



## Third Quarter Review

July 28, 2011

# Forward-Looking Statements / Safe Harbor

Certain statements in this presentation are “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. All forward-looking statements involve risks and uncertainties. All statements contained herein that are not clearly historical in nature are forward looking, and the words “anticipate,” “believe,” “expect,” “estimate,” “project”, “guidance”, “outlook” and similar expressions are generally intended to identify forward-looking statements. Any forward-looking statement contained herein, in press releases, written statements or other documents filed with the Securities and Exchange Commission (“SEC”), or in Tyco’s communications and discussions with investors and analysts in the normal course of business through meetings, webcasts, phone calls and conference calls, regarding expectations with respect to sales, earnings, cash flows, operating and tax efficiencies, product expansion, orders, backlog, the consummation and benefits of acquisitions and divestitures, as well as financings and repurchases of debt or equity securities, are subject to known and unknown risks, uncertainties and contingencies. Many of these risks, uncertainties and contingencies are beyond our control, and may cause actual results, performance or achievements to differ materially from anticipated results, performances or achievements. Factors that might affect such forward-looking statements include, among other things:

- overall economic and business conditions and overall demand for Tyco’s goods and services;
- economic conditions in the industries, end markets and regions served by our businesses, in particular our Flow Control segment;
- competitive factors in the industries in which Tyco competes;
- changes in tax requirements (including tax rate changes, new tax laws or treaties and revised tax law interpretations);
- results and consequences of Tyco’s internal investigations and governmental investigations concerning the Company’s governance, management, internal controls and operations including its business operations outside the United States;
- the outcome of litigation, arbitrations and governmental proceedings;
- effect of income tax audit settlements and appeals;
- our ability to repay or refinance our outstanding indebtedness as it matures and our ability to operate within the limitations imposed by financing arrangements and to maintain our credit ratings;
- interest rate fluctuations and other changes in borrowing costs;
- other capital market conditions, including availability of funding sources and currency exchange rate fluctuations;
- economic and political conditions in international markets, including governmental changes and restrictions on the ability to transfer capital across borders;
- the ability to achieve cost savings in connection with the company’s strategic restructuring initiatives;
- potential impairment of our goodwill and/or our long-lived assets;
- the impact of fluctuations in the price of Tyco common shares;
- risks associated with the change in our jurisdiction of incorporation from Bermuda to Switzerland, including the possibility of reduced flexibility with respect to certain aspects of capital management, increased or different regulatory burdens, and the possibility that we may not realize anticipated tax benefits;
- changes in U.S. and non-U.S. government laws and regulations; and
- 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.

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

# Q3 Highlights

- Year over year operating margin\* improvement of 170 bps to 12.1%,
  - Sequential revenue growth and operating margin improvement across all business segments
  - Steady growth in recurring revenue
- Strengthened competitive capabilities in three core platforms
  - Closed on Signature Security and KEF\*\* acquisitions
  - Announced agreement to acquire Chemguard, Inc
  - Increased investment in R&D and Sales & Marketing
- Returned excess cash to shareholders
  - Purchased 6 million shares for \$300 million
- Continued strong order growth – 7% increase year over year, excluding currency

\* Operating margin before special items is a non-GAAP measure. For a reconciliation to the most comparable GAAP measures, please see Appendix.

\*\*Closed in fiscal fourth quarter of 2011

# Order Trends Remain Strong



\* Excludes the impact of foreign currency

# Q3 2011 Results – Financial Overview

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

	Q3FY11	Q3 FY10	Change
Revenue	\$4,293	\$4,274	--
Excluding TEMP			10.5%
Operating Income before special items*	\$520	\$443	17%
Excluding TEMP			29%
Operating Margin before special items*	12.1%	10.4%	170bps
Excluding TEMP			170bps
Tax Rate	13.9%	5.8%	
EPS from Cont. Ops. before special items*	\$0.85	\$0.72	18%

- Organic revenue\* grew 4% year over year
- Year over year operating margin\* improvement was driven by organic revenue growth as well as productivity initiatives

