



First Quarter Review

31 / January / 2014

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", "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 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);
- Results and consequences of Tyco's internal investigations and governmental investigations concerning its governance, management, internal controls and operations including its business operations outside the United States;
- 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.

Actual results could differ materially from anticipated results. Tyco is under no obligation (and expressly disclaims any obligation) to update its forward-looking statements. More detailed information about these and other factors is set forth in Tyco's Annual Report on Form 10-K for the fiscal year ended Sept. 27, 2013 and in subsequent filings with the Securities and Exchange Commission.

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

// Q1 Highlights

//Revenue of \$2.65 billion with organic revenue* growth of 1.5%

- Service +2%, Products +2% and Installation flat

//Segment operating margin before special items* improved 80 basis points, year over year

//Earnings per share before special items* increased 15% year over year

//Orders growth of 7% year over year, excluding impact of foreign currency

- Service +4%, Installation +10%, Products +7.5%
- Acquisitions contributed approximately two and a half points of order growth

//Backlog of \$5.4 billion increased 6% year over year, and 1% on a quarter sequential basis, excluding impact of foreign currency

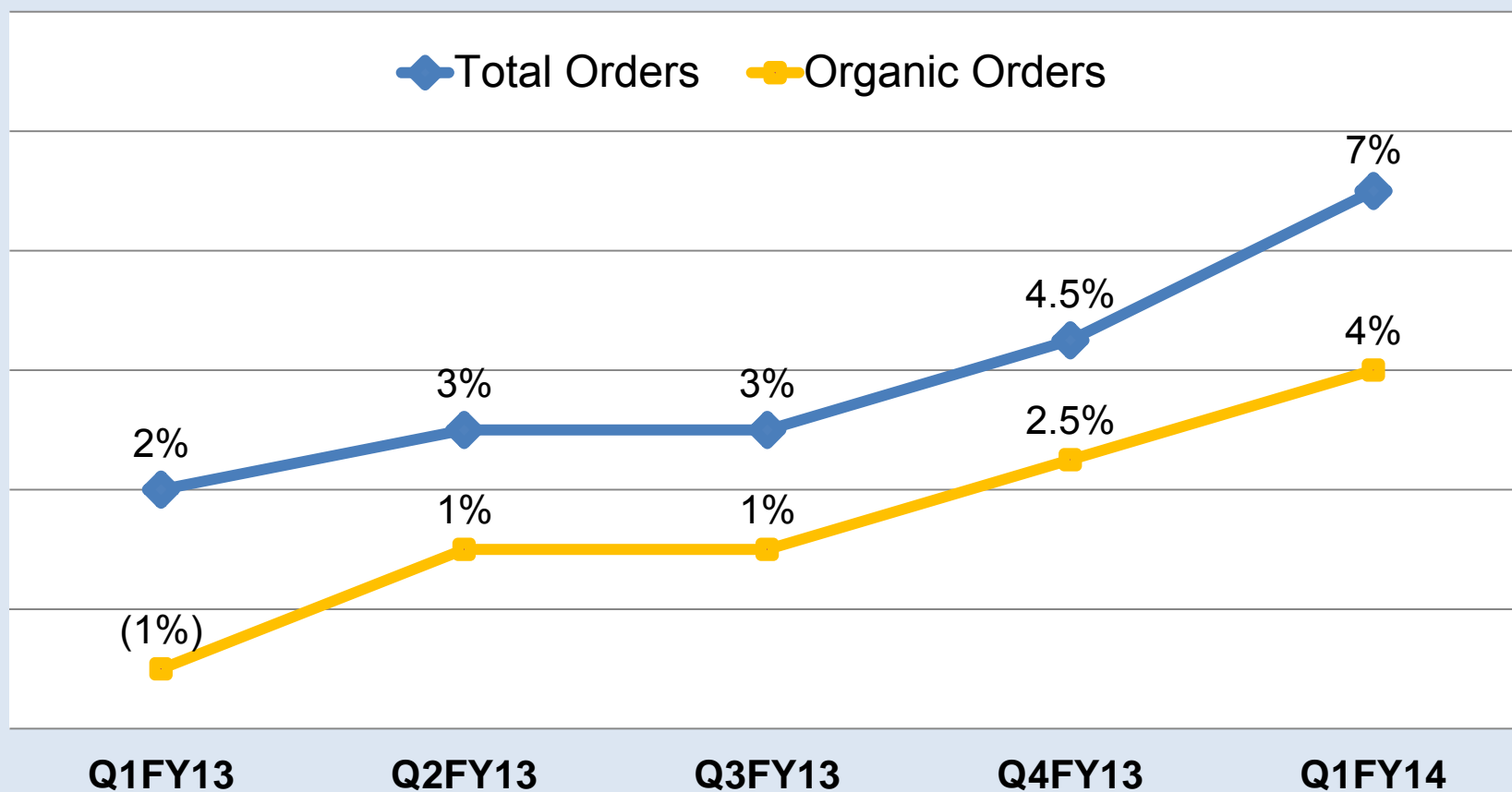
// Q1 Highlights, continued

// Completed disciplined bolt-on acquisitions and divested non-core businesses

- Closed previously announced acquisition of Westfire, Inc., a leading fire installation and service provider in the U.S., Chile and Peru
- Divested previously announced Armourguard business in New Zealand and fire and security business in Fiji

// Repurchased 6.6 million shares for \$250 million under existing share repurchase authority, of which \$250 million remains

// Year Over Year Orders Growth Trend Is Improving



// Q1 2014 Results – Financial Overview

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

(\$ in millions)	Q1FY14	Q1FY13	Change
Revenue	\$2,647	\$2,600	2%
Segment Operating Income before special items *	\$352	\$324	9%
Segment Operating Margin before special items*	13.3%	12.5%	+80bps
Corporate Expense before special items*	\$55	\$58	(5%)
Tax Rate before special items*	17.7%	17.8%	
EPS from Cont. Ops. before special items*	\$0.47	\$0.41	15%

// Strong operating margin performance across all three segments

// Underlying segment operations contributed \$0.06 of earnings per share year over year, excluding a \$0.01 headwind from changes in foreign currency

