



## Investor Overview

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## Forward-Looking Statements / Safe Harbor

Certain statements in this presentation are "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. All forward-looking statements involve risks and uncertainties. All statements contained herein that are not clearly historical in nature are forward looking, and the words "anticipate," "believe," "expect," "estimate," "project" and similar expressions are generally intended to identify forward-looking statements. Any forward-looking statement contained herein, in press releases, written statements or other documents filed with the Securities and Exchange Commission ("SEC"), or in Tyco's communications and discussions with investors and analysts in the normal course of business through meetings, webcasts, phone calls and conference calls, regarding expectations with respect to sales, earnings, cash flows, operating and tax efficiencies, product expansion, backlog, the consummation and benefits of acquisitions and divestitures, as well as financings and repurchases of debt or equity securities, are subject to known and unknown risks, uncertainties and contingencies. Many of these risks, uncertainties and contingencies are beyond our control, and may cause actual results, performance or achievements to differ materially from anticipated results, performances or achievements. Factors that might affect such forward-looking statements include, among other things:

- 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 investigations 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 availability of funding sources and 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;
- risks associated with the change in our jurisdiction of incorporation from Bermuda to Switzerland, including the possibility of reduced flexibility with respect to certain aspects of capital management, increased or different regulatory burdens, and the possibility that we may not realize anticipated tax benefits;
- changes in U.S. and non-U.S. government laws and regulations; and
- 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 International's jurisdiction of incorporation or deny U.S. government contracts to us based upon Tyco International's jurisdiction of incorporation.

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

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## Tyco International Highlights

- A diverse portfolio of market-leading businesses in Electronic Security, Fire Protection, Flow Control, and other industrial products
- Strong global presence in attractive markets
  - Emerging market focus
- Large and growing service revenue - over \$7B of annual revenue
- Strong balance sheet, cash flow generation and financial flexibility

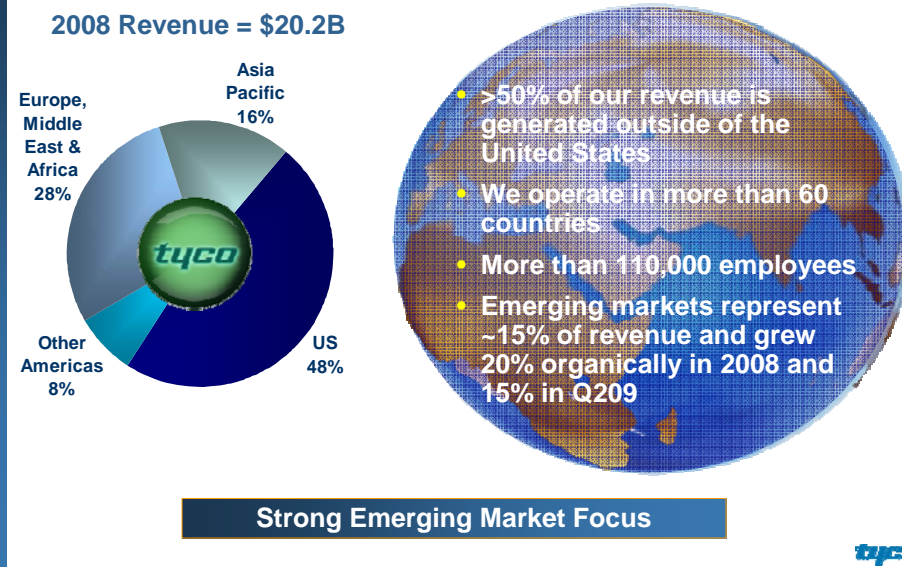
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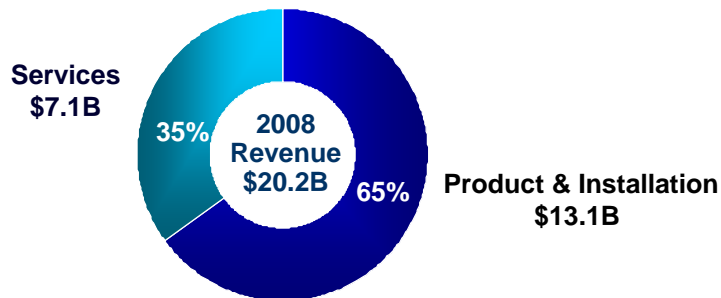
## A Diverse Portfolio of Businesses with Strong Brands



## A Strong Position in Developed Markets with An Expanding Emerging Markets Presence



## More than One-Third of Total Revenue Is Monitoring and Service Revenue



- ADT generated \$5.1B of revenue from monitoring and service activities (66% of total ADT revenue)
- Fire generated \$1.8B of service and maintenance revenue (46% of total Fire revenue)

**A Large, Stable Base of Recurring Revenue Which Continues to Grow**

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## How Are We Managing in this Environment?

- Continue to invest in our businesses for long-term competitive advantage
- Strong focus on growing service revenue and recurring revenue base
- Managing our cost structure and executing on restructuring and cost contingency plans
  - ~\$200 million restructuring charges in 2009 with \$150 million incremental savings in 2010
- Maintain a strong balance sheet

**Investing For Long-Term, While Carefully Managing Cost Structure**

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## Investing to Grow our Businesses...

