



# Fourth Quarter Review

13 / November / 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", "confident", "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.**

# // A Strong Finish to the Fiscal Year



// Solid quarter of operational execution

// Continued focus on productivity and “self-help” initiatives

- Across all businesses
- Across all global functions

// Strong EPS\* growth for both the quarter and the full year

**Earnings Per Share\* Increased 9% Year-Over-Year For The Quarter  
And 12% For The Year**



\* Earnings per share before special items is a non-GAAP measure. For a reconciliation to the most comparable GAAP measure, please see Appendix.

# // Mixed Macro-Economic Environment

	Regional Outlook		Impact of Oil & Gas <span style="border: 1px solid yellow; border-radius: 50%; padding: 2px;">~5% of total revenue</span>
North America		North America IS&S	<ul style="list-style-type: none"> <li>Decline related to Western Canada region</li> <li>Significant decline in new O&amp;G installation projects</li> <li>High margin service work down year over year</li> </ul>
Europe		Rest of World IS&S	<ul style="list-style-type: none"> <li>Decline related to UK's North Sea region and Asia</li> <li>Discretionary service maintenance delays</li> <li>YoY decline of new O&amp;G install projects</li> </ul>
Australia		Global Products	<ul style="list-style-type: none"> <li>Fire Products high hazard vertical</li> <li>Life Safety gas detection</li> </ul>
Growth Markets		<b>O&amp;G Vertical Down ~20% in Q4'15</b>	
		<b>O&amp;G FY15 Revenue Down ~15%</b>	

# // Full Year 2015 Results – Financial Overview

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

	FY15	FY14	Change
<b>Revenue</b> <i>Organic Growth*</i>	\$9,902 1%	\$10,332 3%	(4%)
<b>Segment Operating Income</b> before special items*	\$1,421	\$1,438	(1%)
<b>Segment Operating Margin</b> before special items*	14.4%	13.9%	+50bps
<b>Corporate Expense</b> before special items*	\$201	\$230	(13%)
<b>Tax Rate</b> before special items*	16.0%	17.2%	
<b>EPS from Cont. Ops.</b> before special items*	\$2.24	\$2.00	12%

## Strong Operational Performance



\* Organic 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.

# // Fiscal 2015 Highlights

//Revenue of \$9.9 billion with organic revenue\* growth of 1%

- Net impact of acquisitions and divestitures +1%
- 6% headwind from FX
- Overall revenue decline 4%

//Segment operating margin before special items\* improved 50 basis points to 14.4%

- Margin expansion led by North America Integrated Solutions & Services

//Earnings per share before special items\* increased 12% over the prior year

- Led by operations which contributed \$0.17 of incremental earnings year over year



\* 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 2015 Results – Financial Overview

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

	Q4FY15	Q4FY14	Change
<b>Revenue</b> <i>Organic Growth*</i>	\$2,505 (1%)	\$2,703 3%	(7%)
<b>Segment Operating Income</b> before special items*	\$394	\$384	3%
<b>Segment Operating Margin</b> before special items*	15.7%	14.2%	+150bps
<b>Corporate Expense</b> before special items*	\$45	\$63	(29%)
<b>Tax Rate</b> before special items*	17.4%	17.5%	
<b>EPS from Cont. Ops.</b> before special items*	\$0.61	\$0.56	9%

## Productivity Initiatives Driving Earnings Growth



\* Organic 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.

## // Fourth Quarter Highlights

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

- Organic revenue\* declined 1%
- Acquisitions contributed 2%, partially offset by 1% decline related to a divestiture
- Excluding FX service +3%, integrated solutions (3%) and products +5%

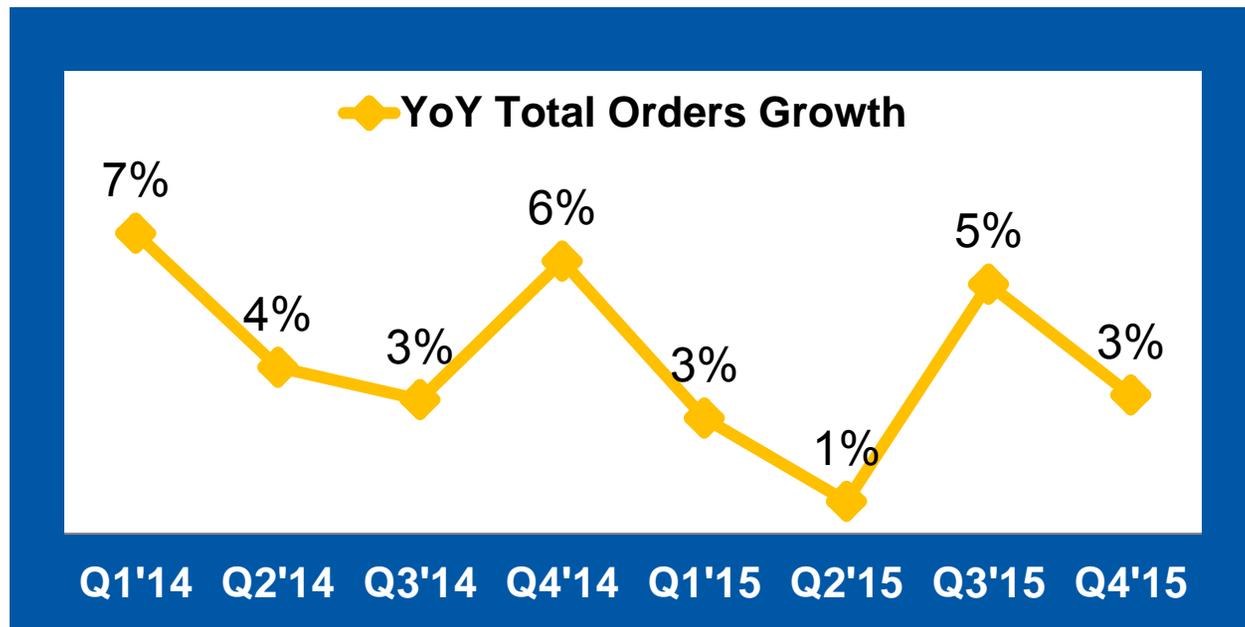
// Before special items, segment operating income\* was \$394 million and the operating margin\* increased 150 basis points to 15.7%

