



Third Quarter Review

31 / July / 2015

tyco

// Forward-Looking Statements / Safe Harbor

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

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

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

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

// Productivity Initiatives Driving Strong Operational Results

// Operations at high end of guidance for the third quarter

- Segment margin* expansion improved 30bps year over year, or 90bps adjusted for Air-Pak impact and non-cash purchase accounting
- Operations contributed \$0.05 of earnings normalized for \$0.02 Air-Pak impact in the prior year

// Executed aggressive cost actions and accelerated pipeline of restructuring initiatives

- Immediate benefit for FY2015 with carry over into FY2016

**Earnings Per Share* Increased 13% Over Normalized Q3'14;
Increase of 9% Over Prior Period On Reported Basis**



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

// New Leadership Joins Installation & Services Segments



Girish Rishi




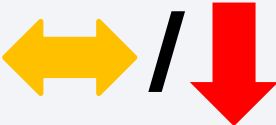


EVP, North America Installation & Services and Tyco Retail Solutions



Johan Pfeiffer

EVP, Rest of World Installation & Services

// Mixed Macro-Economic Environment

	Regional Outlook		Impact of Oil & Gas ~5% of total revenue
North America		North America I&S	<ul style="list-style-type: none"> Decline related to Western Canada region Significant decline in new O&G installation projects High margin service work down year over year
Europe		Rest of World I&S	<ul style="list-style-type: none"> Decline related to UK's North Sea region and Asia Discretionary service maintenance delays YoY decline of new O&G install projects
Australia		Global Products	<ul style="list-style-type: none"> Fire Products high hazard vertical Life Safety gas detection with O&G
Growth Markets		<p>~20% Headwind in O&G Vertical in Q3'15</p> <p>Still Expect O&G FY15 Revenue Down ~15%</p>	

// Q3 2015 Results – Financial Overview

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

	Q3FY15	Q3FY14	Change
Revenue	\$2,489	\$2,660	(6%)
Segment Operating Income before special items*	\$369	\$387	(5%)
Segment Operating Margin before special items*	14.8%	14.5%	+30bps
Corporate Expense before special items*	\$50	\$58	(14%)
Tax Rate before special items*	17.2%	16.8%	
EPS from Cont. Ops. before special items*	\$0.59	\$0.54	9%

Productivity Initiatives Driving Earnings Growth



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

// Third Quarter Highlights

// Revenue of \$2.5 billion declined 6% year over year on a reported basis, including 7% headwind from foreign currency exchange rates

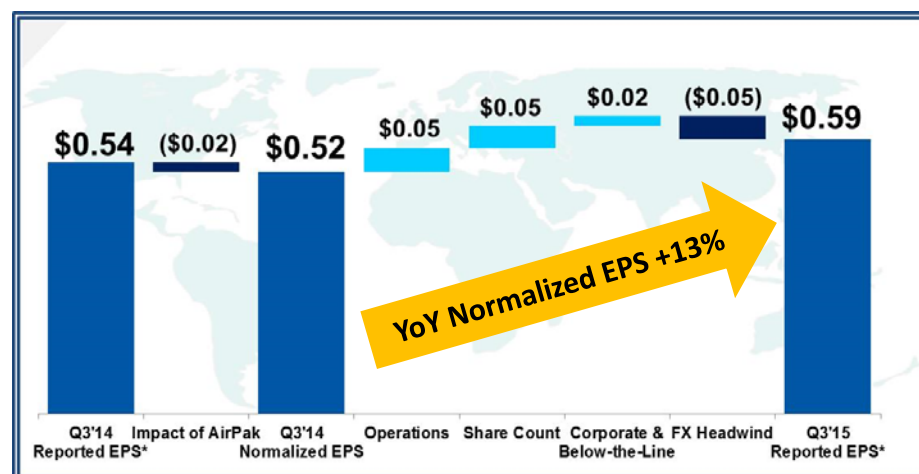
- Acquisitions contributed 2%, partially offset by 1% organic revenue decline and divestiture
- Excluding FX service +1%, installation relatively flat and products +4%

// Before special items, segment operating income* was \$369 million and the operating margin* increased 30 basis points to 14.8%

