



# Second Quarter Review

26 / April / 2013

# *tyco*

# // Forward-Looking Statements / Safe Harbor

This presentation contains a number of forward-looking statements. Words and variations of words such as “outlook”, “expect”, “intend”, “will”, “anticipate”, “believe”, “propose”, “potential”, “continue”, “opportunity”, “estimate”, “project” and similar expressions are intended to identify forward-looking statements. 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 and capital allocation priorities, and statements regarding Tyco’s acquisition, divestiture, restructuring and capital market related activities. 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 audit settlements and appeals;
- 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;
- Economic and political conditions in international markets, including governmental changes and restrictions on the ability to transfer capital across borders;
- 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. More detailed information about these and other factors is set forth on Tyco’s Annual Report on Form 10-K for the fiscal year ended September 28, 2012 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.**

# // Executing Our Growth Strategy

## // Installation & Services businesses

- Accelerated service revenue growth from 2% last quarter to 3%
- Improved installation execution

## // Global Products businesses

- Mid-single digit organic revenue growth outpaces market

## // On track with sourcing and productivity initiatives

**Strong Second Quarter Operational Performance**

# // Capital Allocation

## // Acquisition metrics

- Strategic fit
- Strong growth potential
- ROIC well in excess of risk adjusted WACC
- EPS accretion by year 2

## // Deep pipeline of attractive acquisition candidates

## // Acquisitions announced

- First City Care Security – installation and service provider with expertise in banking vertical
- National Fire Solutions Group – leading national provider of fire protection services in Australia

## // Divestiture announced

- North America guarding business

## // Return excess capital to shareholders

- Dividend payments of \$70 million
- Repurchased 4.8M shares for \$150 million

**Allocating Capital To Create Maximum Long-term Shareholder Value**

# // Q2 2013 Results – Financial Overview

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

| (\$ in millions)  | Q2FY13  | Q2FY12  | Change |
|---|---------|---------|--------|
| <b>Revenue</b>  | \$2,608 | \$2,542 | 3%     |
| <b>Segment Operating Income</b><br>before special items * | \$321   | \$300   | 7%     |
| <b>Segment Operating Margin</b><br>before special items*  | 12.3%   | 11.8%   | 50bps  |
| <b>Corporate Expense</b><br>before special items*         | \$54    | \$78    | (31%)  |
| <b>Tax Rate</b><br>before special items*                  | 17.9%   | 12.3%   |        |
| <b>EPS from Cont. Ops.</b><br>before special items*       | \$0.42  | \$0.30  | 40%    |

// Excluding 40bps of estimated dis-synergies, segment operating margin improved 90bps year over year

// Year over year EPS\* increased 20% on a Q2FY12 normalized base of \$0.35\*\*

// Underlying segment operations contributed \$0.05, or 14% of earnings per share increase year over 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.

\*\*Normalized second quarter 2012 results adjust pre-separation corporate and interest expense to post-separation estimated levels and dis-synergies associated with the separation of the commercial security operations in North America from ADT. See Non-GAAP reconciliation.

## // Q2 Highlights

//Revenue of \$2.6 billion with organic revenue\* growth of 2%

- Products +7%, Service +3% and Installation (3%)

//Segment operating margin before special items\* of 12.3%

- Continued growth of higher margin service revenue
- Productivity and restructuring benefits
- Incremental growth investments, particularly in R&D and sales and marketing
- Includes 40bp headwind related to dis-synergies

//Orders growth of 3%, excluding impact of foreign currency

//Backlog of \$5.3 billion increased 3% on a quarter sequential basis, excluding impact of foreign currency

# // Second Quarter – NA Installation & Services

| (\$ in millions)         | Q2FY13 | Q2FY12 | Change |
|--------------------------|--------|--------|--------|
| <b>Revenue</b>           | \$953  | \$953  | —      |
| <b>Operating Income*</b> | \$104  | \$92   | 13%    |
| <b>Operating Margin*</b> | 10.9%  | 9.7%   |        |

// Orders flat year over year, excluding currency

- Service orders were up 2%
- Installation orders declined 2% driven by previously announced project selectivity in commercial security

// Backlog of \$2.5 billion increased 2% on a quarter sequential basis, excluding the impact of foreign currency

- Sequentially, the dollar value of installation orders has stabilized and service orders have accelerated

// Organic revenue\* in line with prior year

- Service was up 2%
- Installation declined 3%

// Year over year operating margin expansion driven by higher mix of service revenue, improved execution in installation and productivity improvements, which more than offset dis-synergy costs