\* Organic revenue is a non-GAAP measure. Operating income, operating margin 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 – Security Solutions

(\$ in millions)

	Q3FY11	Q3FY10	Change
Revenue	\$2,165	\$1,921	13%
Operating Income*	\$358	\$285	26%
Operating Margin*	16.5%	14.8%	170 bps

- Organic revenue\* grew 4.5%
  - Recurring revenue, which represented 57% of total revenue, grew 5% organically
  - Non-recurring revenue, which represented 43% of total revenue, grew 4% organically

- Global recurring account base grew 2% year over year to 9.0 million accounts
- ARPU of \$46.30 improved 3% year over year, excluding currency
- Worldwide attrition rate improved 20 bps year over year and remained steady sequentially at 12.7%

\* Organic revenue, operating income before special items and operating margin before special items are non-GAAP measures. For a reconciliation to the most comparable GAAP measures, please see appendix.

# Third Quarter – Security Solutions Regional Performance

## North America – Residential & Small Business

- Almost 90% of revenue was recurring which grew 5% organically\* due to a higher account base and ARPU growth
- Operating margin\* improved year over year
- Account base is now at 6.0 million, growing more than 1% with ARPU growing just over 3%, excluding the impact of foreign currency
- Attrition rate improved 20 bps year over year and 10bps sequentially to 12.8%

## North America – Commercial

- 4% organic revenue\* growth
- Orders improved 7% year over year
- About 40% of revenue was recurring

## Europe, Middle East & Africa

- Modest top-line growth
- Operating margin\* was 11.8%
- Operating margin\* benefited from restructuring and cost containment initiatives

## Asia Pacific & Latin America

- Primarily commercial
- 8% organic revenue\* growth
- Operating margin\* improved year over year

## Security Products

- 6% organic revenue\* growth
- Increase in R&D investment to provide expanded portfolio of security products

\* Organic revenue and operating margin before special items are non-GAAP measures. For a reconciliation to the most comparable GAAP measures, please see appendix.

# Third Quarter – Fire Protection

(\$ in millions)

	Q3FY11	Q3FY10	Change
Revenue	\$1,200	\$1,114	8%
Operating Income*	\$158	\$140	13%
Operating Margin*	13.2%	12.6%	60 bps

- Backlog of \$1.26B was flat on a quarter sequential basis, excluding impact of foreign currency
- Orders grew 2% year over year, excluding currency, with 5% growth in service, 9% growth in fire products and a 5% decline in systems installation due to project selectivity

- Organic revenue\* grew 5%
  - Service revenue grew 5% organically\*
  - Systems installation revenue was flat
  - Fire products grew 11% organically\*
- Year over year operating margin\* improvement driven by higher volumes in fire products businesses and an increase in service revenue in all regions

\* Organic revenue, operating income before special items and operating margin before special items are non-GAAP measures. For a reconciliation to the most comparable GAAP measures, please see appendix.



# Third Quarter – Flow Control

(\$ in millions)

	Q3FY11	Q3FY10	Change
Revenue	\$928	\$849	9%
Operating Income*	\$106	\$119	(11%)
Operating Margin*	11.4%	14.0%	(260 bps)

- Year over year decline in Operating Margin\* is attributable to lower operating margin\* in Water due to the completion of the Australian desal project earlier this year

- Organic revenue\* was slightly positive
  - Valves up 8%
  - Thermal up 23%
  - Water declined 31%
- Backlog of \$1.75B increased 4% sequentially, excluding impact of foreign currency
- Orders increased 12% year over year, excluding impact of foreign currency

\* Organic revenue, operating income before special items and operating margin before special items are non-GAAP measures. For a reconciliation to the most comparable GAAP measures, please see appendix.

