



Fourth Quarter Review

13 / November / 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", "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;
- 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 27, 2013, subsequent quarterly reports on Form 10-Q, and its Form 10-K for the fiscal year ended September 26, 2014 to be filed with the SEC.

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

// Significant Progress On Three Areas Of Strategic Focus

//Organic revenue* growth

- Growth accelerated to 3% from 1% last year

//M&A

- Focus on portfolio management led to strategic acquisitions and divestitures in-line with business strategy

//Continuous improvement

- Gross savings in excess of \$150 million resulted in \$65 million net benefit to the bottom line

//Strategic initiatives drove 20% growth in earnings per share* for the year

A Strong Finish To Second Year As The “New Tyco”



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

// Full Year 2014 Results – Financial Overview

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

	FY14	FY13	Change
Revenue	\$10,340	\$10,073	3%
Segment Operating Income before special items *	\$1,435	\$1,308	10%
Segment Operating Margin before special items*	13.9%	13.0%	+90bps
Corporate Expense before special items*	\$230	\$236	(2.5%)
Tax Rate before special items*	17.2%	18.4%	
EPS from Cont. Ops. before special items*	\$1.99	\$1.66	20%

Strong Operational Performance



* 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.

// Fiscal 2014 Highlights

//Revenue of \$10.3 billion with organic revenue* growth of 3%

- Products +6%, Installation +2% and Service +1%

//Segment operating margin before special items* improved 90 basis points, year over year

- Margin expansion across all three segments

//Earnings per share before special items* increased 20% over the prior year

- Led by operations which contributed \$0.20 of incremental earnings year over year

//Orders growth of 5% year over year, excluding impact of foreign currency

- NA I&S +4%, ROW I&S +3% and Global Products +7%



* Organic revenue, 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.

// Q4 2014 Results – Financial Overview

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

	Q4FY14	Q4FY13	Change
Revenue	\$2,704	\$2,610	4%
Segment Operating Income before special items*	\$383	\$365	5%
Segment Operating Margin before special items*	14.2%	14.0%	+20bps
Corporate Expense before special items*	\$63	\$63	-
Tax Rate before special items*	17.5%	20.6%	
EPS from Cont. Ops. before special items*	\$0.56	\$0.47	19%

Continuing To Execute On Our Strategic Initiatives



* 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.

// Fourth Quarter Highlights

// Revenue of \$2.7 billion increases 4% year over year

- Organic revenue* growth of 3% - Products +8%, Installation +6% and Service (2%)
- Acquisition growth of 1% was partially offset by the impact of divestitures

// Before special items, segment operating income* was \$383 million and the operating margin* was 14.2%

- Includes \$10 million charge related to a legal matter that arose in 2007 - impacted the segment operating margin* by 30 basis points

// Earnings per share before special items* increased 19% year over year

- Consisted of \$0.05 contribution from operations and \$0.04 contribution from below-the-line items, partially offset by a legal charge

// Fourth Quarter Highlights Continued

// Orders growth of 5% year over year, excluding impact of foreign currency

- Products +11%, Installation +8% and Service flat

// Backlog of \$4.9 billion increased 4% year over year and, due to normal seasonality, declined 1% on a quarter sequential basis, excluding impact of foreign currency

// Fourth Quarter – NA Installation & Services

(\$ in millions)	Q4FY14	Q4FY13	Change
Revenue	\$1,012	\$996	2%
Operating Income*	\$134	\$133	1%
Operating Margin*	13.2%	13.4%	(20bps)

// Orders increased 8% year over year, excluding currency; favorably impacted by several large orders

- Install orders were up 18%
- Service orders were flat

// Backlog of \$2.5 billion increased 1% on a quarter sequential basis, excluding the impact of foreign currency

- Up 3% year over year

// Organic revenue* up 2% year over year

- Installation grew 6%
- Service declined 2%

// Organic revenue growth impacted by re-class between install and service; adjusted for re-class:

- Install +4%
- Service relatively flat

// Operating margin* declined 20 bps year over year

- Includes a \$10 million legal charge which impacted operating margins by approximately 100 basis points

// Fourth Quarter – ROW Installation & Services

(\$ in millions)	Q4FY14	Q4FY13	Change
Revenue	\$1,011	\$987	2%
Operating Income*	\$118	\$110	7%
Operating Margin*	11.7%	11.1%	+60bps

// Organic revenue* increased 2%

- Installation grew 6%
- Service declined 2%

// A 2% benefit from acquisitions was offset by the impact of divestitures

// Orders decreased 1% year over year, excluding currency; driven by tough compare with prior year

- Service orders were flat
- Installation orders decreased 1.5%

// Backlog of \$2.2 billion decreased 3% on a quarter sequential basis, due to normal seasonality, excluding impact of foreign currency,

- Increased 6% year over year

// Operating margin* increased 60 bps year over year

- Underlying operations relatively flat as benefits of ongoing productivity were offset by the mix of businesses contributing to growth and a lower percentage of higher-margin service revenue

// Fourth Quarter – Global Products

(\$ in millions)			
	Q4FY14	Q4FY13	Change
Revenue	\$681	\$627	9%
Operating Income*	\$131	\$122	7%
Operating Margin*	19.2%	19.5%	(30bps)

// Orders increased 11% year over year, excluding impact of foreign currency

// Organic revenue* increased 8%

- Growth across all three platforms

// Acquisitions contributed one percentage point of growth

// Operating margin* declined 30 bps year over year

- Leverage from increased revenues and productivity benefits more than offset by a headwind of 220bps from timing of incremental investments in R&D and non-cash purchase accounting

// Other Items

// Corporate expense before special items* was \$63 million in the quarter and \$230 million for the year

- **Outlook:** Expect fiscal 2015 Corporate expense to be ~\$225 million

// Tax rate excluding special items was 17.5% for the quarter and 17.2% for the year

- **Outlook:** Expect Q1 and full year tax rate to be in the range of 17% to 18%

// Free cash flow for the year of \$528 million included \$473 million of cash paid for special items. Adjusted free cash flow* was \$1.0 billion

- Represents conversion rate of 109% to income from continuing operations

// Weighted average diluted share count of 447 million shares for the quarter and 463 million for the full year

- **Outlook:** Expected weighted average share count of ~427 million shares for Q1 and ~430 million for the full year

Appendix

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

	Quarters Ended		Twelve Months Ended	
	September 26, 2014	September 27, 2013	September 26, 2014	September 27, 2013
Revenue from product sales	\$ 1,668	\$ 1,536	\$ 6,221	\$ 5,855
Service revenue	1,036	1,074	4,119	4,218
Net revenue	2,704	2,610	10,340	10,073
Cost of product sales	1,145	1,034	4,253	3,990
Cost of services	577	599	2,302	2,412
Selling, general and administrative expenses	1,162	714	3,040	2,843
Separation costs	—	(1)	1	8
Restructuring and asset impairment charges, net	20	29	47	111
Operating (loss) income	(200)	235	697	709
Interest income	4	3	14	16
Interest expense	(24)	(25)	(97)	(100)
Other expense, net	1	1	(1)	(29)
(Loss) income from continuing operations before income taxes	(219)	214	613	596
Income tax benefit (expense)	140	(52)	(24)	(108)
Equity (loss) income in earnings of unconsolidated subsidiaries	—	(30)	206	(48)
(Loss) income from continuing operations	(79)	132	795	440
(Loss) income from discontinued operations, net of income taxes	(13)	31	1,044	93
Net (loss) income	(92)	163	1,839	533
Less: noncontrolling interest in subsidiaries net (loss) income	(3)	(3)	1	(3)
Net (loss) income attributable to Tyco common shareholders	\$ (89)	\$ 166	\$ 1,838	\$ 536
Amounts attributable to Tyco common shareholders:				
(Loss) income from continuing operations	\$ (76)	\$ 135	\$ 794	\$ 443
(Loss) income from discontinued operations	(13)	31	1,044	93
Net (loss) income attributable to Tyco common shareholders	<u>\$ (89)</u>	<u>\$ 166</u>	<u>\$ 1,838</u>	<u>\$ 536</u>
Basic earnings per share attributable to Tyco common shareholders:				
(Loss) income from continuing operations	\$ (0.17)	\$ 0.29	\$ 1.74	\$ 0.96
(Loss) income from discontinued operations	(0.03)	0.07	2.30	0.19
Net (loss) income attributable to Tyco common shareholders	<u>\$ (0.20)</u>	<u>\$ 0.36</u>	<u>\$ 4.04</u>	<u>\$ 1.15</u>
Diluted earnings per share attributable to Tyco common shareholders:				
(Loss) income from continuing operations	\$ (0.17)	\$ 0.29	\$ 1.71	\$ 0.94
(Loss) income from discontinued operations	(0.03)	0.06	2.26	0.20
Net (loss) income attributable to Tyco common shareholders	<u>\$ (0.20)</u>	<u>\$ 0.35</u>	<u>\$ 3.97</u>	<u>\$ 1.14</u>
Weighted average number of shares outstanding:				
Basic	438	463	455	465
Diluted	438	471	463	472