## // Second Quarter – ROW Installation & Services

| (\$ in millions)         | Q2FY13  | Q2FY12  | Change |
|--------------------------|---------|---------|--------|
| <b>Revenue</b>           | \$1,077 | \$1,070 | 1%     |
| <b>Operating Income*</b> | \$120   | \$119   | 1%     |
| <b>Operating Margin*</b> | 11.1%   | 11.1%   |        |

// Organic revenue\* increased 1%

- Service grew 5%
- Installation declined 4%

// Operating margin consistent with prior year

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

- Service orders were up 4%
- Installation orders declined 1% due to tough compare with prior year and softness in mining activity

// Backlog of \$2.6 billion increased 5% on a quarter sequential basis, excluding impact of foreign currency



## // Second Quarter – Global Products

| (\$ in millions)         |        |        |        |
|--------------------------|--------|--------|--------|
|                          | Q2FY13 | Q2FY12 | Change |
| <b>Revenue</b>           | \$578  | \$519  | 11%    |
| <b>Operating Income*</b> | \$97   | \$89   | 9%     |
| <b>Operating Margin*</b> | 16.8%  | 17.1%  |        |

// Orders increased 12% year over year, excluding impact of foreign currency, partly attributable to acquisitions

// Organic revenue\* grew 7% with growth across all three product platforms

// Operating leverage from increased volume was offset by 80 basis point incremental investment in R&D and sales & marketing

## // Other Items

//Free cash flow\* was \$134 million in Q2 and included \$75 million of cash paid for special items, primarily separation and restructuring activities. Adjusted free cash flow\* was \$209 million

//Corporate expense before special items was \$54 million in the quarter

- **Outlook:** Expect Corporate expense for Q3 to be ~\$60 million

//Tax rate excluding special items was 17.9% for the quarter

- **Outlook:** Expect Q3 tax rate to be ~19%

//Weighted average share count of 474 million for the quarter

- **Outlook:** Expect Q3 weighted average share count of ~472 million shares

# Appendix

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

|   | Quarters Ended |                | Six Months Ended |                |
|---|----------------|----------------|------------------|----------------|
|   | March 29,      | March 30,      | March 29,        | March 30,      |
|   | 2013           | 2012           | 2013             | 2012           |
| Revenue from product sales  | \$ 1,437       | \$ 1,407       | \$ 2,880         | \$ 2,776       |
| Service revenue   | 1,171          | 1,135          | 2,328            | 2,244          |
| <b>Net revenue</b>  | <b>2,608</b>   | <b>2,542</b>   | <b>5,208</b>     | <b>5,020</b>   |
| Cost of product sales   | 997            | 967            | 2,001            | 1,902          |
| Cost of services  | 676            | 667            | 1,340            | 1,311          |
| Selling, general and administrative expenses                                | 790            | 660            | 1,472            | 1,337          |
| Separation costs  | -              | 4              | 5                | 4              |
| Restructuring and asset impairment charges, net                             | 22             | 16             | 32               | 52             |
| <b>Operating income</b>   | <b>123</b>     | <b>228</b>     | <b>358</b>       | <b>414</b>     |
| Interest income   | 4              | 4              | 8                | 9              |
| Interest expense  | (25)           | (59)           | (49)             | (117)          |
| Other (expense), net  | (20)           | (4)            | (29)             | (2)            |
| <b>Income from continuing operations before income taxes</b>                | <b>82</b>      | <b>169</b>     | <b>288</b>       | <b>304</b>     |
| Income tax expense  | (4)            | (33)           | (43)             | (60)           |
| Equity loss in earnings of unconsolidated subsidiaries                      | (6)            | (2)            | (12)             | (12)           |
| <b>Income from continuing operations</b>                                    | <b>72</b>      | <b>134</b>     | <b>233</b>       | <b>232</b>     |
| (Loss) income from discontinued operations, net of income taxes             | (2)            | 189            | 2                | 413            |
| <b>Net income</b>   | <b>70</b>      | <b>323</b>     | <b>235</b>       | <b>645</b>     |
| Less: noncontrolling interest in subsidiaries net income                    | (2)            | -              | -                | -              |
| <b>Net income attributable to Tyco common shareholders</b>                  | <b>\$ 72</b>   | <b>\$ 323</b>  | <b>\$ 235</b>    | <b>\$ 645</b>  |
| <b>Amounts attributable to Tyco common shareholders:</b>                    |                |                |                  |                |
| Income from continuing operations   | \$ 74          | \$ 134         | \$ 233           | \$ 232         |
| (Loss) income from discontinued operations                                  | (2)            | 189            | 2                | 413            |
| Net income attributable to Tyco common shareholders                         | <u>\$ 72</u>   | <u>\$ 323</u>  | <u>\$ 235</u>    | <u>\$ 645</u>  |
| <b>Basic earnings per share attributable to Tyco common shareholders:</b>   |                |                |                  |                |
| Income from continuing operations   | \$ 0.16        | \$ 0.29        | \$ 0.50          | \$ 0.50        |
| Income from discontinued operations   | -              | 0.41           | -                | 0.89           |
| Net income attributable to Tyco common shareholders                         | <u>\$ 0.16</u> | <u>\$ 0.70</u> | <u>\$ 0.50</u>   | <u>\$ 1.39</u> |
| <b>Diluted earnings per share attributable to Tyco common shareholders:</b> |                |                |                  |                |
| Income from continuing operations   | \$ 0.16        | \$ 0.29        | \$ 0.49          | \$ 0.50        |
| Income from discontinued operations   | -              | 0.40           | -                | 0.88           |
| Net income attributable to Tyco common shareholders                         | <u>\$ 0.16</u> | <u>\$ 0.69</u> | <u>\$ 0.49</u>   | <u>\$ 1.38</u> |
| <b>Weighted-average number of shares outstanding:</b>                       |                |                |                  |                |
| Basic   | 466            | 463            | 466              | 463            |
| Diluted   | 474            | 469            | 473              | 469            |