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

## // Fourth Quarter Highlights Continued

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

- Products +10%, Service +2% and Integrated Solutions (1%)



//Backlog of \$4.6 billion increased 3% year over year and was flat on a quarter sequential basis, excluding impact of foreign currency and divestiture

# // Fourth Quarter – NA Integrated Solutions & Services

(\$ in millions)	Q4FY15	Q4FY14	Change
<b>Revenue</b>	\$1,012	\$1,012	-
<b>Operating Income*</b>	\$180	\$134	34%
<b>Operating Margin*</b>	17.8%	13.2%	+460bps

// Orders decreased 4% year over year, excluding foreign currency

- Service orders increased 3%
- Integrated solutions orders decreased 11%, compared to 18% increase in the prior year

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

- Decreased 1% on quarter sequential basis, due to normal seasonality

// Organic revenue\* increased 2%

- Service increased 3%
- Integrated solutions increased 1%

// Foreign currency rates negatively impacted revenues by two percentage points

// Operating margin\* increased 460bps year over year

- Prior year included \$10M legal charge; benefits yoy margin expansion by ~100bps
- Current year benefited from discrete items which favorably impacted margin by ~120 basis points
- Underlying margin expansion of 240bps driven by increased revenue, improved execution and the benefits of restructuring and productivity initiatives

# // Fourth Quarter – ROW Integrated Solutions & Services

(\$ in millions)

	Q4FY15	Q4FY14	Change
<b>Revenue</b>	\$827	\$1,010	(18%)
<b>Operating Income*</b>	\$90	\$119	(24%)
<b>Operating Margin*</b>	10.9%	11.8%	(90bps)

// Orders increased 6% year over year, excluding currency and divestiture

- Service orders increased 1%
- Integrated solutions orders increased 11%, driven by several large orders

// Backlog of \$1.9 billion increased 4% on a year over year basis, excluding impact of foreign currency and a divestiture

- Increased 2% on a quarter sequential basis

// Organic revenue\* decreased 3%

- Service flat
- Integrated solutions decreased 7%

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

// Operating margin\* decreased 90bps 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

# // Fourth Quarter – Global Products

(\$ in millions)	Q4FY15	Q4FY14	Change
<b>Revenue</b>	\$666	\$681	(2%)
<b>Operating Income*</b>	\$124	\$131	(5%)
<b>Operating Margin*</b>	18.6%	19.2%	(60bps)

// Orders increased 10% year over year, excluding impact of foreign currency

- Majority of growth attributable to acquisitions

// Organic revenue\* decreased 2%

- Driven by decline in Life Safety

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

// Operating margin\* decreased 60 bps year over year

- Productivity benefits were more than offset by volume de-leverage and mix as well as 80bps impact from non-cash purchase accounting

## // Other Items

// Corporate expense before special items\* was \$45 million in the quarter and \$201 million for year

- **Outlook:** Expect fiscal 2016 corporate expense before special items to be in the range of \$205 - \$215 million

// Tax rate\* excluding special items was 17.4% for the quarter and 16.0% for year

- **Outlook:** Expect FY16 tax rate before special items to be in the range of 17% - 18%

// Adjusted FCF\* of \$339 million in quarter and \$761 million for year

- **Outlook:** Expect conversion rate on adjusted free cash flow in 2016 to be in the range of 90 - 100%

// Restructuring and repositioning charges of \$120 million in Q4 and \$289 million for year

- **Outlook:** FY16 restructuring and repositioning estimate of \$75 - \$100 million for the year with \$20 million in Q1

# // Recent Debt Refinancing

// September 2015, raised \$1.5 billion in debt:

Principal	Interest Rate and Maturity
\$750,000,000	3.9% Notes due 2026
\$750,000,000	5.125% Notes due 2045

// Proceeds of debt used to redeem several tranches of higher interest rate debt, the related make-whole payments, as well as the re-payment of debt that matured in October 2015:

## Proceeds of Debt Used

### Redeemed

- \$364 million principal 8.5% notes due in 2019
- \$242 million principal 7% notes due 2019
- \$462 million 6.875% notes due 2021

### Repaid

- \$258 million principal 3.375% notes, which became due

// Expanded the capacity under our credit facility to \$1.5 billion from \$1.0 billion and extended the term 5 years out through 2020

**Current outstanding debt is \$2.2 billion at a weighted average interest rate of 3.7%;  
2016 net interest expense expected to be ~\$80 million**

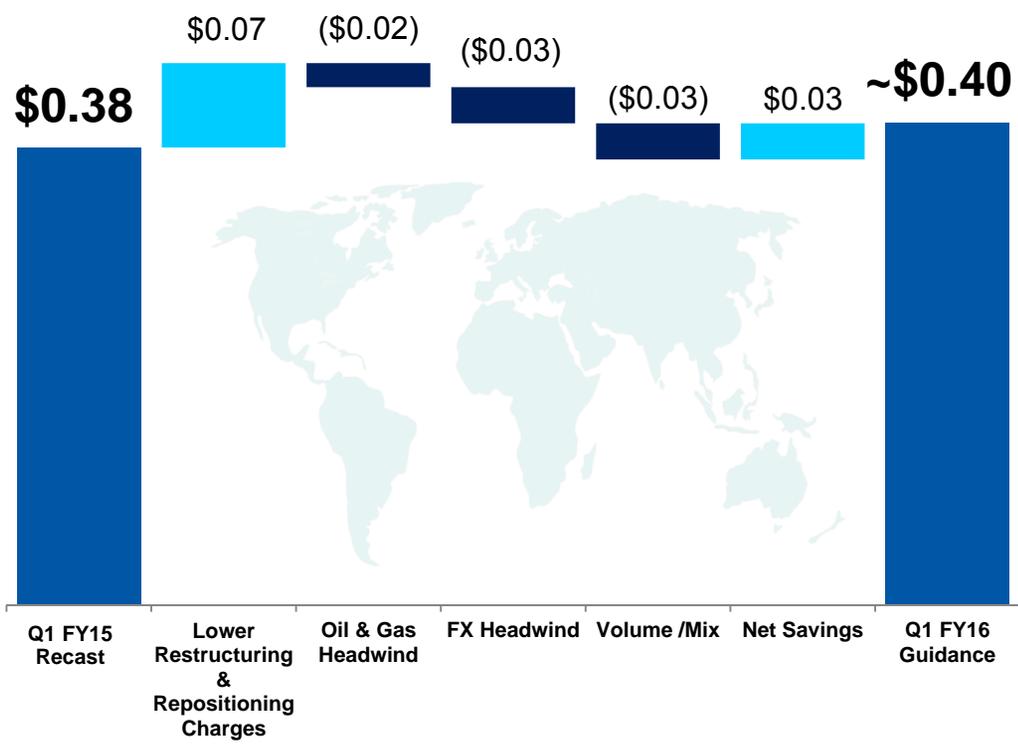
# // Guidance FY 2016

	<b>FY 2016 Outlook</b>
<b>Revenue</b>	~\$9.65 billion to \$9.85 billion <i>Decline (1%) to (3%) YoY on reported basis</i>
<b>Organic Growth</b>	Flat to +2%
<b>FX Headwind</b>	~\$310 million or (3%) headwind
<b>Net M&amp;A Activity</b> Incl. Divestiture	~\$30 million benefit
<b>Segment Margin Expansion</b> Before Special Items	+50bps to +80bps
<b>Restructuring &amp; Repositioning Charges</b>	~\$75 million to \$100 million <i>\$0.14 - \$0.19 EPS Impact</i>
<b>Weighted-Average Share Count</b>	~427 million shares
<b>EPS</b> Before Special Items	<b>\$2.05 - \$2.20</b>

**Fiscal 2015 EPS Before Special Items Of \$1.74 Has Been Recast To Include Restructuring & Repositioning Charges Of \$289 Million Or \$0.49**

# Guidance Q1 FY 2016

## EPS Bridge



Q1 2016 Outlook	
Revenue	~\$2.3 billion ~6% decline YoY on reported basis
Organic Decline	(1%) – (3%)
FX Headwind	~\$150 million (6%) headwind
Net M&A Activity Incl. Divestiture	~\$40 million benefit
Segment Margin Before Special Items	~12.8% to 13.0% includes 30bps headwind related to purchase accounting
Restructuring & Repositioning Charges	~\$20 million or \$0.04
Weighted Average Share Count	~427 million shares
<b>EPS Before Special Items</b>	<b>~\$0.40</b>