Solid Start To The Fiscal Year



* 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.

// First Quarter – NA Installation & Services

(\$ in millions)	Q1FY14	Q1FY13	Change
Revenue	\$957	\$976	(2%)
Operating Income*	\$129	\$120	8%
Operating Margin*	13.5%	12.3%	120bps

// Orders increased 4% year over year, excluding currency

- Service orders were up 2.5%
- Install orders were up 6%

// Backlog of \$2.4 billion decreased 1% on a quarter sequential basis, excluding the impact of foreign currency

- Flat year over year
- Security installation backlog margin up about 130 bps over last year

// Organic revenue* flat year over year

- Service grew 2%
- Installation declined 3%

// Operating margin* increased 120 bps year over year

- More service revenue
- Improved installation margin
- Productivity savings

// First Quarter – ROW Installation & Services

(\$ in millions)	Q1FY14	Q1FY13	Change
Revenue	\$1,125	\$1,090	3%
Operating Income*	\$133	\$121	10%
Operating Margin*	11.8%	11.1%	70bps

// Orders increased 8% year over year, excluding currency

- Service orders were up 5%
- Installation orders increased 12%
- Half of order increase related to acquisitions

// Backlog of \$2.7 billion increased 3% on a quarter sequential basis, excluding impact of foreign currency,

- Up 11% year over year

// Organic revenue* increased 2%

- Service grew 2%
- Installation grew 3%

// A three and a half percentage point benefit from acquisitions was mostly offset by divestitures and changes in foreign currency exchange rates

// Operating margin* increased 70 bps year over year

- Increased revenue
- Productivity initiatives

// First Quarter – Global Products

(\$ in millions)	Q1FY14	Q1FY13	Change
Revenue	\$565	\$534	6%
Operating Income*	\$90	\$83	8%
Operating Margin*	15.9%	15.5%	40bps

// Respirator manufacturers, including our Scott Safety business, received notification from the National Institute for Occupational Safety and Health of industry-wide testing errors

- Implementation of new standards is now expected in April

// Orders increased 7.5% year over year, excluding impact of foreign currency

- About half of increase related to Exacq acquisition

// Organic revenue* increased 2%

- Delay in new standards implementation impacted organic revenue growth by two percentage points

// Acquisitions contributed four percentage points of growth

// Operating margin* improved 40 bps year over year

- Includes 30 bps headwind related to non-cash purchase accounting

// Other Items

//Corporate expense before special items was \$55 million in the quarter

- **Outlook:** Expect Q2 fiscal 2014 corporate expense before special items to be similar to Q1