### Emerging Markets

- Represent ~15% of total revenue
- Providing revenue and earnings diversification
- Adapting products to local markets
- Long-term infrastructure development opportunities

### Technology & Innovation

- Growth-oriented capital spending represents ~70% of capital expenditures
- Increased investment in R&D
- 16 R&D Centers in North America, Europe and Asia
- Bolt-on acquisitions to expand product and service offerings

...and Gain Market Share

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## ADT Worldwide at a Glance



- 2008 Revenue of \$7.7B
  - 67% Commercial, 33% Residential
  - 52% Recurring Revenue
- 7.2M recurring revenue customers
- Global provider of residential and commercial security systems
- Market leadership position
- Broad geographic reach
  - 55% North America, 30% EMEA, 15% ROW
  - Over 1,200 locations in 49 countries

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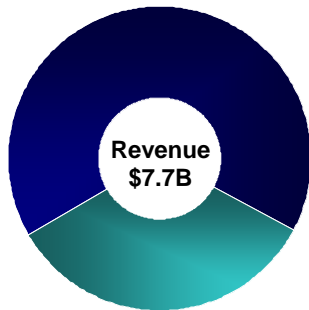


## ADT Worldwide – Two Thirds of Revenue is Service Related

### 2008 ADT Worldwide

#### Service Revenue

- 66% of Total Revenue
- \$5.1B in FY08

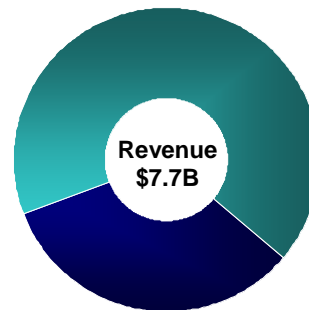


#### Product & Installation Revenue

- 34% of Total Revenue
- \$2.6B in FY08

#### Commercial Revenue

- 67% of Total Revenue
- ~36% of Commercial Revenue is Recurring



#### Residential Revenue

- 33% of Total Revenue
- >80% of Residential Revenue is Recurring

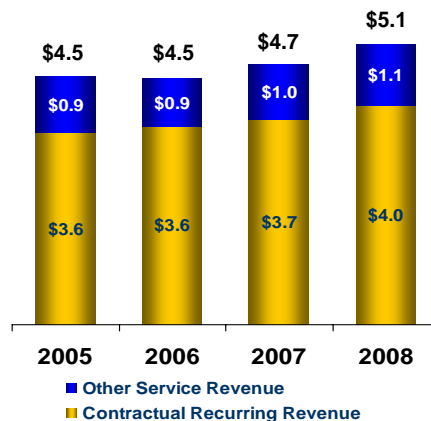
Large Base of Stable Recurring Revenue

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## Service Revenue is Predictable and Has Been Growing

### Service Revenue (\$B)



### Recurring Revenue

- Recurring revenue represents ~80% of service revenue
- 12 consecutive quarters of organic revenue growth
  - 3.6% organic revenue growth in 2<sup>nd</sup> quarter
- Growing in all geographic regions
- Recurring revenue generates higher margins

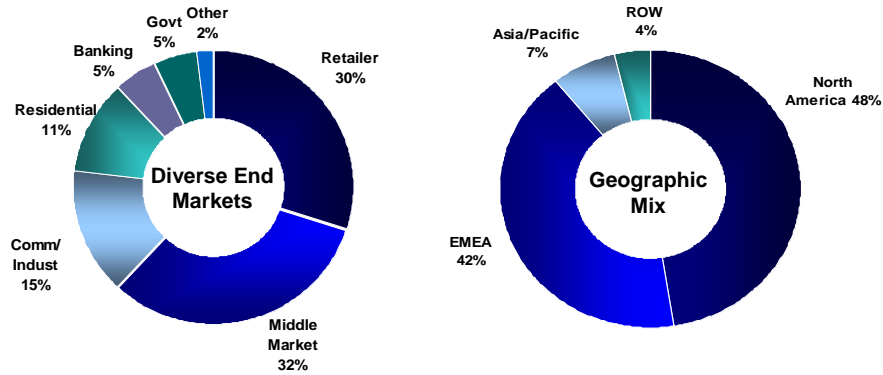
Solid Progress Globally

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## Product & Installation Revenue...

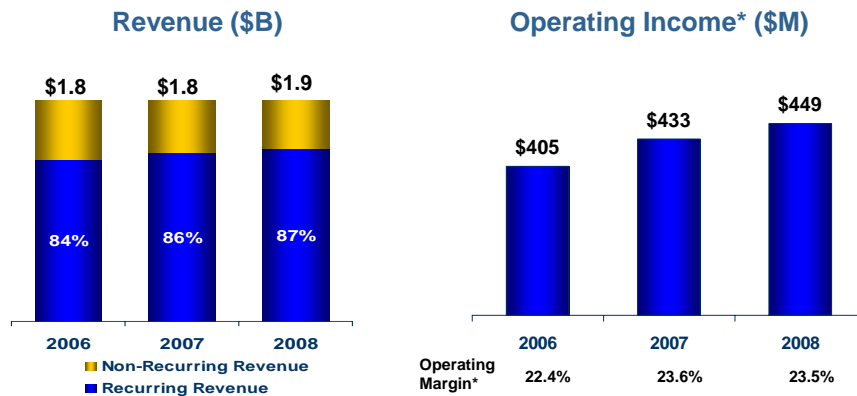
2008 System Installation Revenue \$2.6B



... is Diversified Across End Markets and Geographies

## ADT North America Residential – Our Largest and Most Profitable Market

- Recurring revenue represents more than 85% of \$1.9B revenue base
- Steady and consistent performance with operating margins above 20%