# Fourth Quarter Guidance – Flow Control

(\$ in millions)	Q3FY11	Sequential Improvement	Q4 Guidance Pre Acquisition	Acquisition Impact	Q4 Guidance Post Acquisition
Revenue	\$928	\$72	\$1,000	\$30	\$1,030
Operating Income*	\$106	\$19	\$125	(\$12)**	\$113
Operating Margin*	11.4%	26.0%	12.5%		11.0%

## Flow Control Guidance for Q4

- Organic revenue growth of 6% year over year
- Valves revenue of ~\$600 million with 35% margin on incremental revenue
- Single digit operating margin in Water

\*\* Impact of the KEF acquisition is expected to have a 150 bps operating margin impact in the fourth quarter primarily due to non cash purchase accounting items

\* Organic revenue, operating income before special items and operating margin before special items are non-GAAP measures. For a reconciliation to the most comparable GAAP measures, please see appendix.

# Other Items – Corporate, Tax and Other Expense

- Corporate expense was \$102 million due to lower adjustments required for actuarial valuations and the timing of project-related expenditures
  - Outlook: expect Q4 expense to be about \$110 million bringing full year expense slightly below previous guidance of \$400 to \$420 million
- Other expense of \$3 million is comprised of \$12 million of expense related to pre-separation tax liabilities partially offset by \$9 million of income from Electrical and Metal Products
  - Outlook: expect Q4 expense of \$8 million related to Electrical and Metal Products
- Tax rate excluding special items\* was 13.9% for the quarter impacted by the timing of the resolution of certain pre-separation tax liabilities
  - Outlook: expect fourth quarter tax rate to be about 18% and full year tax rate to be approximately 16%, excluding special items\*

\* Effective tax rate before special items is a non-GAAP measure. For a reconciliation to the most comparable GAAP measure, please see appendix.

*tyco*

**APPENDIX**

# Non-GAAP Measures

*Organic revenue, free cash flow (outflow) (FCF), and income from continuing operations, earnings per share (EPS) from continuing operations, operating income, operating margin and corporate expense, 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 do not reflect the underlying results and trends (for example, revenue reclassifications). Effective the first quarter of fiscal 2011, the Company's organic growth / decline calculations incorporate an estimate of prior year reported revenue associated with acquired entities that have been fully integrated within the first year (such as Broadview Security), and exclude prior year revenues associated with entities that do not meet the criteria for discontinued operations which have been divested within the past year. The rate of organic growth or decline is calculated based on the adjusted number to better reflect the rate of growth or decline of the combined business, in the case of acquisitions, or the remaining business, in the case of dispositions. The rate of organic growth or decline for acquired businesses that are not fully integrated within the first year will continue to be based on unadjusted historical revenue. Organic revenue and the rate of organic growth or decline as presented herein may not be comparable to similarly titled measures reported by other companies.*

*Organic revenue is a useful measure of the company's performance because it excludes items that: i) are not completely under management's control, such as the impact of foreign currency exchange; or ii) do not reflect the underlying results of the company's businesses, such as acquisitions and divestitures. It may be used as a component of the company's compensation programs. The limitation of this measure is that it excludes items that have an impact on the company's revenue. This limitation is best addressed by using organic revenue in combination with the GAAP numbers. See the accompanying tables to this presentation for the reconciliation presenting the components of organic revenue.*

*FCF is a useful measure of the company's cash which is free from any significant existing obligation. 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. FCF permits management and investors to gain insight into the number that management employs to measure cash that is free from any significant existing obligation. 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,*
- accounts purchased by ADT,*
- cash paid for purchase accounting and holdback liabilities, voluntary pension contributions, and*
- the sale of accounts receivable programs.*

# Non-GAAP Measures Continued

*Capital expenditures and accounts purchased by ADT are subtracted because they represent long-term commitments. Cash paid for purchase accounting and holdback liabilities is subtracted because these cash outflows are not available for general corporate uses. Voluntary pension contributions and the impact from the sale of accounts receivable programs are added or subtracted because this activity is driven by economic financing decisions rather than operating activity.*

*The limitation associated with using FCF is that it adjusts 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. This limitation is best addressed by using FCF in combination with the GAAP cash flow numbers..*