Note: These financial statements should be read in conjunction with the Consolidated Financial Statements and accompanying notes contained in the Company's Current Report on Form 8-K filed on May 16, 2014 for the fiscal year ended September 27, 2013 and Quarterly Report on Form 10-Q for the quarter ended June 27, 2014.

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

	Quarters Ended				Twelve Months Ended			
	September 26, 2014		September 27, 2013		September 26, 2014		September 27, 2013	
Net Revenue								
NA Installation & Services	\$ 1,012		\$ 996		\$ 3,876		\$ 3,891	
ROW Installation & Services	1,011		987		3,920		3,843	
Global Products	681		627		2,544		2,339	
Total Net Revenue	<u>\$ 2,704</u>		<u>\$ 2,610</u>		<u>\$ 10,340</u>		<u>\$ 10,073</u>	
Operating (Loss) Income and Margin								
NA Installation & Services	\$ 117	11.6%	\$ 113	11.3%	\$ 450	11.6%	\$ 388	10.0%
ROW Installation & Services	101	10.0%	83	8.4%	409	10.4%	333	8.7%
Global Products	129	18.9%	119	19.0%	458	18.0%	307	13.1%
Corporate and Other	(547)	N/M	(80)	N/M	(620)	N/M	(319)	N/M
Operating (Loss) Income and Margin	<u>\$ (200)</u>	N/M	<u>\$ 235</u>	9.0%	<u>\$ 697</u>	6.7%	<u>\$ 709</u>	7.0%

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

	September 26, 2014	September 27, 2013
Assets		
Current Assets:		
Cash and cash equivalents	\$ 892	\$ 563
Accounts receivable, net	1,750	1,704
Inventories	628	645
Prepaid expenses and other current assets	1,153	839
Deferred income taxes	307	250
Assets held for sale	21	856
Total Current Assets	4,751	4,857
Property, plant and equipment, net	1,269	1,284
Goodwill	4,126	4,162
Intangible assets, net	737	791
Other assets	926	1,082
Total Assets	\$ 11,809	\$ 12,176
Liabilities and Equity		
Current Liabilities:		
Loans payable and current maturities of long-term debt	\$ 20	\$ 20
Accounts payable	871	848
Accrued and other current liabilities	2,167	1,852
Deferred revenue	400	393
Liabilities held for sale	13	236
Total Current Liabilities	3,471	3,349
Long-term debt	1,443	1,443
Deferred revenue	335	370
Other liabilities	1,877	1,881
Total Liabilities	7,126	7,043
Redeemable noncontrolling interest	13	12
Total Tyco shareholders' equity	4,647	5,098
Nonredeemable noncontrolling interest	23	23
Total Equity	4,670	5,121
Total Liabilities, Redeemable Noncontrolling Interest and Equity	\$ 11,809	\$ 12,176

Note: These financial statements should be read in conjunction with the Consolidated Financial Statements and accompanying notes contained in the Company's Current Report on Form 8-K filed on May 16, 2014 for the fiscal year ended September 27, 2013 and Quarterly Report on Form 10-Q for the quarter ended June 27, 2014.