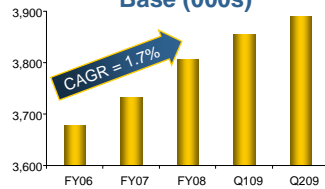
Strong Margins, Predictable Growth

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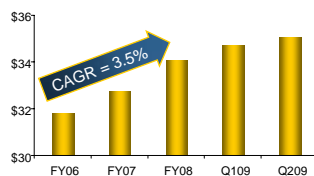
\*Operating Income and Operating Margin are before special items and are Non-GAAP measures. For a reconciliation, please see Appendix

## Residential Business Growth Is Due to Expanding Account Base and ARPU\* Growth

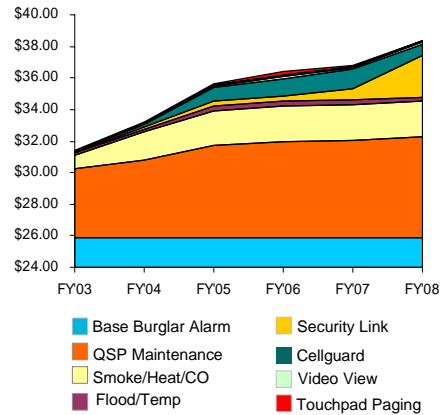
U.S. Residential Account Base (000s)



U.S. Residential ARPU\*



Monthly Revenue per New Residential Customer



Net Account Growth + ARPU Growth => Recurring Revenue Growth

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\*Average Revenue Per User (ARPU)

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## Flow Control At A Glance



- 2008 Revenue of \$4.4B
- 3 consecutive years of solid operating margin improvement
- Well positioned in large, fragmented markets
- Global leader in valves, controls and related products
- Well known market-leading brands
- Geographic diversity – 80% of revenue generated outside the U.S.
- End market diversity – serves a broad range of industries and customers
- Strong backlog

KEYSTONE

ANDERSON GREENWOOD

Raychem

ERHARD ARMATUREN

vanessa

TRACER

BAYARD

BIFFI

PIZZONI

CROSBY

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## Flow Control—Three Business Platforms

### Valves & Controls

2008 Revenue: ~\$2.4B  
Organic Growth\* 13%

- World's largest provider of flow control products and services
- Products include valves, actuators and controls
- Delivery and control of liquids, powders and gases for energy and processing industries



### Water & Environmental Systems

2008 Revenue: ~\$1.3B  
Organic Growth\* 1%

- Strong regional presence with products and services for water systems
- Delivery, transport, storage and treatment of water
- Government, residential, agriculture and industrial use—from dam to the household



### Thermal Controls

2008 Revenue: ~\$650M  
Organic Growth\* 12%

- Global leader in heat-tracing solutions
- Industrial, global project services
- Commercial and residential products for floor warming, snow melting and de-icing



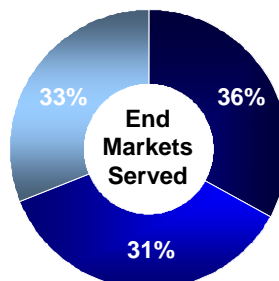
16 \* Organic Revenue is Non-GAAP measures. For a reconciliation to the most comparable GAAP measure, please see Appendix.



## Flow Control – Balanced Across End Markets

### Water

- Storage
- Transmission
- Distribution



### Energy

- Oil and Gas
- Refining
- Power Generation

### Process

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

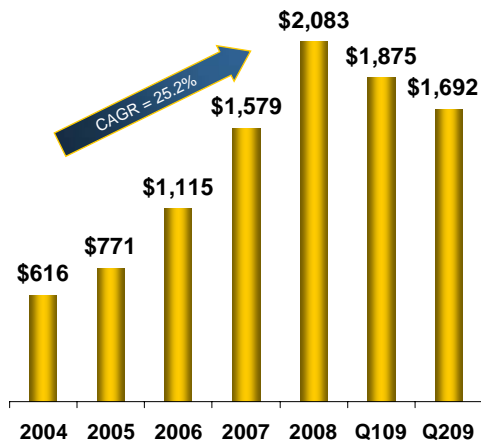
Provides Revenue & Earnings Diversification

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## Flow Control—Backlog

Total Backlog (\$M)



- Backlog declined 9%, excluding currency, on a quarter sequential basis
- Order rates slowed in the quarter; some signs of order stabilization

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## Fire Protection Services at a Glance

- 2008 Revenue of \$3.9B; 46% service revenue
- Market-leading industry position
- Strong global presence
- Broad offering of fire products and services
- Diversified customer base
- Direct contracting and service provider
- Highest ROIC\* in Tyco...over 100% excluding goodwill