*FCF as presented herein may not be comparable to similarly titled measures reported by other companies. The measure should be used in conjunction with other GAAP financial measures. Investors are urged to read the company's financial statements as filed with the Securities and Exchange Commission, as well as the accompanying tables to this presentation that show all the elements of the GAAP measures of Cash Flows from Operating Activities, Cash Flows from Investing Activities, Cash Flows from Financing Activities and a reconciliation of the company's total cash and cash equivalents for the period. See the accompanying tables to this presentation for a cash flow statement presented in accordance with GAAP and a reconciliation presenting the components of FCF.*

*The company has presented its income and EPS from continuing operations, operating income and margin, and its corporate expense before special items. Special items include charges and gains related to divestitures, acquisitions, restructurings, impairments, 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. 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. Operating income and margin before special items do not reflect any additional adjustments that are not reflected in income from continuing operations before special items. 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 operating income and margin and operating income and EPS from continuing operations. This limitation is 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. Tyco 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."*

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

	For the		For the	
	Quarters Ended		Nine Months Ended	
	June 24, 2011	June 25, 2010	June 24, 2011	June 25, 2010
Revenue from product sales	\$2,336	\$2,532	\$6,962	\$7,366
Service revenue	1,957	1,742	5,702	5,157
<b>Net revenue</b>	<b>4,293</b>	<b>4,274</b>	<b>12,664</b>	<b>12,523</b>
Cost of product sales	1,629	1,781	4,871	5,218
Cost of services	1,011	912	2,963	2,694
Selling, general and administrative expenses	1,143	1,163	3,365	3,380
Restructuring, asset impairments and divestiture charges (gain), net	35	43	(153)	26
<b>Operating income</b>	<b>475</b>	<b>375</b>	<b>1,618</b>	<b>1,205</b>
Interest income	8	7	26	24
Interest expense	(59)	(71)	(184)	(221)
Other expense, net	(3)	(85)	(9)	(73)
<b>Income from continuing operations before income taxes</b>	<b>421</b>	<b>226</b>	<b>1,451</b>	<b>935</b>
Income tax (expense) benefit	(58)	26	(278)	(78)
<b>Income from continuing operations</b>	<b>363</b>	<b>252</b>	<b>1,173</b>	<b>857</b>
(Loss) income from discontinued operations, net of income taxes	(5)	4	160	14
<b>Net income</b>	<b>358</b>	<b>256</b>	<b>1,333</b>	<b>871</b>
Less: noncontrolling interest in subsidiaries net (loss) income	(1)	2	—	5
<b>Net income attributable to Tyco common shareholders</b>	<b>\$359</b>	<b>\$254</b>	<b>\$1,333</b>	<b>\$866</b>
<b>Amounts attributable to Tyco common shareholders:</b>				
Income from continuing operations	\$364	\$250	\$1,173	\$852
(Loss) income from discontinued operations	(5)	4	160	14
Net income attributable to Tyco common shareholders	<u>\$359</u>	<u>\$254</u>	<u>\$1,333</u>	<u>\$866</u>
<b>Basic earnings per share attributable to Tyco common shareholders:</b>				
Income from continuing operations	\$0.78	\$0.51	\$2.46	\$1.77
(Loss) income from discontinued operations	(0.01)	0.01	0.34	0.03
Net income attributable to Tyco common shareholders	<u>\$0.77</u>	<u>\$0.52</u>	<u>\$2.80</u>	<u>\$1.80</u>
<b>Diluted earnings per share attributable to Tyco common shareholders:</b>				
Income from continuing operations	\$0.76	\$0.50	\$2.44	\$1.76
Income from discontinued operations	—	0.01	0.33	0.03
Net income attributable to Tyco common shareholders	<u>\$0.76</u>	<u>\$0.51</u>	<u>\$2.77</u>	<u>\$1.79</u>
<b>Weighted average number of shares outstanding:</b>				
Basic	468	492	476	481
Diluted	475	496	481	484

Note: These financial statements should be read in conjunction with the Consolidated Financial Statements and accompanying notes contained in the Company's Annual Report on Form 10-K for the fiscal year ended September 24, 2010 and Form 10-Q for the quarter ended March 25, 2011.

