

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

	Quarter Ended	
	December 29, 2006	December 30, 2005
		\$
<b>Net revenue</b>	10,329	9,597
Cost of sales	6,861	6,373
Selling, general and administrative expenses	2,116	1,977
Separation costs	85	8
Restructuring, asset impairment and divestiture charges, net	90	15
<b>Operating income</b>	1,177	1,224
Interest income	41	37
Interest expense	(167)	(188)
Other income (expense), net	1	(1)
<b>Income from continuing operations before income taxes and minority interest</b>	1,052	1,072
Income taxes	(307)	(266)
Minority interest	(3)	(3)
<b>Income from continuing operations</b>	742	803
Income (loss) from discontinued operations, net of income taxes	51	(233)
<b>Income before cumulative effect of accounting change</b>	793	570
Cumulative effect of accounting change, net of income taxes	-	(14)
<b>Net income</b>	\$ 793	\$ 556
<b>Basic earnings per common share:</b>		
Income from continuing operations	\$ 0.37	\$ 0.40
Income (loss) from discontinued operations	0.03	(0.11)
Cumulative effect of accounting change	-	(0.01)
<b>Net income</b>	\$ 0.40	\$ 0.28
<b>Diluted earnings per common share:</b>		
Income from continuing operations	\$ 0.37	\$ 0.39
Income (loss) from discontinued operations	0.02	(0.11)
Cumulative effect of accounting change	-	(0.01)
<b>Net income</b>	\$ 0.39	\$ 0.27
<b>Weighted-average number of shares outstanding:</b>		
Basic	1,983	2,003
Diluted	2,034	2,109

Income Reconciliation for Diluted EPS:

Income from continuing operations	\$ 742	\$ 803
Add back of interest expense for convertible debt	5	12
Income from continuing operations, giving effect to dilutive adjustments	747	815
Income (loss) from discontinued operations	51	(233)
Cumulative effect of accounting change	-	(14)
<b>Net income, giving effect to dilutive adjustments</b>	\$ 798	\$ 568

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 29, 2006.

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

	Quarter Ended			
	December 29, 2006		December 30, 2005	
<b>NET REVENUE</b>				
Electronics	\$	3,195	\$	2,919
Fire and Security		2,976		2,793
Healthcare		2,446		2,287
Engineered Products and Services		1,712		1,598
<b>Total Net Revenue</b>	<b>\$</b>	<b>10,329</b>	<b>\$</b>	<b>9,597</b>
<b>OPERATING INCOME AND MARGIN</b>				
Electronics	\$	413	12.9%	\$ 385 13.2%
Fire and Security		267	9.0%	228 8.2%
Healthcare		515	21.1%	539 23.6%
Engineered Products and Services		177	10.3%	167 10.5%
Corporate		(195)		(95)
<b>Operating Income and Margin</b>	<b>\$</b>	<b>1,177</b>	<b>11.4%</b>	<b>\$ 1,224 12.8%</b>

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

	<u>December 29,</u> <u>2006</u>	<u>September 29,</u> <u>2006</u>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 2,598	\$ 2,910
Accounts receivable, net	7,115	7,060
Inventories	5,268	4,793
Other current assets	<u>3,865</u>	<u>4,095</u>
Total current assets	18,846	18,858
Property, plant and equipment, net	9,515	9,240
Goodwill	25,040	24,858
Intangible assets, net	5,101	5,128
Other assets	<u>5,174</u>	<u>5,638</u>
<b>Total Assets</b>	<b><u>\$ 63,676</u></b>	<b><u>\$ 63,722</u></b>
<b>Current Liabilities:</b>		
Current maturities of long-term debt	\$ 1,627	\$ 800
Accounts payable	3,467	3,526
Accrued and other current liabilities	<u>6,214</u>	<u>6,766</u>
Total current liabilities	11,308	11,092
Long-term debt	8,602	9,340
Other liabilities	<u>7,858</u>	<u>7,817</u>
<b>Total Liabilities</b>	27,768	28,249
Minority interest	37	54
Shareholders' equity	35,871	35,419
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>\$ 63,676</u></b>	<b><u>\$ 63,722</u></b>

NOTE: These financial statements should be read in conjunction with the Consolidated Financial Statements and accompanying notes contained in the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2006.