- Normalizing for prior year Air-Pak shipments (30bps) and non-cash purchase accounting related to acquisitions (30bps), underlying segment operating margin expanded +90bps

// Earnings per share before special items* increased 9% year over year

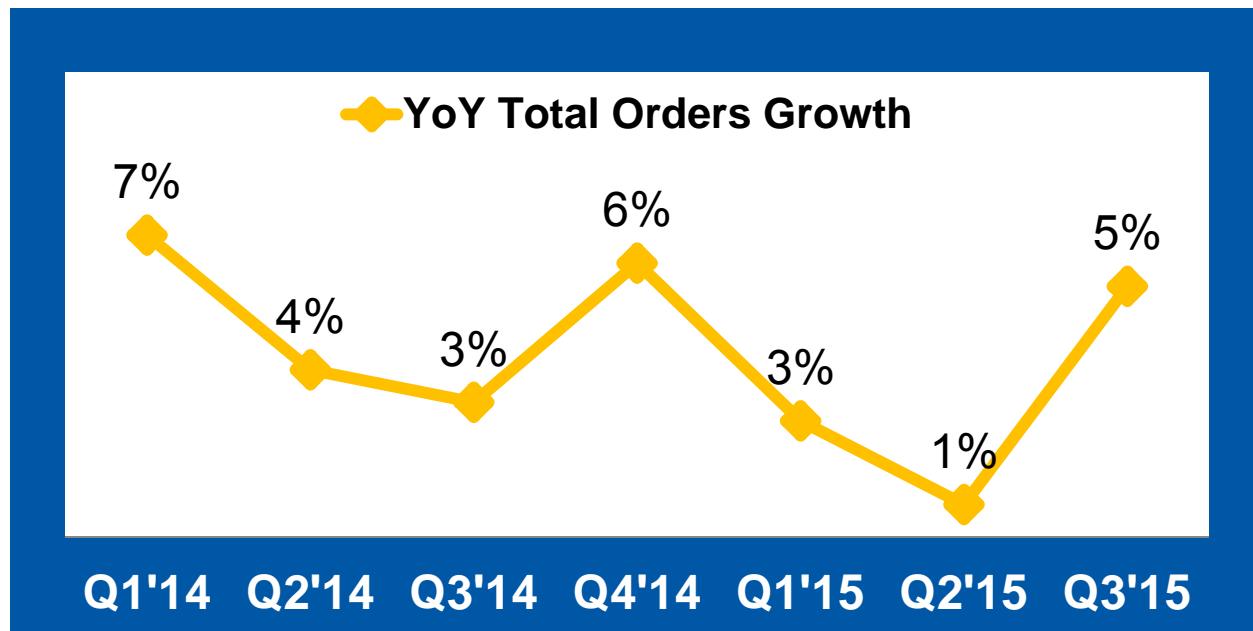
- Normalized for Air-Pak shipment increase in the prior year, earnings per share before special items* was 13%



// Third Quarter Highlights Continued

// Orders growth of 5%, excluding impact of foreign currency and divestiture

- Products +16%, Installation +3% and Service +1%



// Backlog of \$4.7 billion increased 2% on both a year over year and quarter sequential basis, excluding impact of foreign currency and divestiture

// Third Quarter – NA Installation & Services

(\$ in millions)	Q3FY15	Q3FY14	Change
Revenue	\$972	\$968	-
Operating Income*	\$157	\$134	17%
Operating Margin*	16.2%	13.8%	+240bps

// Organic revenue* increased 1%

- Installation increased 3%
- Service relatively flat

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

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

- Service orders increased 1%
- Install orders increased 6%, compared to 10% increase in the prior year

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

- Up 4% year over year

// Operating margin* increased 240 bps year over year

- Driven by increased revenue, improved execution and the benefits of restructuring, cost-containment and productivity initiatives

// Third Quarter – ROW Installation & Services

(\$ in millions)	Q3FY15	Q3FY14	Change
Revenue	\$842	\$999	(16%)
Operating Income*	\$93	\$113	(18%)
Operating Margin*	11.0%	11.3%	(30bps)

// Orders increased 1% year over year, excluding currency and divestiture

- Installation orders increased 1%
- Service orders increased 1%

// Backlog of \$1.9 billion increased 1% on a quarter sequential basis, excluding impact of foreign currency and divestiture