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

	Quarters Ended				Nine Months Ended			
	June 24,		June 25,		June 24,		June 25,	
	2011	2010	2011	2010	2011	2010	2011	2010
<b>NET REVENUE</b>								
Tyco Security Solutions	\$ 2,165	\$ 1,921	\$ 6,351	\$ 5,687				
Tyco Fire Protection	1,200	1,114	3,408	3,308				
Tyco Flow Control	928	849	2,558	2,505				
Electrical and Metal Products	-	390	347	1,023				
Corporate and Other	-	-	-	-				
<b>Total Net Revenue</b>	<b>\$ 4,293</b>	<b>\$ 4,274</b>	<b>\$ 12,664</b>	<b>\$ 12,523</b>				
<b>OPERATING INCOME AND MARGIN</b>								
Tyco Security Solutions	\$ 327	15.1%	\$ 231	12.0%	\$ 997	15.7%	\$ 811	14.3%
Tyco Fire Protection	146	12.2%	134	12.0%	362	10.6%	346	10.5%
Tyco Flow Control	103	11.1%	113	13.3%	289	11.3%	306	12.2%
Electrical and Metal Products	-	-	40	10.3%	7	2.0%	87	8.5%
Corporate and Other	(101)	N/M	(143)	N/M	(37)	N/M	(345)	N/M
<b>Operating Income and Margin</b>	<b>\$ 475</b>		<b>\$ 375</b>		<b>\$ 1,618</b>		<b>\$ 1,205</b>	



**Tyco International Ltd.**  
**Organic Growth Reconciliation - Revenue**  
(in millions)

Quarter Ended June 24, 2011												
Net Revenue for the Quarter Ended June 25, 2010	Base Year Adjustments				Adjusted 2010 Base Revenue	Foreign Currency				Organic Revenue*	Net Revenue for the Quarter Ended June 24, 2011	
	Acquisitions	(Divestitures)										
Tyco Security Solutions	\$ 1,921	\$ 78 4.1%	\$ (18) -0.9%		1,981	\$ 85 4.4%	\$ 10 0.5%	\$ - 0.0%		\$ 89 4.5%	\$ 2,165 12.7%	
Tyco Fire Protection	1,114	- 0.0%	(9) -0.8%		1,105	57 5.1%	- 0.0%	(18) -1.6%		56 5.1%	1,200 7.7%	
Tyco Flow Control	849	- 0.0%	(2) -0.2%		847	77 9.1%	1 0.1%	- 0.0%		3 0.4%	928 9.3%	
<b>Total before Electrical and Metal Products</b>	<b>\$ 3,884</b>	<b>\$ 78 2.0%</b>	<b>\$ (29) -0.7%</b>		<b>\$ 3,933</b>	<b>\$ 219 5.6%</b>	<b>\$ 11 0.3%</b>	<b>\$ (18) -0.5%</b>		<b>\$ 148 3.8%</b>	<b>\$ 4,293 10.5%</b>	
Electrical and Metal Products	390	- 0.0%	(390) -100.0%		-	- 0.0%	- 0.0%	- 0.0%		-	-	
<b>Total Net Revenue</b>	<b>\$ 4,274</b>	<b>\$ 78 1.8%</b>	<b>\$ (419) -9.8%</b>		<b>\$ 3,933</b>	<b>\$ 219 5.1%</b>	<b>\$ 11 0.3%</b>	<b>\$ (18) -0.4%</b>		<b>\$ 148 3.8%</b>	<b>\$ 4,293 0.4%</b>	