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 28, 2012 and Form 10-Q for the quarter ended December 28, 2012.

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

|                             | Quarters Ended |       |           |    | Six Months Ended |       |           |       |       |    |       |       |
|-----------------------------|----------------|-------|-----------|----|------------------|-------|-----------|-------|-------|----|-------|-------|
|                             | March 29,      |       | March 30, |    | March 29,        |       | March 30, |       |       |    |       |       |
|                             | 2013           |       | 2012      |    | 2013             |       | 2012      |       |       |    |       |       |
| Net Revenue                 |                |       |           |    |                  |       |           |       |       |    |       |       |
| NA Installation & Services  | \$             | 953   |           | \$ | 953              | \$    | 1,929     | \$    | 1,915 |    |       |       |
| ROW Installation & Services |                | 1,077 |           |    | 1,070            |       | 2,167     |       | 2,126 |    |       |       |
| Global Products             |                | 578   |           |    | 519              |       | 1,112     |       | 979   |    |       |       |
| Total Net Revenue           | \$             | 2,608 |           | \$ | 2,542            | \$    | 5,208     | \$    | 5,020 |    |       |       |
| Operating Income and Margin |                |       |           |    |                  |       |           |       |       |    |       |       |
| NA Installation & Services  | \$             | 79    | 8.3%      | \$ | 85               | 8.9%  | \$        | 187   | 9.7%  | \$ | 171   | 8.9%  |
| ROW Installation & Services |                | 106   | 9.8%      |    | 105              | 9.8%  |           | 220   | 10.2% |    | 215   | 10.1% |
| Global Products             |                | -     | -         |    | 86               | 16.6% |           | 74    | 6.7%  |    | 167   | 17.1% |
| Corporate and Other         |                | (62)  | N/M       |    | (48)             | N/M   |           | (123) | N/M   |    | (139) | N/M   |
| Operating Income and Margin | \$             | 123   | 4.7%      | \$ | 228              | 9.0%  | \$        | 358   | 6.9%  | \$ | 414   | 8.2%  |

