing operations</b>	<b>240</b>	<b>188</b>	<b>456</b>	<b>532</b>
(Loss) income from discontinued operations, net of income taxes	(2)	(32)	3	(50)
<b>Net income</b>	<b>238</b>	<b>156</b>	<b>459</b>	<b>482</b>
Less: noncontrolling interest in subsidiaries net loss	(1)	—	(2)	(3)
<b>Net income attributable to Tyco ordinary shareholders</b>	<b>\$ 239</b>	<b>\$ 156</b>	<b>\$ 461</b>	<b>\$ 485</b>
<b>Amounts attributable to Tyco ordinary shareholders:</b>				
Income from continuing operations	\$ 241	\$ 188	\$ 458	\$ 535
(Loss) income from discontinued operations	(2)	(32)	3	(50)
<b>Net income attributable to Tyco ordinary shareholders</b>	<b>\$ 239</b>	<b>\$ 156</b>	<b>\$ 461</b>	<b>\$ 485</b>
<b>Basic earnings per share attributable to Tyco ordinary shareholders:</b>				
Income from continuing operations	\$ 0.57	\$ 0.45	\$ 1.08	\$ 1.27
Loss from discontinued operations	(0.01)	(0.08)	—	(0.12)
<b>Net income attributable to Tyco ordinary shareholders</b>	<b>\$ 0.56</b>	<b>\$ 0.37</b>	<b>\$ 1.08</b>	<b>\$ 1.15</b>
<b>Diluted earnings per share attributable to Tyco ordinary shareholders:</b>				
Income from continuing operations	\$ 0.56	\$ 0.44	\$ 1.07	\$ 1.25
(Loss) income from discontinued operations	—	(0.07)	0.01	(0.11)
<b>Net income attributable to Tyco ordinary shareholders</b>	<b>\$ 0.56</b>	<b>\$ 0.37</b>	<b>\$ 1.08</b>	<b>\$ 1.14</b>
<b>Weighted average number of shares outstanding:</b>				
Basic	426	421	425	421
Diluted	429	427	428	427

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 13, 2015 and Form 8-K filed on March 11, 2016 for the fiscal year ended September 25, 2015 and Quarterly Report on Form 10-Q filed on April 29, 2016 for the quarter ended March 25, 2016.

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

	For the Quarters Ended				For the Nine Months Ended							
	June 24, 2016		June 26, 2015		June 24, 2016		June 26, 2015					
Net Revenue												
NA Integrated Solutions & Services	\$	1,004		\$	972	\$	2,904		\$	2,867		
ROW Integrated Solutions & Services		794			842		2,374			2,605		
Global Products		651			675		1,878			1,925		
Total Net Revenue	\$	2,449		\$	2,489	\$	7,156		\$	7,397		
Operating Income and Margin												
NA Integrated Solutions & Services	\$	148	14.7%	\$	157	16.2%	\$	411	14.2%	\$	411	14.3%
ROW Integrated Solutions & Services		36	4.5%		97	11.5%		226	9.5%		253	9.7%
Global Products		115	17.7%		113	16.7%		313	16.7%		332	17.2%
Segment Operating Income		299	12.2%		367	14.7%		950	13.3%		996	13.5%
Corporate and Other expense		(50)	N/M		(49)	N/M		(155)	N/M		(154)	N/M
Restructuring and repositioning charges, net		(13)	N/M		(65)	N/M		(41)	N/M		(169)	N/M
Operating Income	\$	236	9.6%	\$	253	10.2%	\$	754	10.5%	\$	673	9.1%

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

	June 24, 2016	September 25, 2015
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 345	\$ 1,401
Accounts receivable, net	1,805	1,722
Inventories	656	620
Prepaid expenses and other current assets	883	750
Deferred income taxes	62	62
Assets held for sale	71	208
<b>Total Current Assets</b>	<b>3,822</b>	<b>4,763</b>
Property, plant and equipment, net	1,180	1,166
Goodwill	4,418	4,203
Intangible assets, net	966	822
Other assets	1,228	1,367
<b>Total Assets</b>	<b>\$ 11,614</b>	<b>\$ 12,321</b>
<b>Liabilities and Equity</b>		
Current Liabilities:		
Loans payable and current maturities of long-term debt	\$ 341	\$ 987
Accounts payable	799	764
Accrued and other current liabilities	1,564	1,644
Deferred revenue	378	379
Liabilities held for sale	34	80
<b>Total Current Liabilities</b>	<b>3,116</b>	<b>3,854</b>
Long-term debt	2,165	2,159
Deferred revenue	284	302
Other liabilities	1,663	1,930
<b>Total Liabilities</b>	<b>7,228</b>	<b>8,245</b>
Total Tyco shareholders' equity	4,351	4,041
Nonredeemable noncontrolling interest	35	35
<b>Total Equity</b>	<b>4,386</b>	<b>4,076</b>
<b>Total Liabilities and Equity</b>	<b>\$ 11,614</b>	<b>\$ 12,321</b>

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 13, 2015 and Form 8-K filed on March 11, 2016 for the fiscal year ended September 25, 2015 and Quarterly Report on Form 10-Q filed on April 29, 2016 for the quarter ended March 25, 2016.