Nine Months Ended June 24, 2011												
Net Revenue for the Nine Months Ended June 25, 2010	Base Year Adjustments				Adjusted 2010 Base Revenue	Foreign Currency				Organic Revenue*	Net Revenue for the Nine Months Ended June 24, 2011	
	Acquisitions	(Divestitures)										
Tyco Security Solutions	\$ 5,687	\$ 355 6.2%	\$ (128) -2.3%		5,914	\$ 119 2.1%	\$ 10 0.2%	\$ - 0.0%		\$ 308 5.2%	\$ 6,351 11.7%	
Tyco Fire Protection	3,308	- 0.0%	(32) -1.0%		3,276	73 2.2%	- 0.0%	(55) -1.7%		114 3.5%	3,408 3.0%	
Tyco Flow Control	2,505	- 0.0%	(10) -0.4%		2,495	108 4.3%	6 0.2%	- 0.0%		(51) -2.0%	2,558 2.1%	
<b>Total before Electrical and Metal Products</b>	<b>\$ 11,500</b>	<b>\$ 355 3.1%</b>	<b>\$ (170) -1.5%</b>		<b>\$ 11,685</b>	<b>\$ 300 2.6%</b>	<b>\$ 16 0.1%</b>	<b>\$ (55) -0.5%</b>		<b>\$ 371 3.2%</b>	<b>\$ 12,317 7.1%</b>	
Electrical and Metal Products	1,023	- 0.0%	(726) -71.0%		297	2 0.2%	4 0.4%	- 0.0%		44 14.8%	347 -66.1%	
<b>Total Net Revenue</b>	<b>\$ 12,523</b>	<b>\$ 355 2.8%</b>	<b>\$ (896) -7.2%</b>		<b>\$ 11,982</b>	<b>\$ 302 2.4%</b>	<b>\$ 20 0.2%</b>	<b>\$ (55) -0.4%</b>		<b>\$ 415 3.5%</b>	<b>\$ 12,664 1.1%</b>	

\* Organic revenue growth percentage based on adjusted 2010 base revenue.

See "Non-GAAP Measures" for a description of the calculation methodology.

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

	<u>June 24,</u> <u>2011</u>	<u>September 24,</u> <u>2010</u>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$1,629	\$1,775
Accounts receivable, less allowance for doubtful accounts	2,470	2,493
Inventories	1,406	1,443
Prepaid expenses and other current assets	946	936
Deferred income taxes	367	382
Assets held for sale	-	324
<b>Total current assets</b>	6,818	7,353
Property, plant and equipment, net	4,007	4,156
Goodwill	9,895	9,577
Intangible assets, net	3,558	3,446
Other assets	2,699	2,596
<b>Total Assets</b>	\$26,977	\$27,128
<b>Liabilities and Equity</b>		
Current Liabilities:		
Loans payable and current maturities of long-term debt	42	536
Accounts payable	1,230	1,340
Accrued and other current liabilities	2,708	2,671
Deferred revenue	638	618
Liabilities held for sale	-	103
<b>Total current liabilities</b>	4,618	5,268
Long-term debt	4,145	3,652
Deferred revenue	1,156	1,106
Other liabilities	2,876	3,001
<b>Total Liabilities</b>	\$12,795	\$13,027
Total Tyco Shareholders' Equity	14,177	14,084
Noncontrolling interest	5	17
<b>Total Equity</b>	14,182	14,101
<b>Total Liabilities and Equity</b>	\$26,977	\$27,128

Note: These financial statements should be read in conjunction with the Consolidated Financial Statements and accompanying notes contained in the Company's Annual Report on Form 10-K for the fiscal year ended September 24, 2010, and Form 10-Q for the quarter ended March 25, 2011.