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

	For the Quarters Ended		For the Twelve Months Ended	
	September 26, 2014	September 27, 2013	September 26, 2014	September 27, 2013
Cash Flows From Operating Activities:				
Net (loss) income attributable to Tyco common shareholders	\$ (89)	\$ 166	\$ 1,838	\$ 536
Noncontrolling interest in subsidiaries net (loss) income	(3)	(3)	1	(3)
Income (loss) from discontinued operations, net of income taxes	13	(31)	(1,044)	(93)
(Loss) income from continuing operations	(79)	132	795	440
Adjustments to reconcile net cash provided by operating activities:				
Depreciation and amortization	91	98	361	382
Non-cash compensation expense	24	16	72	63
Deferred income taxes	(191)	57	(106)	5
Provision for losses on accounts receivable and inventory	13	18	44	70
Non-cash restructuring and asset impairment charges, net	1	—	2	1
Legacy legal matters	—	—	(92)	—
Loss (gain) on divestitures	—	10	(2)	20
(Gain) loss on investments	(1)	28	(215)	42
Other non-cash items	6	1	25	64
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:				
Accounts receivable, net	(54)	(43)	(93)	(75)
Contracts in progress	(49)	(7)	(98)	(20)
Inventories	—	35	(13)	(36)
Prepaid expenses and other assets	(52)	(15)	(91)	31
Accounts payable	38	32	53	(12)
Accrued and other liabilities	565	5	205	(226)
Deferred revenue	(11)	(31)	(24)	(32)
Income taxes, net	22	(36)	28	(31)
Other	(12)	34	(20)	8
Net cash provided by operating activities	311	334	831	694
Net cash (used in) provided by discontinued operating activities	(19)	39	81	156
Cash Flows From Investing Activities:				
Capital expenditures	(78)	(65)	(288)	(270)
Proceeds from disposal of assets	3	1	10	5
Acquisition of businesses, net of cash acquired	(2)	(154)	(65)	(229)
Acquisition of dealer generated customer accounts and bulk account purchases	(5)	(5)	(25)	(19)
Divestiture of business, net of cash divested	—	—	1	17
Sales and maturities of investments	—	79	283	182
Purchases of investments	(54)	(45)	(386)	(227)
Sale of equity investment	—	—	250	—
Decrease (increase) in restricted cash	2	1	3	(8)
Other	(4)	6	(4)	4
Net cash used in investing activities	(138)	(182)	(221)	(545)
Net cash (used in) provided by discontinued investing activities	—	(28)	1,789	(110)
Cash Flows From Financing Activities:				
Proceeds from issuance of short-term debt	—	95	830	475
Repayment of short-term debt	—	(114)	(831)	(505)
Proceeds from exercise of share options	12	28	91	153
Dividends paid	(80)	(74)	(311)	(288)
Repurchase of common shares by treasury	(1,027)	—	(1,833)	(300)
Purchase of noncontrolling interest	(66)	—	(66)	—
Transfer from discontinued operations	(19)	11	1,870	76
Other	(1)	5	(11)	(30)
Net cash used in financing activities	(1,181)	(49)	(261)	(419)
Net cash provided by (used in) discontinued financing activities	19	(11)	(1,870)	(76)
Effect of currency translation on cash	(12)	5	(20)	(11)
Net (decrease) increase in cash and cash equivalents	(1,020)	108	329	(311)
Less: net decrease in cash and cash equivalents related to discontinued operations	—	—	—	(30)
Cash and cash equivalents at beginning of period	1,912	455	563	844
Cash and cash equivalents at end of period	\$ 892	\$ 563	\$ 892	\$ 563