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

	<b>For the Quarters Ended</b>		<b>For the Nine Months Ended</b>	
	<b>June 24, 2016</b>	<b>June 26, 2015</b>	<b>June 24, 2016</b>	<b>June 26, 2015</b>
<b>Cash Flows From Operating Activities:</b>				
Net income attributable to Tyco ordinary shareholders	\$ 239	\$ 156	\$ 461	\$ 485
Noncontrolling interest in subsidiaries net loss	(1)	—	(2)	(3)
Loss (income) from discontinued operations, net of income taxes	2	32	(3)	50
Income from continuing operations	240	188	456	532
Adjustments to reconcile net cash provided by operating activities:				
Depreciation and amortization	83	86	250	257
Non-cash compensation expense	12	14	39	44
Deferred income taxes	27	28	89	(1)
Provision for losses on accounts receivable and inventory	21	3	50	37
Loss on extinguishment of debt	—	—	168	—
Legacy legal matters	1	—	(18)	—
Loss (gain) on divestitures, net	38	(4)	107	19
Gain on investments, net	—	(8)	(114)	(15)
(Gain) loss on tax sharing agreements	(54)	1	(54)	2
Other non-cash items	5	2	10	8
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:				
Accounts receivable, net	(103)	(126)	(65)	(104)
Contracts in progress	(15)	38	(69)	8
Inventories	1	(8)	(55)	(72)
Prepaid expenses and other assets	1	11	(29)	(55)
Accounts payable	12	9	14	(78)
Accrued and other liabilities	(16)	22	(149)	(34)
Tax sharing agreement, net	(16)	—	(138)	—
Income taxes, net	(24)	3	(11)	4
Other	(22)	(10)	23	(41)
Net cash provided by operating activities	191	249	504	511
Net cash used in discontinued operating activities	(1)	(4)	(12)	(1)
<b>Cash Flows From Investing Activities:</b>				
Capital expenditures	(66)	(60)	(209)	(183)
Acquisition of businesses, net of cash acquired	(6)	—	(320)	(525)
Acquisition of dealer generated customer accounts and bulk account purchases	(6)	(5)	(17)	(13)
Divestiture of businesses, net of cash divested	5	—	14	(1)
Sales and maturities of investments including restricted investments	18	4	26	283
Purchases of investments including restricted investments	(1)	(2)	(8)	(290)
(Increase) decrease in restricted cash	(21)	12	3	(27)
Other	(1)	2	—	4
Net cash used in investing activities	(78)	(49)	(511)	(752)
Net cash (used in) provided by discontinued investing activities	—	(22)	4	(37)
<b>Cash Flows From Financing Activities:</b>				
Proceeds from issuance of short-term debt	1,681	258	4,179	258
Repayment of short-term debt	(1,740)	(258)	(3,838)	(259)
Repayment of current portion of long-term debt	—	—	(1,134)	—
Proceeds from issuance of long-term debt	—	3	—	570
Proceeds from exercise of share options	31	13	57	70
Dividends paid	(87)	(86)	(261)	(237)
Repurchase of ordinary shares	—	—	—	(417)
Transfer to discontinued operations	(1)	(26)	(8)	(38)
Payment of contingent consideration	—	—	(1)	(23)
Debt financing costs	—	(1)	(23)	(5)
Other	1	(2)	(12)	(21)
Net cash used in financing activities	(115)	(99)	(1,041)	(102)
Net cash provided by discontinued financing activities	1	26	8	38
Effect of currency translation on cash	2	(2)	(8)	(18)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>—</b>	<b>99</b>	<b>(1,056)</b>	<b>(361)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>345</b>	<b>432</b>	<b>1,401</b>	<b>892</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 345</b>	<b>\$ 531</b>	<b>\$ 345</b>	<b>\$ 531</b>