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

	For the Quarters Ended		For the Nine Months Ended	
	June 24, 2011	June 25, 2010	June 24, 2011	June 25, 2010
<b>Cash Flows From Operating Activities:</b>				
Net income attributable to Tyco common shareholders	\$359	\$254	\$1,333	\$866
Noncontrolling interest in subsidiaries net income	(1)	2	—	5
Loss (income) from discontinued operations, net of income taxes	5	(4)	(160)	(14)
Income from continuing operations	363	252	1,173	857
Adjustments to reconcile net cash provided by operating activities:				
Depreciation and amortization	331	304	976	869
Non-cash compensation expense	27	30	86	92
Deferred income taxes	(3)	(91)	119	(127)
Provision for losses on accounts receivable and inventory	13	29	61	93
Loss (gain) on divestitures	6	2	(227)	(43)
Other non-cash items	18	79	54	101
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:				
Accounts receivable, net	(140)	(65)	(183)	—
Inventories	(30)	(61)	(195)	(127)
Prepaid expenses and other current assets	(5)	(8)	(18)	12
Accounts payable	46	81	(53)	33
Accrued and other liabilities	109	193	(172)	(6)
Other	(27)	(85)	—	(87)
Net cash provided by operating activities	708	660	1,621	1,667
Net cash provided by (used in) discontinued operating activities	—	9	(9)	12
<b>Cash Flows From Investing Activities:</b>				
Capital expenditures	(187)	(180)	(548)	(512)
Proceeds from disposal of assets	2	7	7	26
Acquisition of businesses, net of cash acquired	(219)	(448)	(228)	(600)
Accounts purchased by ADT	(172)	(134)	(451)	(400)
Divestiture of businesses, net of cash divested	5	(2)	711	26
Other	(29)	5	(6)	16
Net cash used in investing activities	(600)	(752)	(515)	(1,444)
Net cash (used in) provided by discontinued investing activities	—	(4)	259	(7)
<b>Cash Flows From Financing Activities:</b>				
Proceeds from issuance of short-term debt	161	—	161	26
Repayment of short-term debt	(121)	1	(653)	(268)
Proceeds from issuance of long-term debt	—	503	497	1,001
Repayment of long-term debt	(1)	(953)	(3)	(962)
Proceeds from exercise of share options	48	24	112	33
Dividends paid	(118)	(97)	(342)	(311)
Repurchase of common shares by treasury	(300)	(276)	(1,300)	(276)
Transfer from discontinued operations	—	5	250	5
Other	(1)	(11)	9	11
Net cash used in financing activities	(332)	(804)	(1,269)	(741)
Net cash used in discontinued financing activities	—	(5)	(250)	(5)
Effect of currency translation on cash	13	(14)	27	(13)
<b>Net decrease in cash and cash equivalents</b>	(211)	(910)	(136)	(531)
<b>Decrease in cash and cash equivalents from deconsolidation of variable interest entity</b>	—	—	(10)	—
<b>Cash and cash equivalents at beginning of period</b>	1,840	2,733	1,775	2,354
<b>Cash and cash equivalents at end of period</b>	\$1,629	\$1,823	\$1,629	\$1,823
<b>Reconciliation to "Free Cash Flow":</b>				
Net cash provided by operating activities	\$708	\$660	\$1,621	\$1,667
Sale of accounts receivable	—	(1)	—	1
Capital expenditures, net	(185)	(173)	(541)	(486)
Accounts purchased by ADT	(172)	(134)	(451)	(400)
Purchase accounting and holdback liabilities	—	—	1	(3)
Voluntary pension contributions	15	—	15	—
<b>Free Cash Flow</b>	\$366	\$352	\$645	\$779

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

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**Earnings Per Share Summary**  
**(Unaudited)**

	Quarter Ended	Quarter Ended
	<u>June 24, 2011</u>	<u>June 25, 2010</u>
<b>Diluted EPS from Continuing Operations Attributable to Tyco Shareholders (GAAP)</b>	<b>\$0.76</b>	<b>\$0.50</b>
Restructuring, net	0.04	0.06
Acquisition costs	0.02	0.03
Asset impairments and (gains) / losses on divestitures, net	0.01	-
Tax items	0.02	0.13
<b>Total Before Special Items</b>	<b>\$0.85</b>	<b>\$0.72</b>

**Tyco International Ltd.**

**For the Quarter Ended June 24, 2011**

*(in millions, except per share data)*

*(Unaudited)*

	Tyco Security Solutions	Tyco Fire Protection	Tyco Flow Control	Corporate and Other	Revenue
Revenue (GAAP)	\$2,165	\$1,200	\$928	-	\$4,293