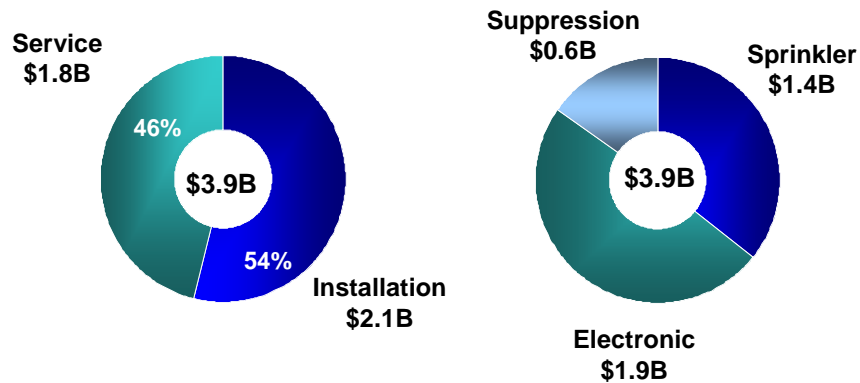
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\*ROIC is a non-GAAP measure. Please see Appendix for a description of how ROIC is calculated.



## Fire – Almost Half of Total Revenue Is Service

### 2008 Revenues



Service Revenue is More Resilient and Continues to Grow

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## Safety Products At A Glance



- 2008 Revenue of \$1.9B
- Market-leading provider of Fire Suppression, Electronic Security & Life Safety Products
- Well known brands
- Strong market position with leading technologies
- Attractive markets with long-term growth
- Deep technology pipeline
- Focus on emerging market growth

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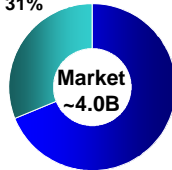


## Safety Products Participates in Attractive Markets

### Fire Suppression & Building Products

Expected Market Growth: 3-5%

Tyco 31%



Tyco 2008 Revenue: \$1.1B  
Organic Growth\* 10.0%

### Electronic Security

Expected Market Growth 4-5%

Tyco 3%



Tyco 2008 Revenue: \$459M  
Organic Growth\* 2.2%

### Life Safety

Expected Market Growth: 3%

Tyco 7%



Tyco 2008 Revenue: \$386M  
Organic Growth\* 10.6%

**Q2 Operating Margin Impacted by 9% Organic Revenue Decline**

Source: Frost & Sullivan, JP Freeman, Freedonia and Management Estimates

\* Organic revenue is a Non-GAAP measure. For a reconciliation to the most comparable GAAP measure, please see Appendix.



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## Electrical & Metal Products At-A-Glance

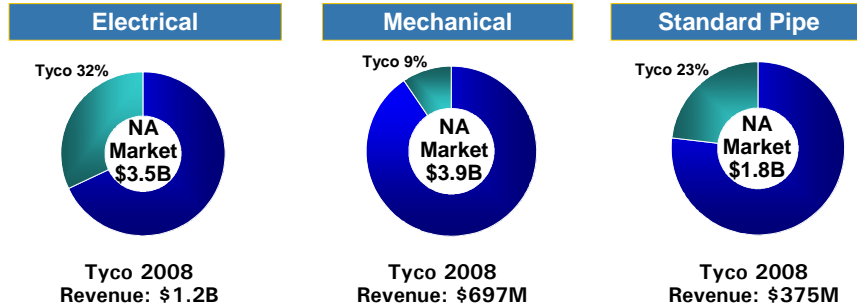


- 2008 Revenue of \$2.3B
- Generates strong operating margin and strong cash flow over the cycle
- Market leader in steel tubes and pipes, armored cable and electrical conduit products
- Strong, well-known brands
- Processes approximately one million tons of steel per year
- Profit is dependent on metal spreads – primarily steel and copper
- Currently being impacted by historically low volume



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## Markets Served Are Large



### Key Performance Drivers

- Steel and copper costs
- Product pricing
- Commercial and residential construction activity
- Changes in fire codes and regulations requiring sprinklers

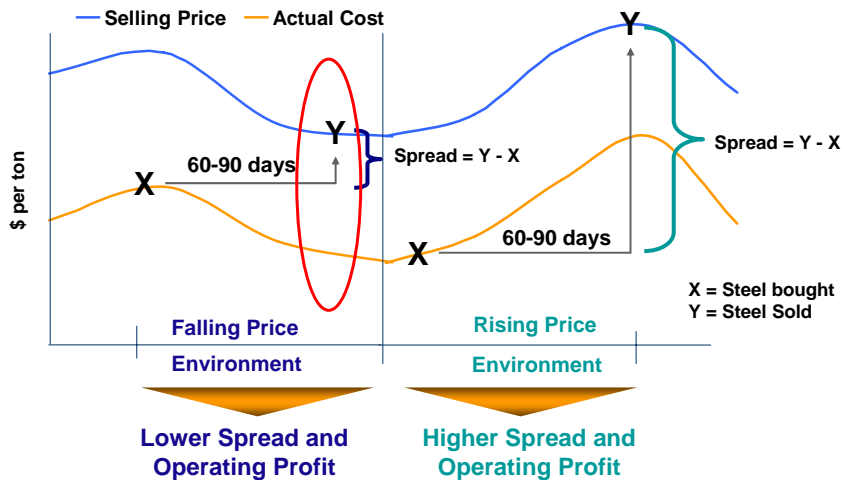
**2002-2008 Average Margin of 15.3%**

24 Source: Preston Pipe Reports and Management Estimates



## Profitability Is Dependent on Metal Spreads, Primarily Steel and Copper

$$\text{Spread} = \text{Selling Price per ton} - \text{Cost per ton}$$



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## Margin Rates Vary with Metal Spreads