- Decreased 1% year over year

// Organic revenue* decreased 2%

- Service decreased 1%
- Installation decreased 3%

// Foreign currency exchange rates negatively impacted revenue by 13%. A 1% benefit from acquisitions was more than offset by 2% impact from a divestiture

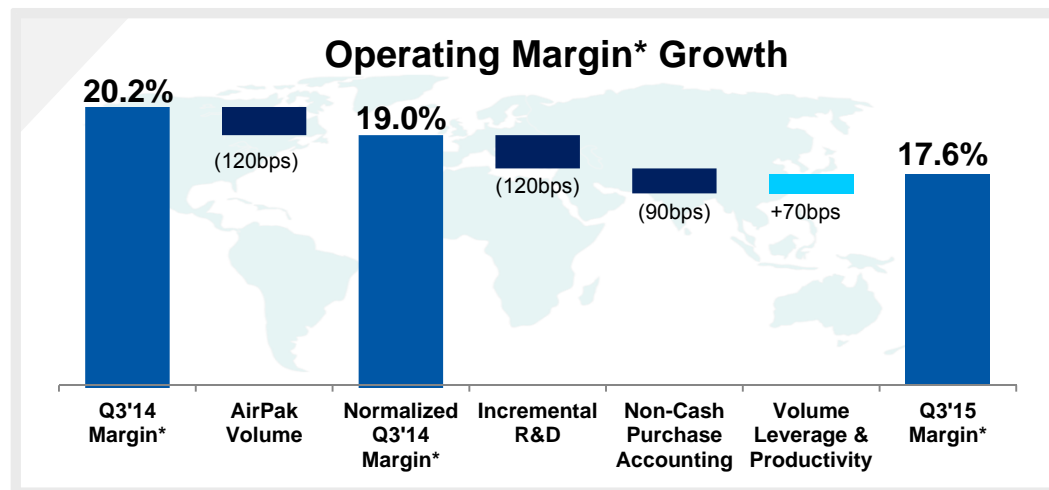
// Operating margin* decreased 30bps over year

- Benefits of ongoing productivity and restructuring were more than offset by volume de-leverage and the mix of geographies contributing to operating income

// Third Quarter – Global Products

(\$ in millions)	Q3FY15	Q3FY14	Change
Revenue	\$675	\$693	(3%)
Operating Income*	\$119	\$140	(15%)
Operating Margin*	17.6%	20.2%	(260bps)

// Orders increased 16% year over year, excluding impact of foreign currency, of which half was attributable to acquisitions



// Organic revenue* decreased 3%

- Included a 5% headwind from increased shipments of Air-Paks in the prior year
- Adjusted for Air-Pak organic revenue +2%

// Acquisition growth of 7% was offset by a 7% negative impact from foreign currency exchange rates

// Operating margin* decreased 260 bps year over year

- Productivity benefits were more than offset by the impact of the Air-Paks shipped in the prior year, non-cash purchase accounting and the timing of incremental R&D investments
- Underlying operations improved 70 bps year over year

// Other Items

// Corporate expense before special items* was \$50 million in the quarter

- **Outlook:** Expect Q4 fiscal 2015 corporate expense before special items to be ~\$55 million; expect full year corporate expense to be ~\$210 million


// Tax rate excluding special items was 17.2% for the quarter

- **Outlook:** Expect Q4 tax rate before special items to be similar; expect full year 2015 tax rate before special items to be ~16%

// Restructuring and repositioning charges year-to-date of \$169 million

- **Outlook:** Expected restructuring and repositioning expense to be ~\$225 million for the full year

// Guidance

	Q4 2015 Outlook
Revenue	~\$2.5 billion <i>~6% decline YoY on reported basis</i>
Organic Growth	Flat to (1%)
FX Headwind	~\$195 million or (7%) headwind
Net M&A Activity Incl. Divestiture	~\$40 million or +1% benefit
Segment Margin Before Special Items	~15.4% / +~120bps
EPS Before Special Items	\$0.60-\$0.62 <i>YoY increase of 7-11%</i>