Reconciliation to "Free Cash Flow":

Net cash provided by operating activities	\$ 311	\$ 334	\$ 831	\$ 694
Capital expenditures, net	(75)	(64)	(278)	(265)
Acquisition of dealer generated customer accounts and bulk account purchases	(5)	(5)	(25)	(19)
Purchase accounting and holdback liabilities	—	5	—	(2)
Free Cash Flow	<u>\$ 231</u>	<u>\$ 270</u>	<u>\$ 528</u>	<u>\$ 408</u>

Reconciliation to "Adjusted Free Cash Flow":

CIT settlement	\$ —	\$ —	\$ (17)	\$ —
IRS litigation costs	(1)	—	—	—
Separation costs	37	20	108	188
Restructuring and repositioning costs	25	34	104	95
Environmental remediation payments	3	27	63	51
Legal settlements	—	—	6	46
Net asbestos payments (recoveries)	5	10	18	(14)
Cash payment from Covidien/TE Connectivity	—	—	149	11
Cash payment from ADT Resi/Pentair	9	—	39	—
Acquisition/integration costs	3	1	3	1
Special Items	<u>\$ 81</u>	<u>\$ 92</u>	<u>\$ 473</u>	<u>\$ 378</u>
Adjusted Free Cash Flow	<u>\$ 312</u>	<u>\$ 362</u>	<u>\$ 1,001</u>	<u>\$ 786</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)
(Unaudited)

Quarter Ended September 26, 2014

	Net Revenue for the Quarter Ended September 27, 2013	Base Year Adjustments		Adjusted Fiscal 2013 Base Revenue	Foreign Currency		Acquisitions		Organic Revenue ⁽¹⁾		Net Revenue for the Quarter Ended September 26, 2014	
		Divestitures / Other										
NA Installation & Services	\$ 996	\$ —	— %	\$ 996	\$ (5)	(0.5)%	\$ 5	0.5 %	\$ 16	1.6 %	\$ 1,012	1.6 %
ROW Installation & Services	987	(20)	(2.0)%	967	6	0.6 %	20	2.0 %	18	1.9 %	1,011	2.4 %
Global Products	627	—	— %	627	(1)	(0.2)%	7	1.1 %	48	7.7 %	681	8.6 %
Total Net Revenue	\$ 2,610	\$ (20)	(0.8)%	\$ 2,590	\$ —	— %	\$ 32	1.2%	\$ 82	3.2%	\$ 2,704	3.6%

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

Year Ended September 26, 2014

	Net Revenue for the Twelve Months Ended September 27, 2013	Base Year Adjustments		Adjusted Fiscal 2013 Base Revenue	Foreign Currency		Acquisitions		Organic Revenue ⁽¹⁾		Net Revenue for the Twelve Months Ended September 26, 2014	
		Divestitures / Other ⁽²⁾										
NA Installation & Services	\$ 3,891	\$ (42)	(1.1)%	\$ 3,849	\$ (29)	(0.7)%	\$ 19	0.5 %	\$ 37	1.0 %	\$ 3,876	(0.4)%
ROW Installation & Services	3,843	(67)	(1.7)%	3,776	(46)	(1.2)%	119	3.1 %	71	1.9 %	3,920	2.0 %
Global Products	2,339	2	0.1 %	2,341	(7)	(0.3)%	63	2.7 %	147	6.3 %	2,544	8.8 %
Total Net Revenue	\$ 10,073	\$ (107)	(1.1)%	\$ 9,966	\$ (82)	(0.8)%	\$ 201	2.0%	\$ 255	2.6%	\$ 10,340	2.7 %