	For the Quarters Ended		For the Nine Months Ended	
	June 24, 2016	June 26, 2015	June 24, 2016	June 26, 2015
<b>Reconciliation to "Free Cash Flow":</b>				
Net cash provided by operating activities	\$ 191	\$ 249	\$ 504	\$ 511
Capital expenditures, net	(65)	(59)	(207)	(179)
Acquisition of dealer generated customer accounts and bulk account purchases	(6)	(5)	(17)	(13)
Payment of contingent consideration	(1)	1	(2)	(23)
Voluntary pension contributions	—	—	4	—
<b>Free Cash Flow</b>	<u>\$ 119</u>	<u>\$ 186</u>	<u>\$ 282</u>	<u>\$ 296</u>
<b>Reconciliation to "Adjusted Free Cash Flow":</b>				
IRS litigation costs	\$ 2	\$ —	\$ 5	\$ —
Separation costs	—	—	—	3
Restructuring and repositioning costs (FY15 and prior)	16	48	84	119
Environmental remediation payments	—	(1)	2	7
Legal settlements	—	(4)	14	(16)
Satisfaction of pension obligation	39	—	39	—
Net asbestos payments	5	—	15	8
Merger costs	12	—	20	—
Cash payment to ADT Resi / Pentair	1	—	17	1
Cash payment to Covidien / TE Connectivity	16	—	138	—
Acquisition / integration costs	4	1	9	4
<b>Special Items</b>	<u>\$ 95</u>	<u>\$ 44</u>	<u>\$ 343</u>	<u>\$ 126</u>
<b>Adjusted Free Cash Flow</b>	<u>\$ 214</u>	<u>\$ 230</u>	<u>\$ 625</u>	<u>\$ 422</u>

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 June 24, 2016

	Net Revenue for the Quarter Ended June 26, 2015	Base Year Adjustments		Adjusted Fiscal 2015 Base Revenue	Foreign Currency		Acquisitions		Organic Revenue <sup>(1)</sup>		Net Revenue for the Quarter Ended June 24, 2016	
		Divestitures / Other										
NA Integrated Solutions & Services	\$ 972	\$ —	— %	\$ 972	\$ (5)	(0.5)%	\$ 13	1.3 %	\$ 24	2.5 %	\$ 1,004	3.3 %
ROW Integrated Solutions & Services	842	(72)	(8.6)%	770	(48)	(5.7)%	57	6.8 %	15	1.9 %	794	(5.7)%
Global Products	675	(12)	(1.8)%	663	(10)	(1.5)%	—	—%	(2)	(0.3)%	651	(3.6)%
<b>Total Net Revenue</b>	<b>\$ 2,489</b>	<b>\$ (84)</b>	<b>(3.4)%</b>	<b>\$ 2,405</b>	<b>\$ (63)</b>	<b>(2.5)%</b>	<b>\$ 70</b>	<b>2.8%</b>	<b>\$ 37</b>	<b>1.5 %</b>	<b>\$ 2,449</b>	<b>(1.6)%</b>

<sup>(1)</sup> Organic revenue growth percentage based on adjusted fiscal 2015 base revenue.

Nine Months Ended June 24, 2016

	Net Revenue for the Nine Months Ended June 26, 2015	Base Year Adjustments		Adjusted Fiscal 2015 Base Revenue	Foreign Currency		Acquisitions		Organic Revenue <sup>(1)</sup>		Net Revenue for the Nine Months Ended June 24, 2016	
		Divestitures / Other										
NA Integrated Solutions & Services	\$ 2,867	\$ —	— %	\$ 2,867	\$ (31)	(1.1)%	\$ 25	0.9 %	\$ 43	1.5 %	\$ 2,904	1.3 %
ROW Integrated Solutions & Services	2,605	(156)	(6.0)%	2,449	(222)	(8.5)%	150	5.8 %	(3)	(0.1)%	2,374	(8.9)%
Global Products	1,925	(16)	(0.8)%	1,909	(63)	(3.3)%	56	2.9 %	(24)	(1.3)%	1,878	(2.4)%
<b>Total Net Revenue</b>	<b>\$ 7,397</b>	<b>\$ (172)</b>	<b>(2.3)%</b>	<b>\$ 7,225</b>	<b>\$ (316)</b>	<b>(4.3)%</b>	<b>\$ 231</b>	<b>3.1%</b>	<b>\$ 16</b>	<b>0.2 %</b>	<b>\$ 7,156</b>	<b>(3.3)%</b>

<sup>(1)</sup> Organic revenue growth percentage based on adjusted fiscal 2015 base revenue.