Full Year 2015 Guidance Of \$2.23 - \$2.25; 12% - 13% YoY Increase

Appendix

// Foreign Exchange Rates

Top Foreign Currency Exposures

	Prior FX Rates*	Current FX Rates*	Variance
EUR/USD	1.06	1.09	+3%
GBP/USD	1.48	1.56	+5%
USD/CAD	1.25	1.30	(4%)
AUD/USD	0.76	0.74	(3%)

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

	Quarters Ended		Nine Months Ended	
	June 26, 2015	June 27, 2014	June 26, 2015	June 27, 2014
Revenue from product sales	\$ 1,511	\$ 1,620	\$ 4,457	\$ 4,550
Service revenue	978	1,040	2,940	3,079
Net revenue	2,489	2,660	7,397	7,629
Cost of product sales	1,025	1,104	3,046	3,105
Cost of services	548	571	1,645	1,721
Selling, general and administrative expenses	625	671	1,925	1,876
Separation costs	—	—	—	1
Restructuring and asset impairment charges, net	38	17	108	27
Operating income	253	297	673	899
Interest income	4	4	11	10
Interest expense	(26)	(24)	(75)	(73)
Other income (expense), net	6	—	9	(2)
Income from continuing operations before income taxes	237	277	618	834
Income tax expense	(49)	(55)	(86)	(164)
Equity income in earnings of unconsolidated subsidiaries	—	215	—	206
Income from continuing operations	188	437	532	876
(Loss) income from discontinued operations, net of income taxes	(32)	1,015	(50)	1,055
Net income	156	1,452	482	1,931
Less: noncontrolling interest in subsidiaries net income (loss)	—	2	(3)	4
Net income attributable to Tyco ordinary shareholders	\$ 156	\$ 1,450	\$ 485	\$ 1,927
Amounts attributable to Tyco ordinary shareholders:				
Income from continuing operations	\$ 188	\$ 435	\$ 535	\$ 872
(Loss) income from discontinued operations	(32)	1,015	(50)	1,055
Net income attributable to Tyco ordinary shareholders	\$ 156	\$ 1,450	\$ 485	\$ 1,927
Basic earnings per share attributable to Tyco ordinary shareholders:				
Income from continuing operations	\$ 0.45	\$ 0.95	\$ 1.27	\$ 1.89
(Loss) income from discontinued operations	(0.08)	2.22	(0.12)	2.29
Net income attributable to Tyco ordinary shareholders	\$ 0.37	\$ 3.17	\$ 1.15	\$ 4.18
Diluted earnings per share attributable to Tyco ordinary shareholders:				
Income from continuing operations	\$ 0.44	\$ 0.93	\$ 1.25	\$ 1.86
(Loss) income from discontinued operations	(0.07)	2.18	(0.11)	2.25
Net income attributable to Tyco ordinary shareholders	\$ 0.37	\$ 3.11	\$ 1.14	\$ 4.11
Weighted average number of shares outstanding:				
Basic	421	458	421	461
Diluted	427	466	427	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 filed on November 14, 2014 for the fiscal year ended September 26, 2014 and Quarterly Report on Form 10-Q filed on April 24, 2015 for the quarter ended March 27, 2015.

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

	Quarters Ended				Nine Months Ended			
	June 26, 2015		June 27, 2014		June 26, 2015		June 27, 2014	
Net Revenue								
NA Installation & Services	\$ 972		\$ 968		\$ 2,867		\$ 2,864	
ROW Installation & Services	842		999		2,605		2,902	
Global Products	675		693		1,925		1,863	
Total Net Revenue	<u>\$ 2,489</u>		<u>\$ 2,660</u>		<u>\$ 7,397</u>		<u>\$ 7,629</u>	
Operating Income and Margin								
NA Installation & Services	\$ 160	16.5%	\$ 117	12.1%	\$ 384	13.4%	\$ 333	11.6%
ROW Installation & Services	57	6.8%	102	10.2%	187	7.2%	310	10.7%
Global Products	108	16.0%	136	19.6%	316	16.4%	329	17.7%
Corporate and Other	(72)	N/M	(58)	N/M	(214)	N/M	(73)	N/M
Operating Income and Margin	<u>\$ 253</u>	10.2%	<u>\$ 297</u>	11.2%	<u>\$ 673</u>	9.1%	<u>\$ 899</u>	11.8%