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

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

**Earnings Per Share Summary
(Unaudited)**

	Quarter Ended	Year Ended	Quarter Ended	Year Ended
	Sept. 26, 2014	Sept. 26, 2014	Sept. 27, 2013	Sept. 27, 2013
Diluted EPS from Continuing Operations Attributable to Tyco Shareholders (GAAP)	\$ (0.17)	\$ 1.71	\$ 0.29	\$ 0.94
<i>expense / (benefit)</i>				
Restructuring and repositioning activities	0.05	0.14	0.06	0.21
Separation costs included in SG&A	0.02	0.08	0.02	0.10
(Gains) / losses on divestitures, net included in SG&A	—	(0.01)	0.02	0.04
Acquisition / integration costs	—	—	—	0.01
Asbestos	0.66	0.63	—	0.03
Environmental remediation	—	—	—	0.13
Tyco share of Atkore impairment	—	—	0.04	0.03
Legacy legal items	—	—	—	0.04
Loss on sale of investment	—	0.02	—	—
CIT settlement	—	(0.03)	—	—
Settlement with former management	—	(0.13)	—	—
Separation costs	—	—	—	0.02
Tax items	—	0.03	0.04	0.04
2012 Tax Sharing Agreement	—	0.01	—	0.07
Gain on sale of Atkore divestiture	—	(0.46)	—	—
Total Before Special Items	\$ 0.56	\$ 1.99	\$ 0.47	\$ 1.66

Tyco International Ltd.
For the Quarter Ended September 26, 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)	\$1,012	\$1,011	\$681	\$2,704	\$—	\$2,704

Operating Income																			
	NA Installation & Services	Margin	ROW Installation & Services	Margin	Global Products	Margin	Segment Operating Income	Margin	Corporate and Other	Margin	Total Operating Income		Interest (Expense), net	Other (Expense), net	Income Tax (Expense)	Equity in earnings of unconsolidated subsidiaries	Noncontrolling Interest	(Loss) Income from Continuing Operations Attributable to Tyco Shareholders	Diluted EPS from Continuing Operations Attributable to Tyco Shareholders
Operating Income (GAAP)	\$117	11.6%	\$101	10.0%	\$129	18.9%	\$347	12.8%	(\$547)	N/M	(\$200)	N/M	(\$20)	\$1	\$140	—	\$3	(\$76)	(\$0.17)
Restructuring and repositioning activities	6		16		1		23		13		36				(11)			25	0.05
Restructuring charges in cost of sales and SG&A					2		2				2							2	—
Separation costs included in SG&A	11						11				11				(3)			8	0.02
(Gains) / losses on divestitures, net included in SG&A															(2)			(2)	—
Acquisition / integration costs			1		(1)		—				—				(1)			(1)	—
Asbestos									467		467				(173)			294	0.66
IRS litigation costs									4		4				(2)			2	—
Tax items															(1)			(1)	—
2012 Tax Sharing Agreement														1				1	—
Total Before Special Items	\$134	13.2%	\$118	11.7%	\$131	19.2%	\$383	14.2%	(\$63)	N/M	\$320	11.8%	(\$20)	\$2	(\$53)	\$—	\$3	\$252	\$0.56

Diluted Shares Outstanding	438
Diluted Shares Outstanding - Before Special Items	447

Tyco International Ltd.
For the Year Ended September 26, 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)	\$3,876	\$3,920	\$2,544	\$10,340	\$—	\$10,340