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

	Quarter Ended	
	December 29, 2006	December 30, 2005
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 793	\$ 556
(Income) loss from discontinued operations	(51)	233
Cumulative effect of accounting change	-	14
	<u>\$ 742</u>	<u>\$ 803</u>
<b>Income from continuing operations</b>		
Adjustments to reconcile net cash provided by operating activities:		
Non-cash restructuring, asset impairment and divestiture charges, net	9	19
Depreciation and amortization	528	510
Non-cash compensation expense	86	73
Deferred income taxes	115	(26)
Provision for losses on accounts receivable and inventory	78	54
Other non-cash items	10	16
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:		
Accounts receivable, net	17	92
Inventories	(460)	(274)
Accounts payable	(114)	(25)
Accrued and other liabilities	(405)	(511)
Income taxes, net	(5)	76
Other	243	(123)
	<u>844</u>	<u>684</u>
<b>Net cash provided by operating activities</b>	<u>844</u>	<u>684</u>
<b>Net cash provided by (used in) discontinued operating activities</b>	<u>8</u>	<u>(13)</u>
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures	(663)	(298)
Proceeds from disposal of assets	13	9
Acquisition of businesses, net of cash acquired	(63)	(88)
Acquisition of customer accounts (ADT dealer program)	(97)	(77)
Purchase accounting and holdback liabilities	(14)	(6)
Divestiture of businesses, net of cash retained	300	(4)
Decrease in investments	13	94
Decrease in restricted cash	15	24
Other	38	(9)
	<u>(458)</u>	<u>(355)</u>
<b>Net cash used in investing activities</b>	<u>(458)</u>	<u>(355)</u>
<b>Net cash used in discontinued investing activities</b>	<u>(1)</u>	<u>(82)</u>
<b>Cash Flows from Financing Activities:</b>		
Net repayments of debt	(6)	(9)
Proceeds from exercise of share options	120	61
Dividends paid	(199)	(200)
Repurchase of common shares by subsidiary	(660)	(216)
Transfers from (to) discontinued operations	12	(91)
Other	9	(2)
	<u>(724)</u>	<u>(457)</u>
<b>Net cash used in financing activities</b>	<u>(724)</u>	<u>(457)</u>
<b>Net cash (used in) provided by discontinued financing activities</b>	<u>(17)</u>	<u>96</u>
Effect of currency translation on cash	26	(4)
	<u>(322)</u>	<u>(131)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(322)</u>	<u>(131)</u>
Less: net decrease (increase) in cash related to discontinued operations	10	(1)
<b>Cash and cash equivalents at beginning of period</b>	<u>2,910</u>	<u>3,204</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 2,598</u>	<u>\$ 3,072</u>
<b>Reconciliation to "Free Cash Flow":</b>		
Net cash provided by operating activities	\$ 844	\$ 684
Decrease in sale of accounts receivable	2	4
Capital expenditures, net	(650)	(289)
Acquisition of customer accounts (ADT dealer program)	(97)	(77)
Purchase accounting and holdback liabilities	(14)	(6)
Voluntary pension contributions	18	-
<b>Free Cash Flow</b>	<u>\$ 103</u>	<u>\$ 316</u>

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

**TYCO INTERNATIONAL LTD.**  
**ORGANIC REVENUE GROWTH RECONCILIATION**  
(in millions)  
(Unaudited)

Quarter Ended December 29, 2006

	<u>Net Revenue</u>		<u>Foreign Currency</u>		<u>Acquisition / (Divestiture)</u>		<u>Organic Revenue Growth</u>		<u>Net Revenue for the Quarter Ended September 30, 2005</u>
Electronics	\$ 3,195	9.5%	\$ 106	3.6%	\$ 4	0.2%	\$ 166	5.7%	\$ 2,919
Fire and Security	2,976	6.6%	78	2.8%	(15)	-0.5%	120	4.3%	2,793
Healthcare	2,446	7.0%	45	2.0%	(2)	-0.1%	116	5.1%	2,287
Engineered Products and Services	1,712	7.1%	50	3.1%	1	0.1%	63	3.9%	1,598
<b>Total Net Revenue</b>	<b>\$ 10,329</b>	<b>7.6%</b>	<b>\$ 279</b>	<b>2.9%</b>	<b>\$ (12)</b>	<b>-0.2%</b>	<b>\$ 465</b>	<b>4.9%</b>	<b>\$ 9,597</b>

NOTE: Organic revenue growth is a non-GAAP measure. See description of non-GAAP measures contained in this release.

**TYCO INTERNATIONAL LTD.**  
**DEBT RECONCILIATION**  
**(in millions)**  
**(Unaudited)**

	<u>Quarter Ended</u> <u>December 29, 2006</u>
Total debt at beginning of period	\$ 10,140
Debt repayments	(6)
Currency translation	75
Other	20
<b>Total debt at end of period</b>	<u><u>\$ 10,229</u></u>

TYCO INTERNATIONAL LTD.  
EARNINGS PER SHARE SUMMARY  
(UNAUDITED)

Quarter Ended  
December 29, 2006

<b>Diluted EPS from Continuing Operations (GAAP)</b>	<b>\$0.37</b>
Restructuring, Asset Impairment and Divestiture Charges, net	0.03
Restructuring Charges in Cost of Sales	-
In-Process Research and Development	-
Separation Costs	0.05
Tax Matters	-