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

	<u>June 26, 2015</u>	<u>September 26, 2014</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 531	\$ 892
Accounts receivable, net	1,775	1,734
Inventories	690	625
Prepaid expenses and other current assets	820	1,051
Deferred income taxes	304	304
Assets held for sale	13	180
Total Current Assets	<u>4,133</u>	<u>4,786</u>
Property, plant and equipment, net	1,215	1,262
Goodwill	4,291	4,122
Intangible assets, net	890	712
Other assets	1,191	927
Total Assets	<u>\$ 11,720</u>	<u>\$ 11,809</u>
Liabilities and Equity		
Current Liabilities:		
Loans payable and current maturities of long-term debt	\$ 277	\$ 20
Accounts payable	744	825
Accrued and other current liabilities	1,996	2,114
Deferred revenue	403	400
Liabilities held for sale	6	118
Total Current Liabilities	<u>3,426</u>	<u>3,477</u>
Long-term debt	1,744	1,443
Deferred revenue	313	335
Other liabilities	1,898	1,871
Total Liabilities	<u>7,381</u>	<u>7,126</u>
Redeemable noncontrolling interest in businesses held for sale	<u>—</u>	<u>13</u>
Total Tyco shareholders' equity	4,304	4,647
Nonredeemable noncontrolling interest	35	23
Total Equity	<u>4,339</u>	<u>4,670</u>
Total Liabilities, Redeemable Noncontrolling Interest and Equity	<u>\$ 11,720</u>	<u>\$ 11,809</u>

Note: These financial statements should be read in conjunction with the Consolidated Financial Statements and accompanying notes contained in the Company's Annual Report on Form 10-K filed on November 14, 2014 for the fiscal year ended September 26, 2014 and Quarterly Report on Form 10-Q filed on April 24, 2015 for the quarter ended March 27, 2015.

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

	For the Quarters Ended		For the Nine Months Ended	
	June 26, 2015	June 27, 2014	June 26, 2015	June 27, 2014
Cash Flows From Operating Activities:				
Net income attributable to Tyco ordinary shareholders	\$ 156	\$ 1,450	\$ 485	\$ 1,927
Noncontrolling interest in subsidiaries net income (loss)	—	2	(3)	4
Income (loss) from discontinued operations, net of income taxes	32	(1,015)	50	(1,055)
Income from continuing operations	188	437	532	876
Adjustments to reconcile net cash provided by operating activities:				
Depreciation and amortization	86	88	257	268
Non-cash compensation expense	13	17	44	48
Deferred income taxes	28	29	(1)	85
Provision for losses on accounts receivable and inventory	4	9	37	32
Legacy legal matters	—	—	—	(92)
Gains on investments	(9)	(219)	(15)	(214)
Other non-cash items	2	6	29	18
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:				
Accounts receivable, net	(126)	(77)	(104)	(41)
Contracts in progress	38	(45)	8	(50)
Inventories	(8)	10	(72)	(14)
Prepaid expenses and other assets	19	1	(25)	(39)
Accounts payable	8	64	(78)	16
Accrued and other liabilities	14	(141)	(50)	(361)
Deferred revenue	(10)	(23)	(6)	(12)
Other	2	(4)	(45)	(2)
Net cash provided by operating activities	249	152	511	518
Net cash (used in) provided by discontinued operating activities	(4)	25	(1)	102
Cash Flows From Investing Activities:				
Capital expenditures	(59)	(75)	(183)	(210)
Proceeds from disposal of assets	1	1	4	7
Acquisition of businesses, net of cash acquired	—	(9)	(525)	(63)
Acquisition of dealer generated customer accounts and bulk account purchases	(5)	(4)	(13)	(20)
Divestiture of business, net of cash divested	(1)	—	(1)	—
Sales and maturities of investments	4	142	283	283
Purchases of investments	(2)	(292)	(290)	(332)
Sale of equity investment	—	250	—	250
Decrease (increase) in restricted cash	12	(5)	(27)	1
Other	—	1	—	1
Net cash (used in) provided by investing activities	(50)	9	(752)	(83)
Net cash (used in) provided by discontinued investing activities	(22)	1,846	(37)	1,789
Cash Flows From Financing Activities:				
Proceeds from issuance of short-term debt	—	115	258	830
Repayment of short-term debt	(1)	(116)	(259)	(831)
Proceeds from issuance of long-term debt	3	—	570	—
Proceeds from exercise of share options	13	17	70	79
Dividends paid	(86)	(83)	(237)	(231)
Repurchase of ordinary shares	—	(556)	(417)	(806)
Transfer (to) from discontinued operations	(26)	1,871	(38)	1,891
Payment of contingent consideration	—	—	(23)	—
Other	(1)	—	(26)	(10)
Net cash (used in) provided by financing activities	(98)	1,248	(102)	922
Net cash provided by (used in) discontinued financing activities	26	(1,871)	38	(1,891)
Effect of currency translation on cash	(2)	8	(18)	(8)
Net increase (decrease) in cash and cash equivalents	99	1,417	(361)	1,349
Cash and cash equivalents at beginning of period	432	495	892	563
Cash and cash equivalents at end of period	\$ 531	\$ 1,912	\$ 531	\$ 1,912