# // Tyco Appoints Robert E. Olson Executive Vice President & Chief Financial Officer as Part of Planned Transition



**Robert Olson**

*Executive Vice President &  
Chief Financial Officer*

// Mr. Olson, 56, will serve as Chief Financial Officer succeeding Arun Nayar, 65, who is retiring from the company at the end of the calendar year

// Most recently, Mr. Olson served as the Executive Vice President and Chief Financial Officer of DISH Network Corporation, a provider of satellite video services and technology, for five years

// Mr. Olson holds a Bachelor's degree in chemical engineering from the University of Alabama and a Master's degree in business administration from The University of California at Los Angeles

# Appendix

# // FY15 Recast – To Include Restructuring & Repositioning Including Tax Impact

	Q1FY15 Actual		Q2FY15 Actual		Q3FY15 Prelim		Q4FY15 Prelim		YTD FY15	
<b>Revenue</b>										
NA IS&S	951		944		972		1,012		3,879	
ROW IS&S	916		847		842		827		3,432	
Global Products	611		639		675		666		2,591	
<b>Total Revenue</b>	<b>2,478</b>		<b>2,430</b>		<b>2,489</b>		<b>2,505</b>		<b>9,902</b>	
<b>Operating Income</b>										
NA IS&S	131	13.8%	125	13.2%	157	16.2%	180	17.8%	593	15.3%
ROW IS&S	91	9.9%	90	10.6%	93	11.0%	90	10.9%	364	10.6%
Global Products	105	17.2%	116	18.2%	119	17.6%	124	18.6%	464	17.9%
<b>Segment Operating Income</b>	<b>327</b>	<b>13.2%</b>	<b>331</b>	<b>13.6%</b>	<b>369</b>	<b>14.8%</b>	<b>394</b>	<b>15.7%</b>	<b>1,421</b>	<b>14.4%</b>
Corporate	(55)		(51)		(50)		(45)		(201)	
Restructuring & Repositioning	(75)		(29)		(65)		(120)		(289)	
<b>Operating Income</b>	<b>197</b>	<b>7.9%</b>	<b>251</b>	<b>10.3%</b>	<b>254</b>	<b>10.2%</b>	<b>229</b>	<b>9.1%</b>	<b>931</b>	<b>9.4%</b>
Interest	(21)		(21)		(22)		(23)		(87)	
Other income(expense)	2		3		6		(10)		1	
Income before Tax	178		233		238		196		845	
Tax	(17)		(20)		(40)		(25)		(102)	
Tax Rate	9.6%		8.6%		16.8%		12.8%		12.1%	
Equity in earnings of consol sub	-		-		-		-		-	
Non-controlling Interest	1		2		-		(1)		2	
<b>Net Income</b>	<b>162</b>		<b>215</b>		<b>198</b>		<b>170</b>		<b>745</b>	
EPS	\$ 0.38		\$ 0.50		\$ 0.46		\$ 0.40		\$ 1.74	
Shares	427		427		427		427		427	

## // Foreign Exchange Rates – FY16 Guidance

<b>Top Foreign Currency Exposures</b>		
	<b>% of FY15 Annual Revenue</b>	<b>FX Rates*</b>
<b>EUR/USD</b>	<b>11%</b>	<b>1.09</b>
<b>GBP/USD</b>	<b>11%</b>	<b>1.53</b>
<b>USD/CAD</b>	<b>7%</b>	<b>1.32</b>
<b>AUD/USD</b>	<b>5%</b>	<b>0.71</b>