\$M	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>	<b>1,258</b>	<b>1,163</b>	<b>1,579</b>	<b>1,798</b>	<b>1,949</b>	<b>1,974</b>	<b>2,272</b>
<b>Growth %</b>	5.0%	(7.6%)	35.8%	13.9%	8.4%	1.3%	15.1%
<b>Operating Income</b>	<b>222</b>	<b>120</b>	<b>371</b>	<b>295</b>	<b>319</b>	<b>159</b>	<b>342</b>
<b>Margin %</b>	17.6%	10.3%	23.5%	16.4%	16.4%	8.1%	15.1%

2002 – 2008 Average Margin of 15.3%

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## Tyco 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 businesses in attractive markets
- Broad service activities generate over \$7B of annual service revenue
- Investing to grow our businesses
- Strong balance sheet, cash flow generation and financial flexibility

Positioning For A Stronger Future

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## Appendix

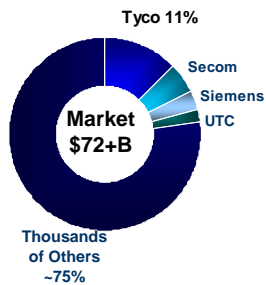
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## Tyco Overview

## We Are Well-Positioned in Attractive Markets

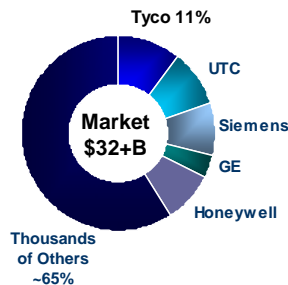
### Global Electronic Security Industry

Expected Long-Term Market Growth = 5-6%



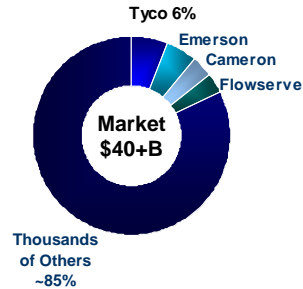
### Global Fire Industry

Expected Long-Term Market Growth = 3-4%



### Global Industrial Valves & Controls Industry

Expected Long-Term Market Growth = 4-5%



**Fragmented Industries Provide Market Share Growth Opportunities**

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Source: Freedonia, McIlrain, Industry and Management Estimates



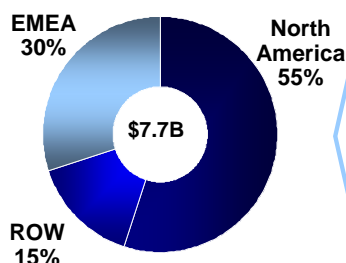
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**ADT Worldwide**



## ADT North America – Disciplined Growth and Improving Operational Efficiency

2008 Revenue



2008 ADT North America

	Residential	Commercial	Total NA
Revenue	\$1.9B	\$2.3B	\$4.2B
% Recurring	87%	41%	62%
Op Inc*	\$449M	\$275M	\$724M
% Margin	23.5%	11.9%	17.2%
Adjusted EBITDA*	\$945M	\$495M	\$1,440M
EBITDA %	49.4%	21.5%	34.1%

**Our Largest, Most Profitable Market**

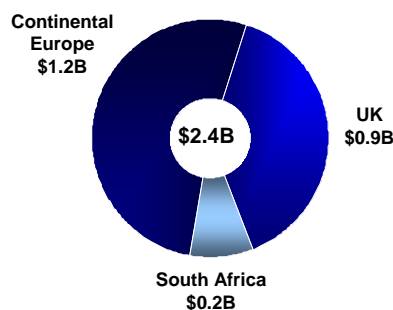
\* Adjusted EBITDA, Operating Income before special items and Operating Margin before special items are Non-GAAP measures. For a reconciliation to the most comparable GAAP measure, please see Appendix.