Reconciliation to "Free Cash Flow":

Net cash provided by operating activities	\$	249	\$	152	\$	511	\$	518
Capital expenditures, net		(59)		(74)		(179)		(203)
Acquisition of dealer generated customer accounts and bulk account purchases		(5)		(4)		(13)		(20)
Payment of contingent consideration		1		—		(23)		—
Free Cash Flow	\$	186	\$	74	\$	296	\$	295

Reconciliation to "Adjusted Free Cash Flow":

CIT settlement	\$	—	\$	—	\$	—	\$	(17)
IRS litigation costs		—		—		—		1
Separation costs		—		27		3		71
Restructuring and repositioning costs		48		23		119		79
Environmental remediation payments		(1)		6		7		60
Legal settlements		(4)		6		(16)		6
Net asbestos payments		—		6		8		13
Tax related separation costs and other tax matters		—		147		—		149
Cash payment from ADT Resi / Pentair		—		19		1		30
Acquisition / integration costs		1		—		4		—
Special Items	\$	44	\$	234	\$	126	\$	392
Adjusted Free Cash Flow	\$	230	\$	308	\$	422	\$	687

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

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

Quarter Ended June 26, 2015

	Net Revenue for the Quarter Ended June 27, 2014	Base Year Adjustments		Adjusted Fiscal 2014 Base Revenue	Foreign Currency		Acquisitions		Organic Revenue ⁽¹⁾		Net Revenue for the Quarter Ended June 26, 2015	
		Divestitures / Other										
NA Installation & Services	\$ 968	\$ —	— %	\$ 968	\$ (12)	(1.2)%	\$ 3	0.3 %	\$ 13	1.3 %	\$ 972	0.4 %
ROW Installation & Services	999	(21)	(2.1)%	978	(126)	(12.6)%	11	1.1 %	(21)	(2.1)%	842	(15.7)%
Global Products	693	—	— %	693	(45)	(6.5)%	49	7.1 %	(22)	(3.2)%	675	(2.6)%
Total Net Revenue	\$ 2,660	\$ (21)	(0.8)%	\$ 2,639	\$ (183)	(6.9)%	\$ 63	2.4 %	\$ (30)	(1.1)%	\$ 2,489	(6.4)%

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

Nine Months Ended June 26, 2015

	Net Revenue for the Nine Months Ended June 27, 2014	Base Year Adjustments		Adjusted Fiscal 2014 Base Revenue	Foreign Currency		Acquisitions		Organic Revenue ⁽¹⁾		Net Revenue for the Nine Months Ended June 26, 2015	
		Divestitures / Other										
NA Installation & Services	\$ 2,864	\$ —	— %	\$ 2,864	\$ (33)	(1.2)%	\$ 9	0.3 %	\$ 27	0.9 %	\$ 2,867	0.1 %
ROW Installation & Services	2,902	(34)	(1.2)%	2,868	(289)	(10.0)%	44	1.5 %	(18)	(0.6)%	2,605	(10.2)%
Global Products	1,863	—	— %	1,863	(99)	(5.3)%	80	4.3 %	81	4.3 %	1,925	3.3 %
Total Net Revenue	\$ 7,629	\$ (34)	(0.4)%	\$ 7,595	\$ (421)	(5.5)%	\$ 133	1.7 %	\$ 90	1.2 %	\$ 7,397	(3.0)%