	Operating Income								Total Operating Income	Interest Expense, net	Other Expense	Income Taxes	Noncontrolling Interest	Income from Continuing Operations Attributable to Tyco Shareholders	Diluted EPS from Continuing Operations Attributable to Tyco Shareholders	
	Tyco Security Solutions	Margin	Tyco Fire Protection	Margin	Tyco Flow Control	Margin	Corporate and Other	Margin								
<b>As Reported (GAAP)</b>	\$327	15.1%	\$146	12.2%	\$103	11.1%	(\$101)	N/M	\$475	11.1%	(\$51)	(\$3)	(\$58)	\$1	\$364	\$0.76
Restructuring, net	22		2		2		3		29				(10)		19	0.04
Restructuring charges in cost of sales and SG&A			1						1				-		1	-
(Gains) / losses on divestitures, net	2		9				(5)		6				(2)		4	0.01
Acquisition costs	7				1		1		9				(2)		7	0.02
Tax items									-				7		7	0.02
<b>Total Before Special Items</b>	\$358	16.5%	\$158	13.2%	\$106	11.4%	(\$102)	N/M	\$520	12.1%	(\$51)	(\$3)	(\$65)	\$1	\$402	\$0.85

Diluted Shares Outstanding	475
Diluted Shares Outstanding - Before Special Items	475

**Tyco International Ltd.**

**For the Quarter Ended June 25, 2010**

(in millions, except per share data)  
(Unaudited)

	Tyco Security Solutions	Tyco Fire Protection	Tyco Flow Control	Safety Products	Corporate and Other	Electrical & Metal Products	Revenue
Previously Reported Revenue	\$1,824	\$822	\$849	\$389	-	\$390	\$4,274
Segment Realignment	97	292		(389)			-
<b>Recasted Revenue (GAAP)</b>	<b>\$1,921</b>	<b>\$1,114</b>	<b>\$849</b>	<b>-</b>	<b>-</b>	<b>\$390</b>	<b>\$4,274</b>

	Operating Income												Total Operating Income	Margin	Interest Expense, net	Other Income, net	Income Taxes	Noncontrolling Interest	Income from Continuing Operations Attributable to Tyco Shareholders	Diluted EPS from Continuing Operations Attributable to Tyco Shareholders
	Tyco Security Solutions	Margin	Tyco Fire Protection	Margin	Tyco Flow Control	Margin	Safety Products	Margin	Corporate and Other	Margin	Electrical & Metal Products	Margin								
<b>As Previously Reported (GAAP)</b>	\$222	12.2%	\$80	9.7%	\$113	13.3%	\$63	16.2%	(\$143)	N/M	\$40	10.3%	<b>\$375</b>	8.8%	(\$64)	(\$85)	\$26	(\$2)	<b>\$250</b>	<b>\$0.50</b>
Segment Realignment	9		54				(63)						-						-	-
<b>Recasted (GAAP)</b>	<b>\$231</b>	<b>12.0%</b>	<b>\$134</b>	<b>12.0%</b>	<b>\$113</b>	<b>13.3%</b>	<b>-</b>	<b>-</b>	<b>(\$143)</b>	<b>N/M</b>	<b>\$40</b>	<b>10.3%</b>	<b>\$375</b>	<b>8.8%</b>	<b>(\$64)</b>	<b>(\$85)</b>	<b>\$26</b>	<b>(\$2)</b>	<b>\$250</b>	<b>\$0.50</b>
Restructuring, net	27		6		6				1		2		42				(14)		28	0.06
Restructuring charges in cost of sales and SG&A											(1)		(1)						(1)	-
Acquisition costs	24												24				(9)		15	0.03
(Gains) / losses on divestitures, net	3								(2)				1						1	-
Separation Costs									2				2						2	-
Loss on extinguishment of Debt													-			87	(25)		62	0.13
<b>Total Before Special Items</b>	<b>\$285</b>	<b>14.8%</b>	<b>\$140</b>	<b>12.6%</b>	<b>\$119</b>	<b>14.0%</b>	<b>-</b>	<b>-</b>	<b>(\$142)</b>	<b>N/M</b>	<b>\$41</b>	<b>10.5%</b>	<b>\$443</b>	<b>10.4%</b>	<b>(\$64)</b>	<b>\$2</b>	<b>(\$22)</b>	<b>(\$2)</b>	<b>\$357</b>	<b>\$0.72</b>

Diluted Shares Outstanding	496
Diluted Shares Outstanding - Before Special Items	496