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## ADT Europe, Middle East & Africa – Improve Operating Margin

2008 EMEA Revenue  
30% of Total



	ADT EMEA	ADT NA
Revenue	\$2.4B	\$4.2B
Resi/Comm Split	19%/81%	45%/55%
% Recurring	35%	62%
Op Inc*	\$151M	\$724M
% Margin	6.4%	17.2%
Adjusted EBITDA*	\$248M	\$1,440M
EBITDA %	10.5%	34.1%

**Focus on Restructuring, Improved Execution & Mix**

\* 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 Rest of World – Grow Faster in Emerging Markets

### Asia/Pacific

**2008 Revenue = \$826M;  
Organic growth\* of 12.1%**

- Strong presence across the region
- Market leadership in Korea, Australia, 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

**2008 Revenue = \$332M;  
Organic growth\* of 18.1%**

- 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

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



## Flow Control

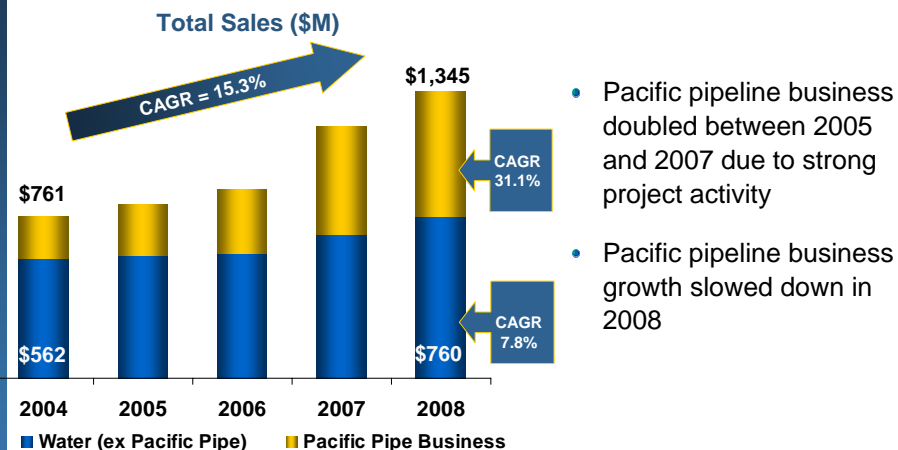
## Valves & Controls - Strong Historical Growth and Positioned Well for the Future



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## Tyco Water - Strong Historical Growth Combined with Project Spikes



Challenging Revenue Comparison Into 2009

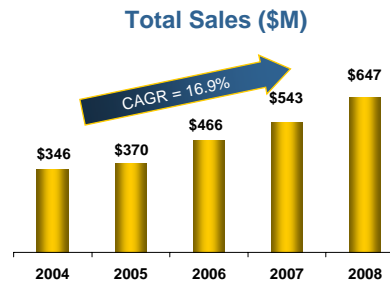
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## Thermal Controls – A Heat Management and Service Growth Strategy

### Focus Areas

- Execute current “mega” oil and gas projects
- Strengthen North America services model to ensure scalability and extend project pipeline
- Replicate services model in Europe and Asia



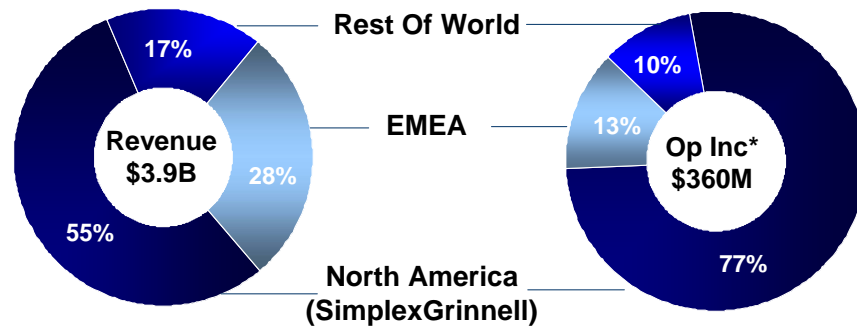
**Expected To Grow To Near \$1B Over Next Few Years**

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## Fire Protection Services

## SimplexGrinnell is Our Largest and Most Profitable Business



Leverage North America Best Practices

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\* Operating Income before special items is a Non-GAAP measure. For a reconciliation to the most comparable GAAP measure, please see Appendix.

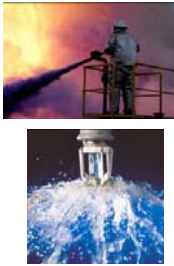


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**Safety Products**

## Broad-Based Fire and Security Product Platforms

### Fire Suppression



- Water and chemical fire suppressions systems
  - Water sprinkler heads
  - Fire extinguishers

### Electronic Security



- Intrusion security
- Access control
- Video management systems
- Electronic fire detection
- Retail anti-theft electronic article surveillance

### Life Safety



- Personal protective equipment
  - Breathing PAK
- Thermal imaging device

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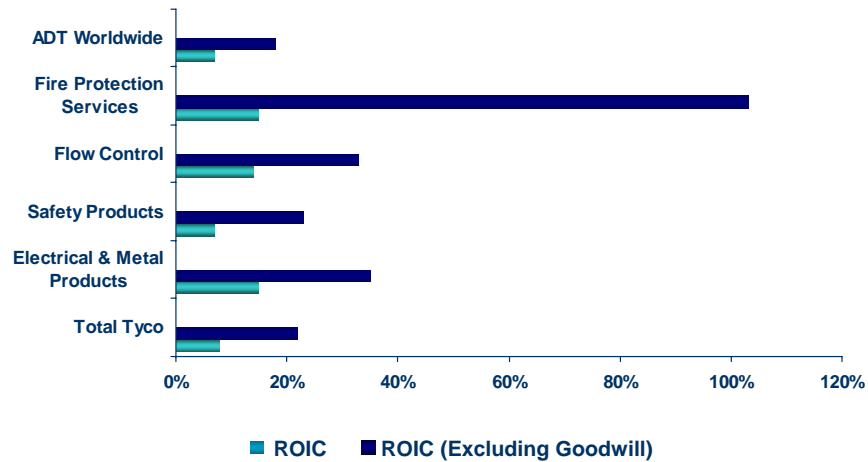
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## Non-GAAP Reconciliations

## We Generate Strong Incremental Returns on Invested Capital

2008 Return on Invested Capital\*



44 \*ROIC is a non-GAAP measure. Please see following tables for a description of how ROIC is calculated.



