

TYCO SETTLEMENT ANNOUNCEMENT

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Tyco International Agrees to Settlement Valued at \$3 Billion – Largest Securities Class Action Settlement on Record by a Corporate Defendant

Tyco will pay \$2.975 billion (plus interest) and assign claims against former auditor PricewaterhouseCoopers; shareholders' suit to proceed against PwC

CONCORD, NH (May 15, 2007) - **Tyco International Ltd.** has agreed to immediately fund \$2.975 billion in cash to settle securities and accounting fraud claims relating to the **Dennis Kozlowski** era. Those claims are pending in U.S. District Court for the District of New Hampshire before Judge Paul Barbadoro.

The settlement specifically excludes Tyco's former auditor **PricewaterhouseCoopers**. By the time the settlement is presented to the Court for final distribution, it will exceed \$3 billion in value, including interest.

The settlement, reached after five years of hard-fought litigation and extensive mediation, represents the single largest payment from any corporate defendant in the history of securities class action litigation. It covers investors who purchased or acquired Tyco securities from December 13, 1999 through June 7, 2002.

As part of the settlement, Tyco has agreed to assign the claims it has against PwC related to the accounting fraud to the Class, which intends to vigorously pursue both its own claims and the assigned claims.

As Tyco's auditor, PwC was in a unique position to uncover the fraud and to prevent damages to Tyco's shareholders. Instead, PwC is alleged to have failed in its duties as a corporate watchdog. In addition, as Tyco already has its own claims being pursued against certain individual defendants, the Class has assigned its claims against Mr. Kozlowski, Tyco's former chief executive, along with **Mark Swartz**, the company's former chief financial officer, and former board director **Frank Walsh**, in exchange for receiving a 50% interest in any net recoveries achieved against these non-settling defendants.

Tyco is alleged to have overstated its income during the Class Period by \$5.8 billion. Defendants Kozlowski and Swartz were sentenced to up to 25 years in prison after being convicted of grand larceny, falsification of business records and conspiracy for their roles

in the alleged scheme to defraud investors. Both men are currently in prison. Defendant Walsh has also pled guilty to committing fraud.

The Class is represented by co-lead counsel, **Schiffrin Barroway Topaz & Kessler, LLP; Grant & Eisenhofer P.A.;** and **Milberg Weiss & Bershad LLP.**

“This is a settlement of historic proportions for the investors who suffered significant financial losses and it also sends a strong message to those who would engage in this type of misconduct in the future,” said **Richard Schiffrin** of Schiffrin Barroway.

Jay Eisenhofer, managing partner of Grant & Eisenhofer, added that, “This is a fantastic resolution and closes a chapter on one of the largest and most appalling examples of corporate fraud in U.S. history.”

A group of trade unions and public pension funds served as class representatives certified by the Court. Lead plaintiffs include the **United Association General Officers Pension Plan, United Association Office Employees Pension Plan, United Association of Local Union Offices & Employees Pension Fund, Plumbers and Pipefitters National Pension Fund, Teachers Retirement System of Louisiana and Louisiana State Employees Retirement System.**

The case caption is: *In re: Tyco International, Ltd. Multidistrict Litigation*