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

|   | <b>March 29,<br/>2013</b> | <b>September 28,<br/>2012</b> |
|---|---------------------------|-------------------------------|
| <b>Assets</b>   |                           |                               |
| Cash and cash equivalents   | \$430                     | \$844                         |
| Accounts receivable, net  | 1,649                     | 1,696                         |
| Inventories   | 654                       | 634                           |
| Prepaid expenses and other current assets                               | 930                       | 884                           |
| Deferred income taxes   | 295                       | 295                           |
| <b>Total current assets</b>   | <b>3,958</b>              | <b>4,353</b>                  |
| Property, plant and equipment, net                                      | 1,668                     | 1,670                         |
| Goodwill  | 4,345                     | 4,367                         |
| Intangible assets, net  | 735                       | 771                           |
| Other assets  | 1,252                     | 1,204                         |
| <b>Total Assets</b>   | <b>\$11,958</b>           | <b>\$12,365</b>               |
| <b>Liabilities and Equity</b>   |                           |                               |
| Loans payable and current maturities of long-term debt                  | \$11                      | \$10                          |
| Accounts payable  | 783                       | 897                           |
| Accrued and other current liabilities                                   | 1,757                     | 1,788                         |
| Deferred revenue  | 418                       | 402                           |
| <b>Total current liabilities</b>  | <b>2,969</b>              | <b>3,097</b>                  |
| Long-term debt  | 1,481                     | 1,481                         |
| Deferred revenue  | 405                       | 424                           |
| Other liabilities   | 2,361                     | 2,341                         |
| <b>Total Liabilities</b>  | <b>7,216</b>              | <b>7,343</b>                  |
| Redeemable noncontrolling interest                                      | 12                        | 12                            |
| Total Tyco shareholders' equity   | 4,714                     | 4,994                         |
| Nonredeemable noncontrolling interest                                   | 16                        | 16                            |
| <b>Total Equity</b>   | <b>4,730</b>              | <b>5,010</b>                  |
| <b>Total Liabilities, Redeemable Noncontrolling Interest and Equity</b> | <b>\$11,958</b>           | <b>\$12,365</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 for the fiscal year ended September 28, 2012 and Quarterly Report on Form 10-Q for the quarter ended December 28, 2012.