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

	Quarters Ended		Twelve Months Ended	
	September 25, 2015	September 26, 2014	September 25, 2015	September 26, 2014
Revenue from product sales	\$ 1,508	\$ 1,668	\$ 5,965	\$ 6,218
Service revenue	997	1,035	3,937	4,114
<b>Net revenue</b>	<b>2,505</b>	<b>2,703</b>	<b>9,902</b>	<b>10,332</b>
Cost of product sales	1,026	1,145	4,072	4,250
Cost of services	553	576	2,198	2,297
Selling, general and administrative expenses	648	1,161	2,573	3,037
Separation costs	—	—	—	1
Restructuring and asset impairment charges, net	67	20	175	47
<b>Operating income (loss)</b>	<b>211</b>	<b>(199)</b>	<b>884</b>	<b>700</b>
Interest income	4	4	15	14
Interest expense	(27)	(24)	(102)	(97)
Other (expense) income, net	(91)	1	(82)	(1)
<b>Income (loss) from continuing operations before income taxes</b>	<b>97</b>	<b>(218)</b>	<b>715</b>	<b>616</b>
Income tax (expense) benefit	(14)	140	(100)	(24)
Equity income in earnings of unconsolidated subsidiaries	—	—	—	206
<b>Income (loss) from continuing operations</b>	<b>83</b>	<b>(78)</b>	<b>615</b>	<b>798</b>
(Loss) income from discontinued operations, net of income taxes	(16)	(14)	(66)	1,041
<b>Net income (loss)</b>	<b>67</b>	<b>(92)</b>	<b>549</b>	<b>1,839</b>
Less: noncontrolling interest in subsidiaries net income (loss)	1	(3)	(2)	1
<b>Net income (loss) attributable to Tyco common shareholders</b>	<b>\$ 66</b>	<b>\$ (89)</b>	<b>\$ 551</b>	<b>\$ 1,838</b>
<b>Amounts attributable to Tyco common shareholders:</b>				
Income (loss) from continuing operations	\$ 82	\$ (75)	\$ 617	\$ 797
(Loss) income from discontinued operations	(16)	(14)	(66)	1,041
Net income (loss) attributable to Tyco common shareholders	\$ 66	\$ (89)	\$ 551	\$ 1,838
<b>Basic earnings per share attributable to Tyco common shareholders:</b>				
Income (loss) from continuing operations	\$ 0.19	\$ (0.17)	\$ 1.47	\$ 1.75
(Loss) income from discontinued operations	(0.03)	(0.03)	(0.16)	2.29
Net income (loss) attributable to Tyco common shareholders	\$ 0.16	\$ (0.20)	\$ 1.31	\$ 4.04
<b>Diluted earnings per share attributable to Tyco common shareholders:</b>				
Income (loss) from continuing operations	\$ 0.19	\$ (0.17)	\$ 1.44	\$ 1.72
(Loss) income from discontinued operations	(0.04)	(0.03)	(0.15)	2.25
Net income (loss) attributable to Tyco common shareholders	\$ 0.15	\$ (0.20)	\$ 1.29	\$ 3.97
<b>Weighted average number of shares outstanding:</b>				
Basic	422	438	421	455
Diluted	427	438	427	463

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 July 31, 2015 for the quarter ended June 26, 2015.

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

	Quarters Ended		Twelve Months Ended		
	September 25, 2015	September 26, 2014	September 25, 2015	September 26, 2014	
<b>Net Revenue</b>					
NA Integrated Solutions & Services	\$ 1,012	\$ 1,012	\$ 3,879	\$ 3,876	
ROW Integrated Solutions & Services	827	1,010	3,432	3,912	
Global Products	666	681	2,591	2,544	
<b>Total Net Revenue</b>	\$ 2,505	\$ 2,703	\$ 9,902	\$ 10,332	
<b>Operating Income and Margin</b>					
NA Integrated Solutions & Services	\$ 158	15.6% \$ 117	11.6% \$ 542	14.0% \$ 450	11.6%
ROW Integrated Solutions & Services	56	6.8% 102	10.1% 243	7.1% 412	10.5%
Global Products	89	13.4% 129	18.9% 405	15.6% 458	18.0%
Corporate and Other	(92)	N/M (547)	N/M (306)	N/M (620)	N/M
<b>Operating Income and Margin</b>	\$ 211	8.4% \$ (199)	N/M \$ 884	8.9% \$ 700	6.8%

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

	<u>September 25, 2015</u>	<u>September 26, 2014</u>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 1,401	\$ 892
Accounts receivable, net	1,775	1,734
Inventories	627	625
Prepaid expenses and other current assets	776	1,051
Deferred income taxes	62	304
Assets held for sale	12	180
<b>Total Current Assets</b>	4,653	4,786
Property, plant and equipment, net	1,189	1,262
Goodwill	4,236	4,122
Intangible assets, net	871	712
Other assets	1,372	927
<b>Total Assets</b>	\$ 12,321	\$ 11,809
<b>Liabilities and Equity</b>		
Current Liabilities:		
Loans payable and current maturities of long-term debt	\$ 987	\$ 20
Accounts payable	785	825
Accrued and other current liabilities	1,686	2,114
Deferred revenue	382	400
Liabilities held for sale	5	118
<b>Total Current Liabilities</b>	3,845	3,477
Long-term debt	2,159	1,443
Deferred revenue	303	335
Other liabilities	1,938	1,871
<b>Total Liabilities</b>	8,245	7,126
Redeemable noncontrolling interest in businesses held for sale	—	13
Total Tyco shareholders' equity	4,041	4,647
Nonredeemable noncontrolling interest	35	23
<b>Total Equity</b>	4,076	4,670
<b>Total Liabilities, Redeemable Noncontrolling Interest and Equity</b>	\$ 12,321	\$ 11,809

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 July 31, 2015 for the quarter ended June 26, 2015.