## Return on Invested Capital (Including Goodwill)

\$M	2008 Op Inc* After Tax	2008 Avg Invested Capital	2008 ROIC
ADT Worldwide	\$754	\$9,100	8%
Fire Protection	\$271	\$1,681	16%
Flow Control	\$477	\$3,504	14%
Safety Products	\$269	\$3,008	9%
Elec. & Metal	\$290	\$1,790	16%
Corporate	(\$387)	(\$635)	NM
<b>Total</b>	<b>\$1,674</b>	<b>\$18,448</b>	<b>9%</b>

45 \*Operating income is before special items, which is a Non-GAAP measure. For a reconciliation, please see following tables.



## Return on Invested Capital (Excluding Goodwill)

\$M	2008 Op Inc* After Tax	2008 Avg Invested Capital	2008 ROIC
ADT Worldwide	\$754	\$3,951	19%
Fire Protection	\$271	\$242	112%
Flow Control	\$477	\$1,456	33%
Safety Products	\$269	\$934	29%
Elec. & Metal	\$290	\$740	39%
Corporate	(\$387)	(\$646)	NM
<b>Total</b>	<b>\$1,674</b>	<b>\$6,677</b>	<b>25%</b>

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\*Operating income is before special items, which is a Non-GAAP measure. For a reconciliation, please see following tables.



## Q209 Free Cash Flow

\$M	
Net Cash provided by operating activities	\$ 726
Decrease in sale of accounts receivable	7
Capital expenditures, net	(170)
Accounts purchased from ADT dealer program	(114)
Purchase accounting and holdback liabilities	(1)
Voluntary pension contributions	6
Free Cash Flow	<u>\$ 454</u>

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## Q209 Organic Revenue Growth

\$M	Q2FY08 Revenues	Acq/Disp & Other	FX	Organic Growth	Q2FY09 Revenues	Organic %
ADT Worldwide	1,895	54	(192)	(63)	1,694	(3.3)%
Flow Control	1,024	4	(150)	49	927	4.8%
Fire Protection	932	-	(95)	(20)	817	(2.1)%
Electrical & Metal	542	(9)	(16)	(187)	330	(34.5)%
Safety Products	469	(2)	(41)	(44)	382	(9.4)%
Corporate & Other	1	-	-	(1)	-	N/M
<b>Total</b>	<b>4,863</b>	<b>47</b>	<b>(494)</b>	<b>(266)</b>	<b>4,150</b>	<b>(5.5)%</b>

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## 2008 Operating Income Before Special Items

\$M	ADT Worldwide	Flow Control	Fire Protection Services	Electrical & Metal Products	Safety Products	Corporate and Other	Revenue
Previously Reported Revenue (GAAP)	\$8,017	\$4,418	\$3,553	\$2,272	\$1,934	\$5	\$20,199
Segment Realignment	(286)	-	286	-	-	-	-
<b>Recasted Revenue (GAAP)</b>	<b>\$7,731</b>	<b>\$4,418</b>	<b>\$3,839</b>	<b>\$2,272</b>	<b>\$1,934</b>	<b>\$5</b>	<b>\$20,199</b>

	ADT Worldwide	Flow Control	Fire Protection Services	Electrical & Metal Products	Safety Products	Corporate and Other	Total Operating Income
As Previously Reported (GAAP)	\$910	\$618	\$321	\$342	\$284	(\$534)	\$1,941
Segment Realignment	(4)	-	4	-	-	-	-
<b>As Reported (GAAP)</b>	<b>\$906</b>	<b>\$618</b>	<b>\$325</b>	<b>\$342</b>	<b>\$284</b>	<b>(\$534)</b>	<b>\$1,941</b>
Restructuring charges in cost of sales and SG&A	1	9		9	6	3	28
Class action settlement, net						(10)	(10)
Separation costs						5	5
Losses on divestitures						1	1
Restructuring and asset impairment charges, net	93	5	25	34	66	1	224
Goodwill impairment			9				9
Reserve adjustment						(9)	(9)
Legacy legal settlement						29	29
<b>Total Before Special Items</b>	<b>\$1,000</b>	<b>\$632</b>	<b>\$359</b>	<b>\$385</b>	<b>\$356</b>	<b>(\$514)</b>	<b>\$2,218</b>

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## Q2 08 Operating Income Before Special Items