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

|  | <b>For the Quarters Ended</b> |                           | <b>For the Six Months Ended</b> |                           |
|--|-------------------------------|---------------------------|---------------------------------|---------------------------|
|  | <b>March 29,<br/>2013</b>     | <b>March 30,<br/>2012</b> | <b>March 29,<br/>2013</b>       | <b>March 30,<br/>2012</b> |
| <b>Cash Flows From Operating Activities:</b>   |                               |                           |                                 |                           |
| Net income attributable to Tyco common shareholders  | \$ 72                         | \$ 323                    | \$ 235                          | \$ 645                    |
| Noncontrolling interest in subsidiaries net income   | (2)                           | -                         | -                               | -                         |
| Loss (income) from discontinued operations, net of income taxes                                      | 2                             | (189)                     | (2)                             | (413)                     |
| Income from continuing operations  | 72                            | 134                       | 233                             | 232                       |
| Adjustments to reconcile net cash provided by operating activities:                                  |                               |                           |                                 |                           |
| Depreciation and amortization  | 107                           | 105                       | 212                             | 206                       |
| Non-cash compensation expense  | 17                            | 21                        | 31                              | 42                        |
| Deferred income taxes  | (55)                          | (15)                      | (45)                            | (13)                      |
| Provision for losses on accounts receivable and inventory  | 20                            | 13                        | 38                              | 24                        |
| Loss on divestitures   | 9                             | 3                         | 6                               | 3                         |
| Other non-cash items   | 42                            | 23                        | 51                              | 63                        |
| Changes in assets and liabilities, net of the effects of acquisitions and divestitures:              |                               |                           |                                 |                           |
| Accounts receivable, net   | 12                            | (31)                      | 3                               | 12                        |
| Contracts in progress  | (11)                          | (2)                       | (13)                            | (16)                      |
| Inventories  | (4)                           | (25)                      | (33)                            | (58)                      |
| Prepaid expenses and other current assets  | -                             | 29                        | 31                              | (23)                      |
| Accounts payable   | (45)                          | 6                         | (106)                           | (28)                      |
| Accrued and other liabilities  | 36                            | (71)                      | (192)                           | (230)                     |
| Deferred revenue   | 54                            | 52                        | 7                               | 24                        |
| Other  | (8)                           | 40                        | (16)                            | (32)                      |
| Net cash provided by operating activities  | 246                           | 282                       | 207                             | 206                       |
| Net cash (used in) provided by discontinued operating activities                                     | (2)                           | 434                       | 2                               | 848                       |
| <b>Cash Flows From Investing Activities:</b>   |                               |                           |                                 |                           |
| Capital expenditures   | (102)                         | (95)                      | (192)                           | (185)                     |
| Proceeds from disposal of assets   | 1                             | 1                         | 4                               | 2                         |
| Acquisition of businesses, net of cash acquired  | (15)                          | (110)                     | (38)                            | (205)                     |
| Acquisition of dealer generated customer accounts and bulk account purchases                         | (6)                           | (7)                       | (12)                            | (13)                      |
| Sales and maturities of investments  | 28                            | 51                        | 39                              | 83                        |
| Purchases of investments   | (28)                          | (20)                      | (119)                           | (43)                      |
| Other  | (14)                          | (1)                       | (6)                             | 18                        |
| Net cash used in investing activities  | (136)                         | (181)                     | (324)                           | (343)                     |
| Net cash used in discontinued investing activities   | -                             | (287)                     | -                               | (566)                     |
| <b>Cash Flows From Financing Activities:</b>   |                               |                           |                                 |                           |
| Proceeds from issuance of short-term debt  | 100                           | 469                       | 100                             | 880                       |
| Repayment of short-term debt   | (101)                         | (504)                     | (101)                           | (880)                     |
| Proceeds from exercise of share options  | 48                            | 59                        | 94                              | 88                        |
| Dividends paid   | (70)                          | (115)                     | (140)                           | (231)                     |
| Repurchase of common shares by treasury  | (150)                         | (100)                     | (200)                           | (300)                     |
| Transfer (to) from discontinued operations   | (1)                           | 112                       | (30)                            | 194                       |
| Other  | (1)                           | -                         | (17)                            | (19)                      |
| Net cash used in financing activities  | (175)                         | (79)                      | (294)                           | (268)                     |
| Net cash provided by (used in) discontinued financing activities                                     | 1                             | (114)                     | 30                              | (196)                     |
| Effect of currency translation on cash   | (6)                           | 13                        | (3)                             | 10                        |
| Effect of currency translation on cash related to discontinued operations                            | -                             | 5                         | -                               | 5                         |
| <b>Net (decrease) increase in cash and cash equivalents</b>  | <b>(72)</b>                   | <b>73</b>                 | <b>(382)</b>                    | <b>(304)</b>              |
| <b>Less: net increase (decrease) in cash and cash equivalents related to discontinued operations</b> | <b>(1)</b>                    | <b>38</b>                 | <b>32</b>                       | <b>91</b>                 |
| <b>Cash and cash equivalents at beginning of period</b>  | <b>501</b>                    | <b>799</b>                | <b>844</b>                      | <b>1,229</b>              |
| <b>Cash and cash equivalents at end of period</b>  | <b>\$ 430</b>                 | <b>\$ 834</b>             | <b>\$ 430</b>                   | <b>\$ 834</b>             |
| <b>Reconciliation to "Free Cash Flow":</b>   |                               |                           |                                 |                           |
| Net cash provided by operating activities  | \$ 246                        | \$ 282                    | \$ 207                          | \$ 206                    |
| Capital expenditures, net  | (101)                         | (94)                      | (188)                           | (183)                     |
| Acquisition of dealer generated customer accounts and bulk account purchases                         | (6)                           | (7)                       | (12)                            | (13)                      |
| Purchase accounting and holdback liabilities   | (5)                           | (1)                       | (6)                             | (1)                       |
| <b>Free Cash Flow</b>  | <b>\$ 134</b>                 | <b>\$ 180</b>             | <b>\$ 1</b>                     | <b>\$ 9</b>               |
| <b>Reconciliation to "Adjusted Free Cash Flow":</b>  |                               |                           |                                 |                           |
| Free Cash Flow   | \$ 134                        | \$ 180                    | \$ 1                            | \$ 9                      |
| Cash restructuring costs   | 25                            | 22                        | 44                              | 45                        |
| Cash payment / (receipt) from Covidien/TE Connectivity   | -                             | 17                        | (5)                             | 17                        |
| Cash acquisition / integration costs   | -                             | 2                         | -                               | 2                         |
| Legal settlement   | -                             | -                         | 13                              | -                         |
| Separation costs   | 32                            | -                         | 105                             | -                         |
| Separation costs - taxes   | 7                             | -                         | 7                               | -                         |
| Separation costs - capital expenditures  | 3                             | -                         | 6                               | -                         |
| Net asbestos (recoveries) / payments   | 8                             | -                         | (50)                            | -                         |
| <b>Adjusted Free Cash Flow</b>   | <b>\$ 209</b>                 | <b>\$ 221</b>             | <b>\$ 121</b>                   | <b>\$ 73</b>              |

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)  
(Unaudited)