**Earnings Per Share Summary  
(Unaudited)**

	Quarter Ended June 24, 2016	Quarter Ended June 26, 2015
<b>Diluted EPS from Continuing Operations Attributable to Tyco Shareholders (GAAP)</b>	<b>\$ 0.56</b>	<b>\$ 0.44</b>
<i>expense / (benefit)</i>		
Merger costs	0.04	—
(Gains) / losses on divestitures, net included in SG&A	0.09	(0.01)
Acquisition / integration costs	0.01	—
TSA adjustment	(0.13)	—
Asbestos	—	0.02
Tax items	(0.04)	—
<b>Total Before Special Items</b>	<b>\$ 0.54</b>	<b>\$ 0.46</b>

Note: Sum of EPS before special items does not equal total due to rounding.



**Tyco International plc**  
**For the Quarter Ended June 24, 2016**  
(in millions, except per share data)  
(Unaudited)  
expense / (benefit)

Segments						
	NA Integrated Solutions & Services	ROW Integrated Solutions & Services	Global Products	Segment Revenue	Corporate and Other	Total Revenue
Revenue (GAAP)	\$1,004	\$794	\$651	\$2,449	\$—	\$2,449

Operating Income																			Income from Continuing Operations Attributable to Tyco Shareholders	Diluted EPS from Continuing Operations Attributable to Tyco Shareholders
	NA Integrated Solutions & Services	Margin	ROW Integrated Solutions & Services	Margin	Global Products	Margin	Segment Operating Income	Margin	Corporate and Other	Restructuring and Repositioning	Total Operating Income	Margin	Interest (Expense), net	Other (Expense) Income, net	Income Tax (Expense)	Equity in earnings of unconsolidated subsidiaries	Noncontrolling Interest			
Operating Income (GAAP)	\$148	14.7%	\$36	4.5%	\$115	17.7%	\$299	12.2%	(\$50)	(\$13)	\$236	9.6%	(\$19)	\$54	(\$31)	\$—	\$1	\$241	\$0.56	
Amortization of acquired backlog included in revenue			1				1				1							1	—	
Restructuring and repositioning reversals (FY15 and prior)										(2)	(2)				1			(1)	—	
Merger costs									19		19							19	0.04	
(Gains) / losses on divestitures, net included in SG&A			52		(1)		51		(13)		38				(1)			37	0.09	
Acquisition / integration costs			3		1		4		1		5							5	0.01	
Legacy legal items									1		1				(1)			—	—	
IRS litigation costs									(2)		(2)				1			(1)	—	
2012 Tax Sharing Agreement														1				1	—	
TSA adjustment														(54)				(54)	(0.13)	
Tax items															(17)			(17)	(0.04)	
Total Before Special Items	\$148	14.7%	\$92	11.6%	\$115	17.7%	\$355	14.5%	(\$44)	(\$15)	\$296	12.1%	(\$19)	\$1	(\$48)	\$—	\$1	\$231	\$0.54	

Note: Sum of EPS before special items does not equal total due to rounding.

Diluted Shares Outstanding	429
Diluted Shares Outstanding - Before Special Items	429

**Tyco International plc**  
**For the Quarter Ended June 26, 2015**  
(in millions, except per share data)  
(Unaudited)  
expense / (benefit)

Segments						
	NA Integrated Solutions & Services	ROW Integrated Solutions & Services	Global Products	Segment Revenue	Corporate and Other	Total Revenue
Revenue (GAAP)	\$972	\$842	\$675	\$2,489	\$—	\$2,489

Operating Income																		
	NA Integrated Solutions & Services	Margin	ROW Integrated Solutions & Services	Margin	Global Products	Margin	Segment Operating Income	Margin	Corporate and Other	Restructuring and Repositioning	Total Operating Income	Margin	Interest (Expense), net	Other Income, net	Income Tax (Expense)	Noncontrolling Interest	Income from Continuing Operations Attributable to Tyco Shareholders	Diluted EPS from Continuing Operations Attributable to Tyco Shareholders
Operating Income (GAAP)	\$157	16.2%	\$97	11.5%	\$113	16.7%	\$367	14.7%	(\$49)	(\$65)	\$253	10.2%	(\$22)	\$6	(\$49)	\$—	\$188	\$0.44
(Gains) / losses on divestitures, net included in SG&A			(5)		1		(4)				(4)				1		(3)	(0.01)
Acquisition / integration costs			1		1		2				2				(1)		1	—
Settlement with former management									(2)		(2)				1		(1)	—
Amortization of inventory step-up					3		3				3				(1)		2	—
Asbestos									1		1				9		10	0.02
Amortization of acquired backlog					1		1				1						1	—
Total Before Special Items	\$157	16.2%	\$93	11.0%	\$119	17.6%	\$369	14.8%	(\$50)	(\$65)	\$254	10.2%	(\$22)	\$6	(\$40)	\$—	\$198	\$0.46

Note: Sum of EPS before special items does not equal total due to rounding.

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

# // 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.*

***tyco***