//Tax rate excluding special items was 17.7% for the quarter

- **Outlook:** Expect Q2 tax rate before special items to be ~ 18%

//Free cash flow* was \$24 million in Q1 and included \$25 million of cash paid for special items. Adjusted free cash flow* was \$49 million

//Weighted average share count of 471 million for the quarter

- **Outlook:** Expected weighted average share count of 470 million for Q2

Appendix

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

	Quarters Ended	
	December 27, 2013	December 28, 2012
Revenue from product sales	\$ 1,493	\$ 1,443
Service revenue	1,154	1,157
Net revenue	2,647	2,600
Cost of product sales	1,023	1,004
Cost of services	648	664
Selling, general and administrative expenses	599	682
Separation costs	—	5
Restructuring and asset impairment charges, net	3	10
Operating income	374	235
Interest income	3	4
Interest expense	(24)	(24)
Other expense, net	(1)	(9)
Income from continuing operations before income taxes	352	206
Income tax expense	(76)	(39)
Equity loss in earnings of unconsolidated subsidiaries	(4)	(6)
Income from continuing operations	272	161
Income from discontinued operations, net of income taxes	—	4
Net income	272	165
Less: noncontrolling interest in subsidiaries net income	2	2
Net income attributable to Tyco common shareholders	\$ 270	\$ 163
Amounts attributable to Tyco common shareholders:		
Income from continuing operations	\$ 270	\$ 159
Income from discontinued operations	—	4
Net income attributable to Tyco common shareholders	\$ 270	\$ 163
Basic earnings per share attributable to Tyco common shareholders:		
Income from continuing operations	\$ 0.58	\$ 0.34
Income from discontinued operations	—	0.01
Net income attributable to Tyco common shareholders	\$ 0.58	\$ 0.35
Diluted earnings per share attributable to Tyco common shareholders:		
Income from continuing operations	\$ 0.57	\$ 0.34
Income from discontinued operations	—	—
Net income attributable to Tyco common shareholders	\$ 0.57	\$ 0.34
Weighted average number of shares outstanding:		
Basic	464	466
Diluted	471	473

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 for the fiscal year ended September 27, 2013.

TYCO INTERNATIONAL LTD.
RESULTS OF SEGMENTS
(in millions)
(Unaudited)

	Quarters Ended			
	December 27, 2013		December 28, 2012	
Net Revenue				
NA Installation & Services	\$	957	\$	976
ROW Installation & Services		1,125		1,090
Global Products		565		534
Total Net Revenue	\$	2,647	\$	2,600
Operating Income and Margin				
NA Installation & Services	\$	117	12.2% \$	108 11.1%
ROW Installation & Services		125	11.1%	114 10.5%
Global Products		86	15.2%	74 13.9%
Corporate and Other		46	N/M	(61) N/M
Operating Income and Margin	\$	374	14.1% \$	235 9.0%

TYCO INTERNATIONAL LTD.
CONSOLIDATED BALANCE SHEETS
(in millions)
(Unaudited)

	<u>December 27, 2013</u>	<u>September 27, 2013</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 479	\$ 563
Accounts receivable, net	1,725	1,738
Inventories	685	655
Prepaid expenses and other current assets	864	857
Deferred income taxes	254	254
Total Current Assets	<u>4,007</u>	<u>4,067</u>
Property, plant and equipment, net	1,678	1,677
Goodwill	4,528	4,519
Intangible assets, net	806	804
Other assets	994	1,109
Total Assets	<u>\$ 12,013</u>	<u>\$ 12,176</u>
Liabilities and Equity		
Current Liabilities:		
Loans payable and current maturities of long-term debt	\$ 180	\$ 20
Accounts payable	838	899
Accrued and other current liabilities	1,777	1,910
Deferred revenue	368	402
Total Current Liabilities	<u>3,163</u>	<u>3,231</u>
Long-term debt	1,443	1,443
Deferred revenue	392	400
Other liabilities	1,849	1,969
Total Liabilities	<u>6,847</u>	<u>7,043</u>
Redeemable noncontrolling interest	12	12
Total Tyco shareholders' equity	5,130	5,098
Nonredeemable noncontrolling interest	24	23
Total Equity	<u>5,154</u>	<u>5,121</u>
Total Liabilities, Redeemable Noncontrolling Interest and Equity	<u>\$ 12,013</u>	<u>\$ 12,176</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 for the fiscal year ended September 27, 2013.