Quarter Ended March 29, 2013

Base Year  
Adjustments

|                               | Net Revenue for the Quarter Ended<br>March 30, 2012 | (Divestitures)      | Adjusted<br>2012 Base<br>Revenue | Foreign Currency     | Acquisitions      | Other (2)         | Organic Revenue (1) | Net Revenue for the Quarter Ended<br>March 29, 2013 |
|-------------------------------|---|---------------------|----------------------------------|----------------------|-------------------|-------------------|---------------------|---|
| NA Installation and Services  | \$ 953  | \$ - 0.0%           | \$ 953                           | \$ - 0.0%            | \$ 2 0.2%         | \$ - 0.0%         | \$ (2) -0.2%        | \$ 953 0.0%   |
| ROW Installation and Services | 1,070   | (4) -0.4%           | 1,066                            | (10) -0.9%           | 11 1.0%           | - 0.0%            | 10 0.9%             | 1,077 0.7%  |
| Global Products               | 519   | - 0.0%              | 519                              | - 0.0%               | 15 2.9%           | 10 1.9%           | 34 6.6%             | 578 11.4%   |
| <b>Total Net Revenue</b>      | <b>\$ 2,542</b>                                     | <b>\$ (4) -0.2%</b> | <b>\$ 2,538</b>                  | <b>\$ (10) -0.4%</b> | <b>\$ 28 1.1%</b> | <b>\$ 10 0.4%</b> | <b>\$ 42 1.7%</b>   | <b>\$ 2,608 2.6%</b>                                |

(1) Organic revenue growth percentage based on adjusted 2012 base revenue.

(2) Amount represents contractual revenue from ADT under the 2012 Separation and Distribution Agreement which is excluded from the organic revenue calculation.

Six Months Ended March 29, 2013

Base Year  
Adjustments

|                               | Net Revenue for the Six Months Ended<br>March 30, 2012 | (Divestitures)       | Adjusted<br>2012 Base<br>Revenue | Foreign Currency   | Acquisitions       | Other (2)         | Organic Revenue (1) | Net Revenue for the Six Months Ended<br>March 29, 2013 |
|-------------------------------|--|----------------------|----------------------------------|--------------------|--------------------|-------------------|---------------------|--|
| NA Installation and Services  | \$ 1,915   | \$ - 0.0%            | \$ 1,915                         | \$ 4 0.2%          | \$ 4 0.2%          | \$ - 0.0%         | \$ 6 0.3%           | \$ 1,929 0.7%  |
| ROW Installation and Services | 2,126  | (10) -0.5%           | 2,116                            | (7) -0.3%          | 46 2.2%            | - 0.0%            | 12 0.6%             | 2,167 1.9%   |
| Global Products               | 979  | - 0.0%               | 979                              | 2 0.2%             | 54 5.5%            | 17 1.7%           | 60 6.1%             | 1,112 13.6%  |
| <b>Total Net Revenue</b>      | <b>\$ 5,020</b>  | <b>\$ (10) -0.2%</b> | <b>\$ 5,010</b>                  | <b>\$ (1) 0.0%</b> | <b>\$ 104 2.1%</b> | <b>\$ 17 0.3%</b> | <b>\$ 78 1.6%</b>   | <b>\$ 5,208 3.7%</b>                                   |

(1) Organic revenue growth percentage based on adjusted 2012 base revenue.

(2) Amount represents contractual revenue from ADT under the 2012 Separation and Distribution Agreement which is excluded from the organic revenue calculation.



**Earnings Per Share Summary  
(Unaudited)**

|  | Quarter Ended  | Quarter Ended  |
|--|----------------|----------------|
|  | March 29, 2013 | March 30, 2012 |
| <b>Diluted EPS from Continuing Operations Attributable to Tyco Shareholders (GAAP)</b> | <b>\$0.16</b>  | <b>\$0.29</b>  |
| <i>expense / (benefit)</i>   |                |                |
| Restructuring and repositioning activities   | 0.04           | 0.03           |
| Separation costs included in SG&A  | 0.04           | -              |
| (Gains) / losses on divestitures, net  | 0.02           | -              |
| Environmental remediation  | 0.12           | -              |
| Legacy legal items   | -              | 0.04           |
| Former management ERISA reversal   | -              | (0.07)         |
| Separation costs   | -              | 0.01           |
| 2012 Tax Sharing Agreement   | 0.04           | -              |
| <b>Total Before Special Items</b>  | <b>\$0.42</b>  | <b>\$0.30</b>  |
| Anticipated dis-synergies in NA I&S segment  |                | (0.01)         |
| Corporate expense from \$78M to expected \$56M   |                | 0.04           |
| Net interest expense from \$55M to expected \$25M                                      |                | 0.05           |
| Effective tax rate from 12.3% to expected 19.5%  |                | (0.03)         |
| <b>Q2 FY12 "Normalized" EPS</b>  |                | <b>\$0.35</b>  |