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

	For the Quarters Ended		For the Twelve Months Ended	
	September 25, 2015	September 26, 2014	September 25, 2015	September 26, 2014
<b>Cash Flows From Operating Activities:</b>				
Net income (loss) attributable to Tyco ordinary shareholders	\$ 66	\$ (89)	\$ 551	\$ 1,838
Noncontrolling interest in subsidiaries net income (loss)	1	(3)	(2)	1
Loss (income) from discontinued operations, net of income taxes	16	14	66	(1,041)
Income (loss) from continuing operations	83	(78)	615	798
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:				
Depreciation and amortization	85	90	342	358
Non-cash compensation expense	15	24	59	72
Deferred income taxes	21	(191)	20	(106)
Provision for losses on accounts receivable and inventory	19	13	56	45
Loss on the retirement of debt	81	—	81	—
Non-cash restructuring and asset impairment charges, net	2	2	3	2
Legacy legal matters	—	—	—	(92)
Loss (gain) on divestitures	13	—	31	(2)
Loss (gain) on sale of investments	5	(1)	(10)	(215)
Other non-cash items	7	5	16	25
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:				
Accounts receivable	(46)	(55)	(149)	(96)
Contracts in progress	—	(49)	9	(99)
Inventories	28	—	(44)	(14)
Prepaid expenses and other assets	22	31	(33)	2
Asbestos insurance assets	2	(83)	32	(93)
Accounts payable	57	38	(21)	54
Accrued and other liabilities	17	23	(19)	(327)
Deferred revenue	(26)	(11)	(32)	(23)
Gross asbestos liabilities	(323)	543	(338)	532
Income taxes, net	(22)	22	(18)	28
Other	(9)	(12)	(58)	(20)
Net cash provided by operating activities	31	311	542	829
Net cash (used in) provided by discontinued operating activities	(2)	(19)	(3)	83
<b>Cash Flows From Investing Activities:</b>				
Capital expenditures	(64)	(78)	(246)	(288)
Proceeds from disposal of assets	1	3	5	10
Acquisition of businesses, net of cash acquired	(59)	(2)	(583)	(65)
Acquisition of dealer generated customer accounts and bulk account purchases	(5)	(5)	(18)	(25)
Divestiture of businesses, net of cash divested	5	1	3	1
Sales and maturities of investments including restricted investments	5	—	288	283
Purchases of investments, including restricted investments	—	(54)	(290)	(386)
Sale of equity investment	—	—	—	250
Decrease (increase) in restricted cash	7	2	(20)	3
Other	—	(5)	(1)	(4)
Net cash used in investing activities	(110)	(138)	(862)	(221)
Net cash (used in) provided by discontinued investing activities	—	—	(37)	1,789
<b>Cash Flows From Financing Activities:</b>				
Proceeds from issuance of short-term debt	105	—	364	830
Repayment of short-term debt	(105)	—	(364)	(831)
Proceeds from issuance of long-term debt	1,490	—	2,059	—
Repayment of long-term debt	(445)	—	(445)	—
Proceeds from exercise of share options	22	12	92	91
Dividends paid	(86)	(80)	(324)	(311)
Repurchase of ordinary shares by treasury	—	(1,027)	(417)	(1,833)
Purchase of noncontrolling interest	—	(66)	—	(66)
Transfer (to) from discontinued operations	(2)	(19)	(40)	1,872
Payment of contingent consideration	(1)	—	(24)	—
Other	(15)	(1)	(39)	(11)
Net cash provided by (used in) financing activities	963	(1,181)	862	(259)
Net cash provided by (used in) discontinued financing activities	2	19	40	(1,872)
<b>Effect of currency translation on cash</b>	(14)	(12)	(33)	(20)
<b>Net increase (decrease) in cash and cash equivalents</b>	870	(1,020)	509	329
<b>Cash and cash equivalents at beginning of period</b>	531	1,912	892	563
<b>Cash and cash equivalents at end of period</b>	\$ 1,401	\$ 892	\$ 1,401	\$ 892

**Reconciliation to "Free Cash Flow":**

<b>Net cash provided by operating activities</b>	\$	31	\$	311	\$	542	\$	829
Capital expenditures, net		(62)		(75)		(241)		(278)
Acquisition of dealer generated customer accounts and bulk account purchases		(5)		(5)		(18)		(25)
Payment of contingent consideration		(2)		—		(25)		—
<b>Free Cash Flow</b>	\$	<u>(38)</u>	\$	<u>231</u>	\$	<u>258</u>	\$	<u>526</u>

**Reconciliation to "Adjusted Free Cash Flow":**

CIT settlement	\$	—	\$	—	\$	—	\$	(17)
IRS litigation costs		2		(1)		2		—
Separation costs		—		37		3		108
Restructuring and repositioning costs		46		25		165		104
Environmental remediation payments		—		3		7		63
Legal settlements		—		—		(16)		6
Net asbestos payments		328		5		336		18
Tax related separation costs and other tax matters		—		—		—		149
Cash payment to ADT Resi/Pentair		—		9		1		39
Acquisition and integration costs		1		3		5		3
<b>Special Items</b>	\$	<u>377</u>	\$	<u>81</u>	\$	<u>503</u>	\$	<u>473</u>
<b>Adjusted Free Cash Flow</b>	\$	<u>339</u>	\$	<u>312</u>	\$	<u>761</u>	\$	<u>999</u>