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

**Earnings Per Share Summary
(Unaudited)**

	Quarter Ended June 26, 2015	Quarter Ended June 27, 2014
Diluted EPS from Continuing Operations Attributable to Tyco Shareholders (GAAP)	\$ 0.44	\$ 0.93
<i>expense / (benefit)</i>		
Restructuring and repositioning activities	0.14	0.05
Separation costs included in SG&A	—	0.02
(Gains) / losses on divestitures, net included in SG&A	(0.01)	—
Settlement with former management	—	(0.01)
Asbestos	0.02	(0.01)
Tax items	—	0.02
Gain on sale of Atkore divestiture	—	(0.46)
Total Before Special Items	\$ 0.59	\$ 0.54

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

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

	Operating Income																		Income from Continuing Operations Attributable to Tyco Shareholder	Diluted EPS from Continuing Operations Attributable to Tyco Shareholder
	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 Income, net	Income Tax (Expense)	Equity in earnings of unconsolidated subsidiaries	Noncontrolling Interest			
Operating Income (GAAP)	\$160	16.5%	\$57	6.8%	\$108	16.0%	\$325	13.1%	(\$72)	N/M	\$253	10.2%	(\$22)	\$6	(\$49)	\$—	\$—	\$188	\$0.44	
Restructuring and repositioning activities	(3)		40		5		42		23		65				(12)			53	0.14	
(Gains) / losses on divestitures, net included in SG&A			(5)		1		(4)				(4)				1			(3)	(0.01)	
Acquisition / integration costs			1		1		2				2				(1)			1	—	
Settlement with former management									(2)		(2)				1			(1)	—	
Amortization of inventory step-up					3		3				3				(1)			2	—	
Asbestos									1		1				9			10	0.02	
Amortization of acquired backlog					1		1				1							1	—	
Total Before Special Items	\$157	16.2%	\$93	11.0%	\$119	17.6%	\$369	14.8%	(\$50)	N/M	\$319	12.8%	(\$22)	\$6	(\$52)	\$—	\$—	\$251	\$0.59	

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

Tyco International plc
For the Quarter Ended June 27, 2014
(in millions, except per share data)
(Unaudited)
expense / (benefit)

Segments						
	NA Installation & Services	ROW Installation & Services	Global Products	Segment Revenue	Corporate and Other	Total Revenue
Revenue (GAAP)	\$968	\$999	\$693	\$2,660	\$—	\$2,660

Operating Income																			
	NA Installation & Services		ROW Installation & Services		Global Products		Segment Operating Income	Corporate and Other		Total Operating Income		Interest (Expense), net	Other (Expense), net	Income Tax (Expense)	Equity in earnings of unconsolidated subsidiaries	Noncontrolling Interest	Income from Continuing Operations Attributable to Tyco Shareholder	Diluted EPS from Continuing Operations Attributable to Tyco Shareholder	
Operating Income (GAAP)	\$117	12.1 %	\$102	10.2 %	\$136	19.6 %	\$355	13.3 %	(\$58)	N/M	\$297	11.2 %	(\$20)	\$—	(\$55)	\$215	(\$2)	\$435	\$0.93
Restructuring and repositioning activities	6		11		3		20		10		30				(9)			21	0.05
Separation costs included in SG&A	11						11				11				(1)			10	0.02
Acquisition / integration costs					1		1				1							1	—
Settlement with former management									(4)		(4)				1			(3)	(0.01)
Asbestos									(6)		(6)				3			(3)	(0.01)
Tax items															9			9	0.02
Gain on sale of Atkore divestiture																(216)		(216)	(0.46)
Total Before Special Items	\$134	13.8 %	\$113	11.3 %	\$140	20.2 %	\$387	14.5 %	(\$58)	N/M	\$329	12.4 %	(\$20)	\$—	(\$52)	(\$1)	(\$2)	\$254	\$0.54

Diluted Shares Outstanding	466
Diluted Shares Outstanding - Before Special Items	466

// Non-GAAP Measures

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

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

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

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

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

// Non-GAAP Measures Continued

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

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

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

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