Represents forecast amounts for fiscal 2013

**Tyco International Ltd.**  
**For the Quarter Ended March 29, 2013**  
*(in millions, except per share data)*  
*(Unaudited)*  
expense / (benefit)

| Segments       |                              |                               |                    |                    |                        |                  |
|----------------|------------------------------|-------------------------------|--------------------|--------------------|------------------------|------------------|
|                | NA Installation<br>& Service | ROW Installation<br>& Service | Global<br>Products | Segment<br>Revenue | Corporate<br>and Other | Total<br>Revenue |
| Revenue (GAAP) | \$953                        | \$1,077                       | \$578              | \$2,608            | -                      | \$2,608          |

| Revenue (GAAP)   |        |                            |        |                 |        |                          |        |                     |        |     | \$953                  |        | \$1,077                 |                      | \$578                |   | \$2,608                           |       | -      |  | \$2,608 |  | Income from Continuing Operations Attributable to Tyco Shareholders | Diluted EPS from Continuing Operations Attributable to Tyco Shareholders |
|--|--------|----------------------------|--------|-----------------|--------|--------------------------|--------|---------------------|--------|-----|------------------------|--------|-------------------------|----------------------|----------------------|---|-----------------------------------|-------|--------|--|---------|--|---|--|
| Operating Income                                       |        |                            |        |                 |        |                          |        |                     |        |     | Total Operating Income | Margin | Interest (Expense), net | Other (Expense), net | Income Tax (Expense) | Equity in earnings of unconsolidated subsidiaries | Noncontrolling Interest (Expense) |       |        |  |         |  |   |  |
| NA Installation & Service                              | Margin | ROW Installation & Service | Margin | Global Products | Margin | Segment Operating Income | Margin | Corporate and Other | Margin |     |                        |        |                         |                      |                      |   |                                   |       |        |  |         |  |   |  |
| Operating Income (GAAP)                                | \$79   | 8.3%                       | \$106  | 9.8%            | -      | -                        | \$185  | 7.1%                | (\$62) | N/M | \$123                  | 4.7%   | (\$21)                  | (\$20)               | (\$4)                | (\$6)   | \$2                               | \$74  | \$0.16 |  |         |  |   |  |
| Restructuring and repositioning activities             | 6      |                            | 13     |                 | 3      |                          | 22     |                     | 4      |     | 26                     |        |                         |                      | (7)                  |   |                                   | 19    | 0.04   |  |         |  |   |  |
| Separation costs included in SG&A                      | 16     |                            |        |                 |        |                          | 16     |                     |        |     | 16                     |        |                         |                      | 3                    |   |                                   | 19    | 0.04   |  |         |  |   |  |
| (Gains) / losses on divestitures, net included in SG&A | 3      |                            | 1      |                 |        |                          | 4      |                     | 5      |     | 9                      |        |                         |                      |                      |   |                                   | 9     | 0.02   |  |         |  |   |  |
| Asbestos   |        |                            |        |                 |        |                          |        |                     | (1)    |     | (1)                    |        |                         |                      | 1                    |   |                                   | -     | -      |  |         |  |   |  |
| Environmental remediation                              |        |                            |        |                 | 94     |                          | 94     |                     |        |     | 94                     |        |                         |                      | (37)                 |   |                                   | 57    | 0.12   |  |         |  |   |  |
| 2012 Tax Sharing Agreement                             |        |                            |        |                 |        |                          |        |                     |        |     |                        |        |                         | 20                   |                      |   |                                   | 20    | 0.04   |  |         |  |   |  |
| Total Before Special Items                             | \$104  | 10.9%                      | \$120  | 11.1%           | \$97   | 16.8%                    | \$321  | 12.3%               | (\$54) | N/M | \$267                  | 10.2%  | (\$21)                  | -                    | (\$44)               | (\$6)   | \$2                               | \$198 | \$0.42 |  |         |  |   |  |

|   |     |
|---|-----|
| Diluted Shares Outstanding                        | 474 |
| Diluted Shares Outstanding - Before Special Items | 474 |