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 September 25, 2015**

	Net Revenue for the Quarter Ended September 26, 2014	Base Year Adjustments		Adjusted Fiscal 2014 Base Revenue	Foreign Currency		Acquisitions		Organic Revenue <sup>(1)</sup>		Net Revenue for the Quarter Ended September 25, 2015	
		Divestitures / Other										
NA Integrated Solutions & Services	\$ 1,012	\$ —	— %	\$ 1,012	\$ (19)	(1.9)%	\$ 2	0.2 %	\$ 17	1.7 %	\$ 1,012	— %
ROW Integrated Solutions & Services	1,010	(33)	(3.3)%	977	(133)	(13.2)%	16	1.6 %	(33)	(3.4)%	827	(18.1)%
Global Products	681	—	— %	681	(49)	(7.2)%	48	7.0 %	(14)	(2.1)%	666	(2.2)%
<b>Total Net Revenue</b>	<b>\$ 2,703</b>	<b>\$ (33)</b>	<b>(1.2)%</b>	<b>\$ 2,670</b>	<b>\$ (201)</b>	<b>(7.4)%</b>	<b>\$ 66</b>	<b>2.4 %</b>	<b>\$ (30)</b>	<b>(1.1)%</b>	<b>\$ 2,505</b>	<b>(7.3)%</b>

<sup>(1)</sup> Organic revenue growth percentage based on adjusted fiscal 2014 base revenue.

**Twelve Months Ended September 25, 2015**

	Net Revenue for the Twelve Months Ended September 26, 2014	Base Year Adjustments		Adjusted Fiscal 2014 Base Revenue	Foreign Currency		Acquisitions		Organic Revenue <sup>(1)</sup>		Net Revenue for the Twelve Months Ended September 25, 2015	
		Divestitures / Other										
NA Integrated Solutions & Services	\$ 3,876	\$ —	— %	\$ 3,876	\$ (52)	(1.3)%	\$ 11	0.3 %	\$ 44	1.1 %	\$ 3,879	0.1 %
ROW Integrated Solutions & Services	3,912	(67)	(1.7)%	3,845	(422)	(10.8)%	60	1.5 %	(51)	(1.3)%	3,432	(12.3)%
Global Products	2,544	—	— %	2,544	(148)	(5.8)%	128	5.0 %	67	2.6 %	2,591	1.8 %
<b>Total Net Revenue</b>	<b>\$ 10,332</b>	<b>\$ (67)</b>	<b>(0.6)%</b>	<b>\$ 10,265</b>	<b>\$ (622)</b>	<b>(6.0)%</b>	<b>\$ 199</b>	<b>1.9 %</b>	<b>\$ 60</b>	<b>0.6 %</b>	<b>\$ 9,902</b>	<b>(4.2)%</b>

<sup>(1)</sup> Organic revenue growth percentage based on adjusted fiscal 2014 base revenue.

**Earnings Per Share Summary  
(Unaudited)**

	<b>Quarter Ended September 25, 2015</b>	<b>Year Ended September 25, 2015</b>	<b>Quarter Ended September 26, 2014</b>	<b>Year Ended September 26, 2014</b>
<b>Diluted EPS from Continuing Operations Attributable to Tyco Shareholders (GAAP)</b>	<b>\$ 0.19</b>	<b>\$ 1.44</b>	<b>\$ (0.17)</b>	<b>\$ 1.72</b>
<i>expense / (benefit)</i>				
Restructuring and repositioning activities	0.21	0.49	0.05	0.14
Separation costs included in SG&A	—	—	0.02	0.08
(Gains) / losses on divestitures, net included in SG&A	0.03	0.08	—	(0.01)
Acquisition / integration costs	—	0.01	—	—
Settlement with former management	—	(0.01)	—	(0.13)
Amortization of inventory step-up	—	0.01	—	—
Asbestos	(0.02)	0.02	0.66	0.63
CIT settlement	—	—	—	(0.03)
Loss on sale of investment	—	—	—	0.02
Tax items	—	—	—	0.03
2012 Tax Sharing Agreement	—	—	—	0.01
Gain on sale of Atkore divestiture	—	—	—	(0.46)
Loss on extinguishment of debt	0.20	0.20	—	—
<b>Total Before Special Items</b>	<b>\$ 0.61</b>	<b>\$ 2.24</b>	<b>\$ 0.56</b>	<b>\$ 2.00</b>

**Tyco International plc**  
**For the Quarter Ended September 25, 2015**

(in millions, except per share data)

(Unaudited)

expense / (benefit)

Segments						
	NA Integrated Solutions & Services	ROW Integrated Solutions & Services	Global Products	Segment Revenue	Corporate and Other	Total Revenue
Revenue (GAAP)	\$1,012	\$827	\$666	\$2,505	\$—	\$2,505