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

	For the Quarters Ended	
	December 27, 2013	December 28, 2012
Cash Flows From Operating Activities:		
Net income attributable to Tyco common shareholders	\$ 270	\$ 163
Noncontrolling interest in subsidiaries net income	2	2
Income from discontinued operations, net of income taxes	—	(4)
	<u>272</u>	<u>161</u>
Income from continuing operations		
Adjustments to reconcile net cash provided by operating activities:		
Depreciation and amortization	106	105
Non-cash compensation expense	15	14
Deferred income taxes	57	10
Provision for losses on accounts receivable and inventory	11	18
Legacy legal matters	(92)	—
Other non-cash items	16	6
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:		
Accounts receivable, net	14	(9)
Contracts in progress	13	(2)
Inventories	(32)	(29)
Prepaid expenses and other current assets	(59)	31
Accounts payable	(44)	(61)
Accrued and other liabilities	(108)	(228)
Deferred revenue	(41)	(47)
Other	(5)	(8)
Net cash provided by (used in) operating activities	<u>123</u>	<u>(39)</u>
Net cash provided by discontinued operating activities	<u>—</u>	<u>4</u>
Cash Flows From Investing Activities:		
Capital expenditures	(92)	(90)
Proceeds from disposal of assets	4	3
Acquisition of businesses, net of cash acquired	(54)	(23)
Acquisition of dealer generated customer accounts and bulk account purchases	(11)	(6)
Sales and maturities of investments	112	11
Purchases of investments	(32)	(91)
Other	6	8
Net cash used in investing activities	<u>(67)</u>	<u>(188)</u>
Cash Flows From Financing Activities:		
Proceeds from issuance of short-term debt	310	—
Repayment of short-term debt	(150)	—
Proceeds from exercise of share options	40	46
Dividends paid	(74)	(70)
Repurchase of common shares by treasury	(250)	(50)
Transfer to discontinued operations	—	(29)
Other	(9)	(16)
Net cash used in financing activities	<u>(133)</u>	<u>(119)</u>
Net cash provided by discontinued financing activities	<u>—</u>	<u>29</u>
Effect of currency translation on cash	<u>(7)</u>	<u>3</u>
Net decrease in cash and cash equivalents	<u>(84)</u>	<u>(310)</u>
Less: net increase in cash and cash equivalents related to discontinued operations	<u>—</u>	<u>33</u>
Cash and cash equivalents at beginning of period	<u>563</u>	<u>844</u>
Cash and cash equivalents at end of period	<u>\$ 479</u>	<u>\$ 501</u>
Reconciliation to "Free Cash Flow":		
Net cash provided by (used in) operating activities	\$ 123	\$ (39)
Capital expenditures, net	(88)	(87)
Acquisition of dealer generated customer accounts and bulk account purchases	(11)	(6)
Purchase accounting and holdback liabilities	—	(1)
Free Cash Flow	<u>\$ 24</u>	<u>\$ (133)</u>
Reconciliation to "Adjusted Free Cash Flow":		
CIT settlement	\$ (60)	\$ —
IRS litigation costs	1	—
Separation costs	22	100
Restructuring and repositioning costs	29	19
Environmental remediation payments	31	10
Legal settlements	—	33
Net asbestos (recoveries) / payments	3	(58)
Cash (receipt) / payment from Covidien/TE Connectivity	(1)	(5)
Special Items	<u>\$ 25</u>	<u>\$ 99</u>
Adjusted Free Cash Flow	<u>\$ 49</u>	<u>\$ (34)</u>

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

TYCO INTERNATIONAL LTD.
ORGANIC GROWTH RECONCILIATION - REVENUE
(in millions)

Quarter Ended December 27, 2013												
	Net Revenue for the Quarter Ended December 28, 2012	Base Year		Adjusted Fiscal 2013 Base Revenue	Adjustments							
		Divestitures / Other ⁽²⁾			Foreign Currency		Acquisitions		Organic Revenue ⁽¹⁾		Net Revenue for the Quarter Ended December 27, 2013	
NA Installation and Services	\$ 976	\$ (18)	(1.8)%	\$ 958	\$ (7)	(0.7)%	\$ 4	0.4 %	\$ 2	0.2 %	\$ 957	(1.9)%
ROW Installation and Services	1,090	(7)	(0.6)%	1,083	(20)	(1.8)%	38	3.5 %	24	2.2 %	1,125	3.2 %
Global Products	534	1	0.2 %	535	(3)	(0.6)%	20	3.7 %	13	2.4 %	565	5.8 %
Total Net Revenue	\$ 2,600	\$ (24)	(0.9)%	\$ 2,576	\$ (30)	(1.2)%	\$ 62	2.4%	\$ 39	1.5%	\$ 2,647	1.8 %

⁽¹⁾ Organic revenue growth percentage based on adjusted fiscal 2013 base revenue.