**Tyco International Ltd.**  
**For the Quarter Ended March 30, 2012**  
*(in millions, except per share data)*  
*(Unaudited)*  
*expense / (benefit)*

| Segments       |                              |                               |                    |                    |                        |
|----------------|------------------------------|-------------------------------|--------------------|--------------------|------------------------|
|                | NA Installation<br>& Service | ROW Installation<br>& Service | Global<br>Products | Segment<br>Revenue | Corporate<br>and Other |
| Revenue (GAAP) | \$953                        | \$1,070                       | \$519              | \$2,542            | -                      |
|                |                              |                               |                    |                    |                        |

| Operating Income                            |                              |        |                               |        |                    |        |                                |        |                        |        |                              |        |                            |  |
|---|------------------------------|--------|-------------------------------|--------|--------------------|--------|--------------------------------|--------|------------------------|--------|------------------------------|--------|----------------------------|--|
|   | NA Installation<br>& Service | Margin | ROW Installation<br>& Service | Margin | Global<br>Products | Margin | Segment<br>Operating<br>Income | Margin | Corporate<br>and Other | Margin | Total<br>Operating<br>Income | Margin | Interest<br>(Expense), net | Other<br>(Expense), net                                      |
|   |                              |        |                               |        |                    |        |                                |        |                        |        |                              |        | Income<br>Tax (Expense)    | Equity (loss) in earnings<br>of unconsolidated<br>subsidiary |
| Operating Income (GAAP)                     | \$85                         | 8.9%   | \$105                         | 9.8%   | \$86               | 16.6%  | \$276                          | 10.9%  | (\$48)                 | N/M    | \$228                        | 9.0%   | (\$55)                     | (\$4)  |
|   |                              |        |                               |        |                    |        |                                |        |                        |        |                              |        | (\$33)                     | (\$2)  |
| Restructuring, net                          | 7                            |        | 8                             |        | 1                  |        | 16                             |        | (2)                    |        | 14                           |        |                            | (5)  |
| (Gains) / losses on divestitures, net       |                              |        | 4                             |        |                    |        | 4                              |        | (1)                    |        | 3                            |        |                            | (1)  |
| Acquisition / integration costs             |                              |        |                               |        | 1                  |        | 1                              |        |                        |        | 1                            |        |                            |  |
| Asset impairment charges                    |                              |        | 1                             |        | 1                  |        | 2                              |        |                        |        | 2                            |        |                            |  |
| Legacy legal items                          |                              |        |                               |        |                    |        |                                |        | 20                     |        | 20                           |        |                            |  |
| Former management ERISA reversal            |                              |        |                               |        |                    |        |                                |        | (50)                   |        | (50)                         |        | 18                         |  |
| Separation costs                            |                              |        | 1                             |        |                    |        | 1                              |        | 3                      |        | 4                            |        |                            |  |
| Tax items                                   |                              |        |                               |        |                    |        |                                |        |                        |        |                              |        | 1                          |  |
| Total Before Special Items                  | \$92                         | 9.7%   | \$119                         | 11.1%  | \$89               | 17.1%  | \$300                          | 11.8%  | (\$78)                 | N/M    | \$222                        | 8.7%   | (\$55)                     | (\$4)  |
|   |                              |        |                               |        |                    |        |                                |        |                        |        |                              |        | (\$20)                     | (\$2)  |
| Anticipated dis-synergies in NA I&S segment | (9)                          |        |                               |        |                    |        | (9)                            |        |                        |        |                              |        |                            |  |
| Q2FY12 Normalized                           | \$83                         | 8.7%   | \$119                         | 11.1%  | \$89               | 17.1%  | \$291                          | 11.4%  |                        |        |                              |        |                            |  |

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

# // Non-GAAP Measures

*Organic revenue, free cash flow (outflow) (FCF), and income from continuing operations, earnings per share (EPS) from continuing operations, operating income and segment operating income, and normalized EPS, 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 from time to time 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.*

*In order to provide a more meaningful comparison of fiscal 2013 results to fiscal 2012 results, normalized EPS before special items is presented. Normalized EPS adjusts fiscal 2012 GAAP results by replacing the GAAP interest and corporate expenses reported for fiscal 2012 (on a pre-separation basis) with the interest and corporate expenses expected to be incurred in fiscal 2013 (on a post-separation basis). Normalized EPS before special items further adjusts normalized EPS for the special items described above.*

***tyco***