Operating Income																			
	NA Integrated Solutions & Services	Margin	ROW Integrated Solutions & 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 Shareholder	Diluted EPS from Continuing Operations Attributable to Tyco Shareholder
Operating Income (GAAP)	\$158	15.6%	\$56	6.8%	\$89	13.4%	\$303	12.1%	(\$92)	N/M	\$211	8.4%	(\$23)	(\$91)	(\$14)	\$—	(\$1)	\$82	\$0.19
Restructuring and repositioning activities	21		37		18		76		43		119				(29)			90	0.21
Restructuring charges in cost of sales and SG&A	1		1		(1)		1				1				(1)			—	—
(Gains) / losses on divestitures, net included in SG&A			(4)		16		12				12							12	0.03
Acquisition / integration costs					1		1				1							1	—
Asbestos									3		3				(10)			(7)	(0.02)
IRS litigation costs									1		1				(1)			—	—
Amortization of acquired backlog					1		1				1							1	—
Loss on extinguishment of debt														81				81	0.20
<b>Total Before Special Items</b>	<b>\$180</b>	<b>17.8%</b>	<b>\$90</b>	<b>10.9%</b>	<b>\$124</b>	<b>18.6%</b>	<b>\$394</b>	<b>15.7%</b>	<b>(\$45)</b>	<b>N/M</b>	<b>\$349</b>	<b>13.9%</b>	<b>(\$23)</b>	<b>(\$10)</b>	<b>(\$55)</b>	<b>\$—</b>	<b>(\$1)</b>	<b>\$260</b>	<b>\$0.61</b>

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

**Tyco International plc**  
**For the Year Ended September 25, 2015**

(in millions, except per share data)

(Unaudited)

expense / (benefit)

Segments						
	NA Integrated Solutions & Services	ROW Integrated Solutions & Services	Global Products	Segment Revenue	Corporate and Other	Total Revenue
Revenue (GAAP)	\$3,879	\$3,432	\$2,591	\$9,902	\$—	\$9,902

Operating Income																			
	NA Integrated Solutions & Services		ROW Integrated Solutions & Services		Global Products		Segment Operating Income	Corporate and Other			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
	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin
Operating Income (GAAP)	\$542	14.0%	\$243	7.1%	\$405	15.6%	\$1,190	12.0%	(\$306)	N/M	\$884	8.9%	(\$87)	(\$82)	(\$100)	\$—	\$2	\$617	\$1.44
Restructuring and repositioning activities	48		103		34		185		103		288				(78)			210	0.49
Restructuring charges in cost of sales and SG&A	1		1		(1)		1				1				(1)			—	—
Separation costs included in SG&A	2						2				2				(1)			1	—
(Gains) / losses on divestitures, net included in SG&A			14		17		31				31				1			32	0.08
Acquisition / integration costs			2		3		5				5				(1)			4	0.01
Settlement with former management									(9)		(9)				4			(5)	(0.01)
Legacy legal items			1				1				1							1	—
Amortization of inventory step-up					4		4				4				(1)			3	0.01
Asbestos									10		10				(3)			7	0.02
IRS litigation costs									1		1				(1)			—	—
Amortization of acquired backlog					2		2				2							2	—
Loss on extinguishment of debt														81				81	0.20
2012 Tax Sharing Agreement														2				2	—
<b>Total Before Special Items</b>	<b>\$593</b>	<b>15.3%</b>	<b>\$364</b>	<b>10.6%</b>	<b>\$464</b>	<b>17.9%</b>	<b>\$1,421</b>	<b>14.4%</b>	<b>(\$201)</b>	<b>N/M</b>	<b>\$1,220</b>	<b>12.3%</b>	<b>(\$87)</b>	<b>\$1</b>	<b>(\$181)</b>	<b>\$—</b>	<b>\$2</b>	<b>\$955</b>	<b>\$2.24</b>

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

**Tyco International plc**  
**For the Quarter Ended September 26, 2014**

(in millions, except per share data)

(Unaudited)

expense / (benefit)

Segments						
	NA Integrated Solutions & Services	ROW Integrated Solutions & Services	Global Products	Segment Revenue	Corporate and Other	Total Revenue
Revenue (GAAP)	\$1,012	\$1,010	\$681	\$2,703	\$—	\$2,703

Operating Income																			
	NA Integrated Solutions & Services		ROW Integrated Solutions & 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	
	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	Margin	
Operating Income (GAAP)	\$117	11.6%	\$102	10.1%	\$129	18.9%	\$348	12.9%	(\$547)	N/M	(\$199)	N/M	(\$20)	\$1	\$140	\$—	\$3	(\$75)	(\$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	—
<b>Total Before Special Items</b>	<b>\$134</b>	<b>13.2%</b>	<b>\$119</b>	<b>11.8%</b>	<b>\$131</b>	<b>19.2%</b>	<b>\$384</b>	<b>14.2%</b>	<b>(\$63)</b>	<b>N/M</b>	<b>\$321</b>	<b>11.9%</b>	<b>(\$20)</b>	<b>\$2</b>	<b>(\$53)</b>	<b>\$—</b>	<b>\$3</b>	<b>\$253</b>	<b>\$0.56</b>

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



# // 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.*

*tyco*