⁽²⁾ Amounts include the transfer of a business from NA Installation and Services to Global Products.

Earnings Per Share Summary
(Unaudited)

	Quarter Ended Dec. 27, 2013	Quarter Ended Dec. 28, 2012
Diluted EPS from Continuing Operations Attributable to Tyco Shareholders (GAAP)	\$ 0.57	\$ 0.34
<i>expense / (benefit)</i>		
Restructuring and repositioning activities	0.01	0.01
Separation costs included in SG&A	0.02	0.01
Environmental remediation	—	0.01
Loss on sale of investment	0.01	—
CIT settlement	(0.03)	—
Settlement with former management	(0.11)	—
Separation costs	—	0.01
Tax items	—	0.01
2012 Tax Sharing Agreement	—	0.02
Total Before Special Items	\$ 0.47	\$ 0.41

Tyco International Ltd.
For the Quarter Ended December 27, 2013
(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)	\$957	\$1,125	\$565	\$2,647	\$—	\$2,647

	Operating Income																	Income from Continuing Operations Attributable to Tyco Shareholders	Diluted EPS from Continuing Operations Attributable to Tyco Shareholders
	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		
Operating Income	\$117	12.2%	\$125	11.1%	\$86	15.2%	\$328	12.4%	\$46	N/M	\$374	14.1%	(\$21)	(\$1)	(\$76)	(\$4)	(\$2)	\$270	\$0.57
Restructuring and repositioning	(2)				4		2		7		9				(2)			7	0.01
Separation costs included in SG&A	14						14		1		15				(6)			9	0.02
(Gains) / losses on divestitures, net									(3)		(3)							(3)	—
Acquisition / integration costs					1		1				1							1	—
Settlement with former management									(92)		(92)				36			(56)	(0.11)
Asbestos									1		1				(1)			—	—
IRS litigation costs									1		1							1	—
CIT settlement									(16)		(16)							(16)	(0.03)
Loss on sale of investment					7		7				7							7	0.01
2012 Tax Sharing Agreement														2				2	—
Total Before Special Items	\$129	13.5%	\$133	11.8%	\$90	15.9%	\$352	13.3%	(\$55)	N/M	\$297	11.2%	(\$21)	\$1	(\$49)	(\$4)	(\$2)	\$222	\$0.47

Diluted Share Outstanding	471
Diluted Shares Outstanding - Before Special Items	471

Tyco International Ltd.
For the Quarter Ended December 28, 2012
(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)	\$976	\$1,090	\$534	\$2,600	\$—	\$2,600

Operating Income																			Income from Continuing Operations Attributable to Tyco Shareholders	Diluted EPS from Continuing Operations Attributable to Tyco Shareholders
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				
Operating Income (GAAP)	\$108	11.1%	\$114	10.5%	\$74	13.9%	\$296	11.4%	(\$61)	N/M	\$235	9.0%	(\$20)	(\$9)	(\$39)	(\$6)	(\$2)	\$159	\$0.34	
Restructuring, net			7		2		9		1		10				(2)			8	0.01	
Separation costs included in SG&A	12						12		1		13				(5)			8	0.01	
(Gains) / losses on divestitures, net									(3)		(3)							(3)	—	
Acquisition / integration costs					1		1				1							1	—	
Asbestos									(1)		(1)							(1)	—	
Environmental remediation					6		6				6				(2)			4	0.01	
Separation costs									5		5							5	0.01	
Tax items															4			4	0.01	
2012 Tax Sharing Agreement														10				10	0.02	
Total Before Special Items	\$120	12.3%	\$121	11.1%	\$83	15.5%	\$324	12.5%	(\$58)	N/M	\$266	10.2%	(\$20)	\$1	(\$44)	(\$6)	(\$2)	\$195	\$0.41	

Diluted Shares Outstanding	473
Diluted Shares Outstanding - Before Special Items	473

// 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, from time to time the company may present 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