	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								
Operating Income (GAAP)	\$450	11.6%	\$409	10.4%	\$458	18.0%	\$1,317	12.7%	(\$620)	N/M	\$697	6.7%	(\$83)	(\$1)	(\$24)	\$206	(\$1)	\$794	\$1.71
Restructuring and repositioning activities	13		31		10		54		37		91				(28)			63	0.14
Restructuring charges in cost of sales and SG&A					2		2				2							2	—
Separation costs included in SG&A	51						51		1		52				(15)			37	0.08
(Gains) / losses on divestitures, net included in SG&A				1			1		(3)		(2)				(2)			(4)	(0.01)
Acquisition / integration costs				3			3				3				(1)			2	—
Settlement with former management									(96)		(96)				37			(59)	(0.13)
Asbestos									462		462				(171)			291	0.63
IRS litigation costs									4		4				(2)			2	—
CIT settlement									(16)		(16)							(16)	(0.03)
Loss on sale of investment				7			7				7							7	0.02
Separation costs									1		1							1	—
Tax items															12			12	0.03
2012 Tax Sharing Agreement														6				6	0.01
Gain on sale of Atkore divestiture																(216)		(216)	(0.46)
Total Before Special Items	\$514	13.3%	\$451	11.5%	\$470	18.5%	\$1,435	13.9%	(\$230)	N/M	\$1,205	11.7%	(\$83)	\$5	(\$194)	(\$10)	(\$1)	\$922	\$1.99

Diluted Shares Outstanding	463
Diluted Shares Outstanding - Before Special Items	463

Tyco International Ltd.
For the Quarter Ended September 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)	\$996	\$987	\$627	\$2,610	\$—	\$2,610

Operating Income																			
	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	Income from Continuing Operations Attributable to Tyco Shareholders	Diluted EPS from Continuing Operations Attributable to Tyco Shareholders
Operating Income (GAAP)	\$113	11.3%	\$83	8.4%	\$119	19.0%	\$315	12.1%	(\$80)	N/M	\$235	9.0%	(\$22)	\$1	(\$52)	(\$30)	\$3	\$135	\$0.29
Restructuring and repositioning activities	14		12		2		28		11		39				(14)			25	0.06
Separation costs included in SG&A	9						9		5		14				(8)			6	0.02
(Gains) / losses on divestitures, net included in SG&A	(3)		13				10				10							10	0.02
Acquisition / integration costs			1		1		2				2							2	—
Asset impairment charges			1				1				1							1	—
Asbestos									2		2							2	—
Tyco share of Atkore impairment																21		21	0.04
Separation costs									(1)		(1)							(1)	—
Tax items															16			16	0.04
2012 Tax Sharing Agreement														1				1	—
Total Before Special Items	\$133	13.4%	\$110	11.1%	\$122	19.5%	\$365	14.0%	(\$63)	N/M	\$302	11.6%	(\$22)	\$2	(\$58)	(\$9)	\$3	\$218	\$0.47

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

Tyco International Ltd.
For the Year Ended September 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)	\$3,891	\$3,843	\$2,339	\$10,073	\$—	\$10,073

Operating Income																			
	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	Income from Continuing Operations Attributable to Tyco Shareholders	Diluted EPS from Continuing Operations Attributable to Tyco Shareholders
Operating Income (GAAP)	\$388	10.0%	\$333	8.7%	\$307	13.1%	\$1,028	10.2%	(\$319)	N/M	\$709	7.0%	(\$84)	(\$29)	(\$108)	(\$48)	\$3	\$443	\$0.94
Restructuring and repositioning activities	36		63		12		111		19		130				(33)			97	0.21
Separation costs included in SG&A	49						49		12		61				(13)			48	0.10
(Gains) / losses on divestitures, net included in SG&A	1		14				15		5		20				(2)			18	0.04
Acquisition / integration costs			2		2		4				4							4	0.01
Asset impairment charges			1				1				1							1	—
Asbestos									12		12							12	0.03
Environmental remediation					100		100				100				(39)			61	0.13
Tyco share of Atkore impairment																21		21	0.03
Legacy legal items									27		27				(9)			18	0.04
Separation costs									8		8							8	0.02
Tax items															22			22	0.04
2012 Tax Sharing Agreement														32				32	0.07
Total Before Special Items	\$474	12.2%	\$413	10.7%	\$421	18.0%	\$1,308	13.0%	(\$236)	N/M	\$1,072	10.6%	(\$84)	\$3	(\$182)	(\$27)	\$3	\$785	\$1.66

Diluted Shares Outstanding	472
Diluted Shares Outstanding - Before Special Items	472

// 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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