\$M, except for share data

	ADT Worldwide	Flow Control	Fire Protection Services	Electrical & Metal Products	Safety Products	Corporate and Other	Revenue											
Previously Reported Revenue (GAAP)	\$1,868	\$1,024	\$681	\$542	\$469	\$1	\$4,863											
Segment Realignment	(71)		71				-											
Recasted Revenue (GAAP)	\$1,895	\$1,024	\$692	\$542	\$469	\$1	\$4,863											
	ADT Worldwide	Flow Control	Fire Protection Services	Electrical & Metal Products	Safety Products	Corporate and Other	Total Operating Income	Interest Expense, net	Other Expense, net	Income Taxes	Minority Interest	Income from Continuing Operations	Diluted EPS from Continuing Operations					
As Previously Reported (GAAP)	\$222	\$143	\$77	\$72	\$54	(\$126)	\$442	(\$50)	\$0	(\$76)	(\$1)	\$272	\$0.58					
Segment Realignment	(2)		2				-					-	-					
As Reported (GAAP)	\$220	\$143	\$79	\$72	\$54	(\$126)	\$442	(\$50)	\$0	(\$76)	(\$1)	\$272	\$0.58					
Restructuring charges in cost of sales and SG&A				2	1	3	6			(2)		4	0.01					
Separation costs						(5)	(5)	23		(14)		4	0.01					
Restructuring and asset impairment charges, net	10		2	1	25	(1)	37			(7)		30	0.06					
Tax items										1		1	0.00					
Reserve adjustment						(9)	(9)			3		(6)	(0.01)					
Legacy legal items						20	20					20	0.04					
Total Before Special Items	\$230	\$143	\$81	\$75	\$60	(\$116)	\$491	(\$57)	\$0	(\$80)	(\$1)	\$325	\$0.67					
														Diluted Shares Outstanding				
														469				
														Diluted Shares Outstanding - Before Special Items				
														463				

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## Q2 09 Operating Income Before Special Items

\$M, except for share data

	ADT Worldwide	Flow Control	Fire Protection Services	Electrical & Metal Products	Safety Products	Corporate and Other	Revenue											
Revenue (GAAP)	\$1,694	\$207	\$817	\$338	\$382	\$0	\$4,156											
	ADT Worldwide	Flow Control	Fire Protection Services	Electrical & Metal Products	Safety Products	Corporate and Other	Operating Income	Interest Income, net	Other Expense, net	Income Taxes	Minority Interest	Income from Continuing Operations	Diluted EPS					
As Reported (GAAP)	(\$407)	\$133	(\$122)	(\$842)	(\$943)	(\$203)	(\$2,554)	(\$67)	\$7	\$60	(\$1)	(\$2,555)	(\$5.40)					
Restructuring charges in cost of sales and SG&A	2	1		4	14	1	22			(8)		14	0.03					
Losses on divestitures	-	3		(5)			(5)					(2)	(0.00)					
Restructuring and asset impairment charges, net	41	4	11	2	23	5	86			(24)		62	0.13					
Intangible impairments	22				42		64			(25)		39	0.09					
Goodwill impairments	613		180	935	913		2,541			(43)		2,508	5.47					
Legacy legal items						101	101			4		105	0.23					
Total Before Special Items	\$221	\$141	\$69	(\$26)	\$49	(\$181)	\$358	(\$67)	\$7	(\$36)	(\$1)	\$261	\$0.55					
														Diluted Shares Outstanding				
														473				
														Diluted Shares Outstanding - Before Special Items				
														475				

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## 2008 Adjusted EBITDA Reconciliation

\$M

	ADT		
	Worldwide	ADT NA	ADT EMEA
<b>Revenue</b>	<b>\$ 7,731</b>	<b>\$ 4,218</b>	<b>\$ 2,355</b>
<b>Operating Income</b>	<b>\$ 906</b>	<b>\$ 665</b>	<b>\$ 118</b>
Restructuring and asset impairment charges, net	\$ 94	\$ 59	\$ 33
<b>Operating Income Before Special Items</b>	<b>\$ 1,000</b>	<b>\$ 724</b>	<b>\$ 151</b>
Depreciation & Amortization	\$ 916	\$ 716	\$ 97
<b>Adjusted EBITDA</b>	<b>\$ 1,916</b>	<b>\$ 1,440</b>	<b>\$ 248</b>
Adjusted EBITDA Margin	24.8%	34.1%	10.5%

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## Non-GAAP Measures

"Organic revenue", "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 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 do not reflect the underlying results and trends (for example, revenue reclassifications and changes to the fiscal year). Organic revenue 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's existing businesses, 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 presentation for the reconciliation presenting the components of organic revenue.

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, legacy legal, 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 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. They may also be significant components in the company's incentive compensation plans.

Operating income, operating margin, and EPS from continuing operations 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 EPS, operating income and margin before special items versus EPS, operating income and operating margin (the most comparable GAAP measures) consists of the impact of charges and gains related to divestitures, acquisitions, restructurings, legacy legal, tax charges 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 EPS, 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.

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## Non-GAAP Measures

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 operating 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 and special items excluded from operating income. 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 operating income results. This limitation is best addressed by using Adjusted EBITDA in combination with operating income.

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 (before special items) by the amount of capital invested across the business segment. We believe that ROIC provides management with a means to analyze and improve the company's business, measuring segment profitability in relation to net asset investments. The limitation associated with using ROIC is that 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.